



FEBRUARY 2003

MODIFICATION REPORT
MODIFICATION PROPOSAL P106 –
Ammendment to the BSC to allow
multiple Supplier Ids

Prepared by ELEXON on behalf of the Balancing
and Settlement Code Panel

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I DOCUMENT CONTROL

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b Distribution

Name	Organisation
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Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	energywatch
Core Industry Document Owners	Various

c References

Ref.	Document	Owner	Issue Date	Version
1.	Modification Proposal P106	BGT	25/10/02	0.3
2.	Modification P106 Initial Written Assessment	ELEXON	08/11/02	0.3
3.	P106 Requirements Specification	ELEXON	09/12/02	0.3
4.	Modification P106 Assessment Report	ELEXON	03/02/03	0.3

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1 SUMMARY AND RECOMMENDATIONS

1.1 Recommendation

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal during the Modification Procedure, and the resultant findings of this report, the BSC Panel recommends that:

- **The Proposed Modification P106 should be made;**
- **The Implementation Date should be;**
 - **24 June 2003 if a decision is received prior to 23 April 2003; or**
 - **4 November 2003 if a decision is received on or after 23 April 2003 and prior to 2 September 2003.**

1.2 Background

Modification Proposal P106 'Amendment to the BSC to allow multiple Supplier Ids' (P106) proposes to amend the Balancing and Settlement Code ('the Code') to allow Parties to have more than one Supplier Id per Party. The rationale for raising P106, as identified in the Initial Assessment, was that the Code is not specific in this area, as it does not explicitly forbid multiple Supplier Ids, but could be interpreted as implying a single Supplier Id per Party.

A Supplier Id takes the form of a four-character identifier (e.g. 'SEEB' for Seaboard Energy Ltd)¹. This data item is used to identify a particular Supplier in the systems operated by Supplier Meter Registration Agents and other Supplier volume Allocation (SVA) participants. It should be noted that this Supplier Id is not the same as the Party Id used to identify Parties in the BSC Systems, as it is a level below Party Id. For example:

- British Gas Trading Limited has a single Party ('BRITGAS') which is used to identify that company in the BSC Systems. The Code does not allow a Party to have more than one Party Id², and P106 does not propose to change this.
- Certain Suppliers do use more than one Supplier Id. British Gas Trading Limited, for example, uses Supplier Ids 'BGAS' and 'ENRD'.

1.3 Rationale for Recommendations

The Balancing and Settlement Code Panel (the Panel) supported the rationale for the recommendations made by the Volume Allocation Standing Group VASMG which noted that current business practices require the provision for multiple Supplier Ids in the particular case of trade sales and mergers and to a lesser extent where additional Supplier Ids are required for a Suppliers own internal business use.

¹ Information in this modification report relating to the Party Ids and Supplier Ids of specific Parties is derived from the registration data published on the ELEXON Website (www.elexon.co.uk).

² Modification Proposal P57, raised by British Gas Trading Limited on 3 December 2001, proposed to relax this rule. However, Ofgem decided (on 12 June 2002) that this change should not be made.

Including this provision within the Code will allow more efficient implementation of the balancing and settlement arrangements, therefore better facilitating Applicable BSC Objective (d).

The VASMG concluded that the provision of multiple Supplier Ids is the only way of implementing a trade sale or merger in a timely manner. Allowing this would therefore better facilitate the achievement of Applicable BSC Objective (c); i.e. to improve competition in the supply and generation of electricity. Conversely, the Panel considered prohibiting Parties from having multiple Supplier Ids would represent a barrier to competition in the supply and generation of electricity.

In the case where multiple Supplier Ids are required for a Suppliers own internal business use, the VASMG noted that the costs associated with additional Supplier Ids are potentially more of an issue, as the number of additional Ids could be higher than those required for a trade sale or merger.

However, the VASMG agreed that as possible enhancements to BSC Systems in support of multiple Supplier Ids are not initially required, the costs of implementing the solution for P106 are minimal. This would therefore allow Parties some flexibility in the use of Supplier Ids, which would further promote competition, BSC Objective (c).

11 responses to the draft Modification Report consultation were received. 10 responses (44 Parties) supported the Panel's recommendations and 1 (2 Parties) provided no comment. No new issues were raised. A summary of the responses received is given in section 8.

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd, on behalf of the Panel, in accordance with the terms of the Code. The Code is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

This Modification Report is addressed and furnished to the Gas and Electricity Markets Authority ('the Authority') and none of the facts, opinions or statements contained herein may be relied upon by any other person.

An electronic copy of this document can be found on the BSC Website, at www.elexon.co.uk

3 HISTORY OF PROPOSED MODIFICATION

P106 was raised by British Gas Trading on 25 October 2002, and the Initial Written Assessment was considered by the Panel at its meeting of 14 November 2002. The Panel agreed to submit P106 to a 3 month Assessment Procedure to be conducted by the Volume Allocation Standing Modification Group (VASMG).

During the Assessment of P106 the VASMG met three times, on 20 November 2002, 20 December 2002 and 29 January 2003 to assess P106 against the Applicable BSC Objectives identified, consider the issues, identify potential solutions, consider consultation responses and impact assessment and to agree the recommendations to be made to the Panel in respect of P106.

To assist in the assessment of P106:

- A requirement specification detailing the solution proposed by the VASMG was produced on 9 December 2002;

- A request for a high level impact assessment, based on the requirements specification was issued to BSC Agents and Parties on 9 December 2002, with responses received by 16 December 2002; and
- Based on the results of the impact assessment and the discussions of the VASMG, a consultation was issued on 14 January 2003, with responses received by 24 January 2003.

The Assessment Report for P106 was produced and submitted for consideration at the Panel meeting on 13 February 2003. The Panel agreed with the recommendations of the VASMG and submitted P106 to the Report Phase with a draft report to be considered at their meeting on 13 March 2003. The Panel recommended that the Proposed Modification should be made with an Implementation Date of:

- 24 June 2003 if a decision is received by the Authority prior to 23 April 2003; or
- 4 November 2003 if a decision is received by the Authority on or after 23 April 2003 and prior to 2 September 2003.

[The draft Modification Report was issued for consultation and presented to the Panel meeting on 13 March 2003 and at this meeting the Panel confirmed, taking account of the consultation responses, that the recommendation to the Authority would be that the Modification should be made.]

4 DESCRIPTION OF PROPOSED MODIFICATION

P106 seeks to address lack of clarity in the Code in relation to the use of multiple Supplier Ids. It is proposed that allowing the use of multiple Supplier Ids will enable Suppliers to deal with mergers and take-overs in a more efficient manner than the current Change of Supplier processes. The proposal also seeks to provide a mechanism for Suppliers to manage their internal business requirements by the use of a limited set of multiple Supplier Ids.

The Panel concluded that the Code should be amended to allow Parties to have more than a single Supplier Id. Furthermore, the Panel recommends that the Code should provide for an unlimited number of Supplier Ids in the case of a trade sales or mergers but to limit Supplier Ids to a maximum of 2 where they are requested for Suppliers own internal business use.

The estimated ELEXON effort for the Proposed Modification is 35 man-days. No further implementation costs within or external to ELEXON have been identified.

5 RATIONALE FOR PANEL RECOMMENDATIONS

The Panel agreed with the VASMG recommendations presented in the assessment report that P106 would better facilitate the Applicable BSC Objectives (c) and (d). The Panel noted that the VASMG had reached a conclusion on each of the assessment issues and had considered how the conclusions on the impacts and incentives of P106 would lead to the Proposed Modification better facilitating the achievement of each of the Applicable BSC Objectives, and the extent to which this is the case.

The Panel noted the VASMG's conclusion that current business practices require provision for multiple Supplier Ids in the particular case of trade sales and mergers and to a lesser extent for Suppliers own internal business use.

The Panel also supported the VASMG's conclusion that clarification of the rules relating to multiple Supplier Ids would better facilitate the achievement of Applicable BSC Objective 3(d), in that the current uncertainty over what is supported by the Code did not lead to an efficient process for handling requests for multiple Supplier Ids.

There was unanimous agreement within the VASMG, supported by the Panel that multiple Supplier Ids are the only way of implementing a trade sale or merger in a timely manner. Allowing this was therefore likely to better facilitate the achievement of BSC Objective (c); i.e. to improve competition in the supply and generation of electricity. Conversely, the VASMG considered prohibiting Parties from having multiple Supplier Ids would prevent efficient trade sales or mergers, representing a barrier to competition in the supply and generation of electricity.

In the case of requests for additional Supplier Ids for Suppliers own internal business use, the costs associated with additional Supplier Ids were considered to be potentially more of an issue, as the number of additional Ids could be higher than those for trade sales or mergers. However, the VASMG agreed not to include possible central system enhancements³ and the costs therefore of implementing the solution for P106 are minimal administrative costs. Additional Supplier Ids for Suppliers own internal business use would allow Parties some flexibility in the use of Supplier Ids which may promote competition, BSC Objective 3(c), and by making the process for introducing multiple Supplier Ids more robust at minimal cost would potentially improve efficiency, BSC Objective 3(d).

6 LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION

The legal drafting included with this report is drafted against the version of the Code current on the date of the Panel meeting 13 March 2003. The legal drafting was checked against all Modifications that had been approved by the Authority on the date of the Panel meeting, including those that have not yet been implemented. If the baseline of the Code changes prior to implementation of P106, or if other Modification Proposals are to be implemented at the same time as P106, the legal text may need to be amended.

P106 requires changes to Sections D, J, K, S and X of the Code. If the baseline of the Code changes prior to implementation of P106, or if other Modification Proposals are to be implemented at the same time as P106, the legal text may need to be amended to realign to the new baseline.

The changes are given in Annex 1, but are summarised as follows:

- Section D (version 4.0) Change to clarify that Base BM Unit Charge applies to each set of Base BM Units (i.e. each Supplier Id).
- Section J (version 4.0) Change to clarify that each Supplier Id must go through an entry process.
- Section K (version 8.0) Changes to clarify the process for termination of a Supplier Id, and rules for Shared SVA Metering Arrangements, in cases where a Supplier has multiple Supplier Ids.
- Section S (version 2.0) Changes to Section S which deal with multiple Supplier Ids, transfer of Supplier Ids and the relevant data relating to BM Units under transfer.
- Section X (version 1.1) New definitions are required relating to Supplier Ids.

³ The VASMG did not consider these enhancements to be necessary and opted for an enhanced manual solution.

7 ASSESSMENT

This section of the report summarises the assessment carried out by the VASMG during the Assessment Procedure. Full details are contained in the P106 Assessment Report (Reference 4), which may be found on the BSC Website at www.elexon.co.uk.

The VASMG identified issues that it considered to be key in the assessment of P106. The following reflects the considerations and conclusions of the VASMG in respect of each issue.

It is currently unclear within the Code, whether Parties should be allowed to register multiple Supplier Ids. P106 proposes that it would be beneficial to clarify the Code in order to resolve this uncertainty. The key issues identified by the VASMG are summarised as follows;

7.1 Limit to Multiple Supplier Ids

The VASMG identified that BSC Systems impose a limit on the availability of additional Supplier Ids. The most restricting factor is that of the Supplier Volume Allocation Agent (SVAA) system which has a design limit of 200 Supplier Ids.

Currently, there are approximately 40 Parties with 50 Supplier Ids. It is anticipated that this number will naturally increase over time with new entrants to around 50 Parties with 60 Supplier Ids. As BSC Systems are restricted to 200 Supplier Ids this gives a spare capacity of 140 Supplier Ids. This therefore allows each of the 50 Suppliers to have an additional 2 Supplier Ids. This leaves 40 Suppliers Ids (13 Suppliers) in reserve for further new entrants. The VASMG agreed that this approach would not allow one Party to have a number of Supplier Ids that could not be given to another. The VASMG therefore concluded that Parties should be limited to a maximum of 2 additional Supplier Ids.

7.2 Changes to BSC Agent systems

P106 does not require any changes to existing systems or processes, and could be implemented without change, other than to the text within the Code and Code Subsidiary Documents to cover the processes used to date. However, the VASMG considered the potential enhancements to the processes associated with multiple Supplier Ids, which may be appropriate to implement in conjunction with P106 to make the processes more robust if multiple Supplier Ids are to be allowed. These are described below:

- Enhancements to the registration process in support of trade sales and mergers.
As a result of the consultation it was agreed that the existing Change of BM Unit Ownership (CoBo) process satisfy this requirement and therefore no enhancements are required.
- Enhancements to the registration process in support of requests for additional Supplier Ids for Suppliers own internal business use.
It was identified that there are possible enhancements to support this to make the processes used more robust. This requirement would require changes to the CRA systems and processes, an estimate of £132,000 was indicated.
- Enhancements to BSC Agent Systems to allow the number of Supplier Ids to exceed current system design limits.

The VASMG noted that these enhancements would not be needed nor justifiable with the small numbers of additional Supplier Ids expected, noting that such enhancements could be introduced at a

later stage should the number of Supplier Ids required increase significantly, although this was not expected in the foreseeable future. The VASMG and ELEXON therefore agreed that the existing administrative processes within ELEXON could cope but should be enhanced to ensure more robust processes for dealing with requests for multiple Supplier Ids. So the principle changes are just changes to the Code and Code Subsidiary Documents.

7.3 Cost recovery

The VASMG agreed that it would be appropriate to consider the different cost recovery options. These options include spreading the implementation and development costs across all Parties (though the standard cost recovery mechanisms), or targeting costs at the Parties requiring additional Supplier Ids through specific charging arrangements.

The Code specifies Party charges in relation to BM Units under Annex D-3. These charges specify that for each set of Base BM Units, £100 per month is applicable. The VASMG agreed that this goes some way to ensuring that costs are attributed appropriately in the case were additional Supplier Ids are required. The VASMG also considered that sufficient disincentive exist (such as the Entry Process) that would preclude Parties from registering each Supply business as a Party thus allowing a Party to obtain more than 2 additional Supplier Ids.

With these factors, together with the minimal development and operational cost, the VASMG concluded that no new cost recovery options should be introduced and the allocation of additional Supplier Ids would be covered by the standard cost recovery mechanisms.

7.4 Principle of Transfer

The VASMG considered the implications of transferring multiple Supplier Ids under a merger or trade sale situation and concluded that when a Party inherits the Supplier Ids of another, the inherited Supplier Ids should all be deemed as trade sale or merger Supplier Ids. This provides unlimited Supplier Ids in the case of trade sale or merger but retains the ability for a Party to have upto 2 additional Supplier Ids for its own internal business use.

8 SUMMARY OF REPRESENTATIONS

The draft Modification Report was issued for consultation on 20 February 2003 with responses due back on 4 March 2003. 11 responses were received;

- 10 responses (44 BSC Parties) supported the recommendation that the Proposed Modification should be made;
- 10 responses (44 BSC Parties) supported the legal drafting, with some suggesting minor amendments. These amendments are minor and are detailed in Section 8.1 of this report;
- 9 responses (35 BSC Parties) supported the recommended Implementation Dates, 1 response (9 BSC Parties) did not support the Implementation Dates (see Section 8.1 Issues Arising);
- 1 response had no comment.

The views expressed in the responses are summarised below;

Company	No. BSC Parties Represented	Agree with Recommendations	Agree with Legal Drafting	Agree with Implementation Date
SEEBOARD	1	✓	✓	✓
Scottish and Southern	4	✓	✓	✓
YEDL & NEDL	2	No comment	No comment	No comment
Powergen	15	✓	✓	✓
LE Group	9	✓	✓	✓
British Energy	3	✓	✓	✓
Innogy	9	✓	✓	X
Aquila Networks	1	✓	✓	✓
NGC	1	✓	✓	✓
Scottish Power	6	✓	✓	✓
British Gas Trading	5	✓	✓	✓
TOTAL	46	11 (46)	11 (46)	10 (37)

Annex 2 of this report contains a summary of the responses and copies of the actual responses received. A summary of the arguments raised in the responses is given below in sections 8.2 and 8.3. No new arguments were raised as a result of the consultation.

8.1 Issues Arising

As a result of consultation in respect for the draft Modification Report, minor changes to the legal drafting have been made. These changes do not alter the intent, materiality or cost of the Proposed Modification P106 and therefore BSCCo recommend no further consultation is required.

The changes made are as follows;

- Section S paragraph 1.4.3 (b) (iii), a requirement to notify BSCCo of the MPANS involved in a transfer. This requirement is not required and the paragraph removed.
- Section X, typographical errors corrected.

One response questioned whether a Supplier hub would be required to undergo the entry process again after a transfer of Supplier Id. BSCCo have confirmed to the Party that this is not the case as the entry process is still valid after the transfer.

One response did not support the recommended implementation dates due to the possibility of the Authority not providing a decision by 23 April. The respondent felt that the fall back date was too long. BSCCo have confirmed to the Party that the implementation of P106 clarifies the current position and will therefore not effect any proposed requests for additional Supplier Ids.

8.2 Arguments Supporting the Panel Recommendations

The following arguments were raised in the consultation responses, in support of the Panel recommendation that the Proposed Modification be made:

- *All the responses that provided comment supported the Panel's views that P106 supports existing processes and provides clarity.*
- *All the responses that provided comment supported the legal text for P106 with some minor changes required. These changes have been incorporated.*

8.3 Arguments Against the Panel Recommendations

There were no arguments raised in the consultation responses that did not support the Panel recommendation that the Proposed Modification be made.

8.4 Panel Discussion of Representations

At the Panel meeting of 13 March 2003, the arguments raised in the consultation responses were presented.

[Insert details of any Panel discussions relating to the consultation responses]

ANNEX 1 LEGAL TEXT

See attached document (P106 Legal drafting v2).

ANNEX 2 SUMMARY OF REPRESENTATIONS

The draft Modification Report was sent out for consultation on 20 February 2003 with responses due back on 4 March 2003. The table below gives a summary of the responses and the actual responses received are attached below.

Responses from P106 Draft Report Consultation

Consultation issued 20 February 2003

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	SEEBOARD	P106_DR_001	1	
2.	Scottish and Southern	P106_DR_002	4	
3.	YEDL & NEDL	P106_DR_003	2	
4.	Powergen	P106_DR_004	15	
5.	LE Group	P106_DR_005	9	
6.	British Energy	P106_DR_006	3	
7.	Innogy	P106_DR_007	9	
8.	Aquila Networks	P106_DR_008	1	
9.	NGC	P106_DR_009	1	
10.	Scottish Power	P106_DR_010	6	
11.	British Gas Trading	P106_DR_011	5	

P106_DR_001 – SEEBOARD

Respondent:	Dave Morton
No. of BSC Parties Represented	1
BSC Parties Represented	SEEBOARD Energy Limited
No. of Non BSC Parties Represented	0
Non BSC Parties represented	
Role of Respondent and Parties Represented	Supplier

Q	Question	Response	Rationale
1	Do you agree with the Panel's views on P106 and the provisional recommendation to the Authority contained in the draft Modification Report that it should be made? Please give rationale.	Yes	Change gives required level of clarity to BSC with regard to Supplier Ids. This can be considered to better facilitate administration of BSC and, therefore, relevant objective.
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	We do, however, have two issues: Section S paragraph 1.4.3 (b) (iii) indicates that all metering systems have to be identified as part of notice. This could be construed as either a note that just states how many MPANs are impacted up to requiring a full list of each single MPAN. Further clarification on scope of this requirement would be useful. We would think a note of numbers of systems impacted is sufficient rather than a full list of MPANs. Section X changes have "ID Transfer Date" defined twice and both refer to wrong paragraph of section S. Definition is in paragraph 1.4.5.
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P106? Please give rationale.	Yes	
4	Are there any further comments on P106 that you wish to make?	No	

P106_DR_002 – Scottish and Southern

Dear Sirs,

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd. and SSE Energy Supply Ltd.

In relation to the four questions listed in the Consultation Paper, contained within your note of 20th February 2003 concerning Modification Proposals P106, we have the following comments to make:-

Q1 Do you agree with the Panel's views on P106 and the provisional recommendation to the Authority contained in the draft Modification Report that it should be made? Please give rationale.

Yes. This is based, for the avoidance of doubt, on the statement in Section 3.1 of the Assessment Consultation that "[the scenario (b)] restriction will not be applied retrospectively i.e. the small number of Parties who already have multiple Supplier Ids will be permitted to keep them, regardless of how they were acquired". With this in mind we agree with the VASMG's assessment that multiple Supplier Ids under scenario (a) should be possible.

Q2 Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.

Yes. This is based, for the avoidance of doubt, on the statement in Section 3.1 of the Assessment Consultation that "[the scenario (b)] restriction will not be applied retrospectively i.e. the small number of Parties who already have multiple Supplier Ids will be permitted to keep them, regardless of how they were acquired". With this in mind we agree with the VASMG's assessment that multiple Supplier Ids under scenario (a) should be possible.

Q3 Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P106? Please give rationale.

If Modification Proposal P106 is approved, we agree with the proposed BSC Panel recommendation on the timing for the Implementation Date, as outlined in Section 1.1 of the Modification Report.

Q4 Are there any further comments on P106 that you wish to make?

We have no further comments to make.

Regards

Garth Graham
Scottish and Southern Energy plc

P106_DR_003 – YEDL & NEDL

NEDL and YEDL have no comments to make on the Modification Proposal of P106

Thanks

Sue

Sue Calvert
Distribution Change

P106_DR_004 – Powergen

Respondent:	Afroze Miah
No. of BSC Parties Represented	15
BSC Parties Represented	Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited, Cottam Development Centre Limited, TXU Europe Drakelow Limited, TXU Europe Ironbridge Limited, TXU Europe High Marnham Limited, Midlands Gas Limited, Western Gas Limited, TXU Europe (AHG) Limited, TXU Europe (AH Online) Limited, Citigen (London) Limited, Severn Trent Energy Limited (known as TXU Europe (AHST) Limited), TXU Europe (AHGD) Limited and Ownlabel Energy Limited
Role of Respondent and Parties Represented	Supplier

Q	Question	Response	Rationale
	Do you agree with the Panel's views on P106 and the provisional recommendation to the Authority contained in the draft Modification Report that it should be made? Please give rationale.	Yes	Although we would prefer there being no limit to the number of additional Supplier IDs under scenario (b), to ensure consensus with the proposed solution, we are prepared to support a limit of two additional Supplier IDs.
	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	
	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P106? Please give rationale.	Yes	The date seems to allow for an adequate period of notification for BSC Parties.
	Are there any further comments on P106 that you wish to make?	Yes	

P106_DR_005 – LE Group

Respondent:	Name H MISTRY
No. of BSC Parties Represented	9
BSC Parties Represented	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant).</i> LE Group plc, London Electricity plc, Jade Power Generation Ltd, Sutton Bridge Power Ltd, West Burton Power, London Power Networks plc, EPN Distribution Ltd, Seeboard Power Networks plc, Seeboard Energy Ltd
No. of Non BSC Parties Represented	NONE
Non BSC Parties represented	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent and Parties Represented	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state)</i> Supplier / Generator / Party Agent / Distribution Business

Q	Question	Response	Rationale
1	Do you agree with the Panel's views on P106 and the provisional recommendation to the Authority contained in the draft Modification Report that it should be made? Please give rationale.	Yes	BETTER FACILITATS BSC OBJECTIVES
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P106? Please give rationale.	Yes	
4	Are there any further comments on P106 that you wish to make?	NO	

P106_DR_006 – British Energy

To: Modifications Secretary, BSCCo

P106: Amendment to the BSC to allow Multiple Supplier Ids

We support the proposal as described in the draft Modification Report, noting that:

- * Avoidance of changes to central agent systems will reduce the implementation cost and increase the effectiveness of the modification in meeting BSC efficiency related Objectives.
- * Inclusion of an explicit BSC charge on the set of Base BM Units comprised within each Supplier ID treats suppliers with multiple Supplier IDs on an equal basis with other suppliers, and thus reduces cross-subsidy and promotes fair competition.
- * Use of multiple Supplier IDs appears to be a cost-effective way of accommodating mergers and trade sales, thus facilitating BSC competition and efficiency objectives.

Martin Mate
for
British Energy Power & Energy Trading Ltd
British Energy Generation Ltd
Eggborough Power Ltd

P106_DR_007 – Innogy

Respondent:	<i>Richard Harrison, Npower Limited</i>
No. of BSC Parties Represented	9
BSC Parties Represented	Innogy plc, Innogy Cogen Limited, Innogy Cogen Trading Limited, Npower Limited, Npower Direct Limited, Npower Northern Limited, Npower Northern Supply Limited, Npower Yorkshire Limited and Npower Yorkshire Supply Limited
No. of Non BSC Parties Represented	
Non BSC Parties represented	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent and Parties Represented	<i>Supplier / Generator/ Trader / Consolidator / Exemptable Generator / Party Agent</i>

Q	Question	Response	Rationale
1	Do you agree with the Panel's views on P106 and the provisional recommendation to the Authority contained in the draft Modification Report that it should be made? Please give rationale.	Yes	It supports and makes the existing position more robust.
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Qualified Yes	I did suggest some minor amendments to the drafting which might have made this even clearer and avoided the possible need for a further Modification in future, but accept that there is no single perfect answer. If the Panel is satisfied that this text can be interpreted in the way Elexon's response suggested, I am happy. I also raised a query about the effect on the status of existing approved Supplier Entry Processes (hubs), which was not satisfactorily clarified.
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P106? Please give rationale.	(No)	Since there do not seem to be any significant 'essential' changes to BSC Systems, we are not convinced by the single (long) 'fall-back' implementation date and believe that a timescale of (say) 2 months after approval by the Authority would be a better way of avoiding unnecessary delay in the event that the first date was not met.

Q	Question	Response	Rationale
4	Are there any further comments on P106 that you wish to make?	Yes	1) It is important that the changes also facilitate the 'closing down' of redundant Supplier Ids (we understand that they do). 2) Assuming that the Modification will be approved and that there will be impacts on Code Subsidiary Documents (e.g. BSCP15), some early consideration needs to be given to the latter.

P106_DR_008 – Aquila Networks

Respondent:	<i>Name</i>
No. of BSC Parties Represented	Andy Simpson
BSC Parties Represented	<i>Aquila Networks Plc NHHMO Metering Services Ltd</i>
No. of Non BSC Parties Represented	
Non BSC Parties represented	
Role of Respondent and Parties Represented	<i>BSC Agent - MOA</i>

Q	Question	Response	Rationale
1	Do you agree with the Panel's views on P106 and the provisional recommendation to the Authority contained in the draft Modification Report that it should be made? Please give rationale.	Yes	
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P106? Please give rationale.	Yes	
4	Are there any further comments on P106 that you wish to make?	No	

P106_DR_009 – NGC

Respondent:	Name National Grid
No. of BSC Parties Represented	One
BSC Parties Represented	Please list all BSC Parties responding on behalf of (including the respondent company if relevant). National Grid
No. of Non BSC Parties Represented	N/A
Non BSC Parties represented	Please list all non BSC Parties responding on behalf of (including the respondent company if relevant). N/A
Role of Respondent and Parties Represented	(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state) BSC Party

Q	Question	Response	Rationale
1	Do you agree with the Panel's views on P106 and the provisional recommendation to the Authority contained in the draft Modification Report that it should be made? Please give rationale.	Yes	We agree with the Panel that this modification will better facilitate BSC objectives c) and d) by removing any potential barriers to the transfer of supply business assets from one BSC party to another and in clarifying the position on the use of Supplier Ids.
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	We agree that the legal text addresses the defect identified by clarifying the position in the Code on the use of Supplier Ids.
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P106? Please give rationale.	Yes	The implementation date is consistent with the standard release strategy for non-urgent modifications.
4	Are there any further comments on P106 that you wish to make?	No	

P106_DR_010 – Scottish Power

Respondent:	Name John W Russell (SAIC Ltd)
No. of BSC Parties Represented	6
BSC Parties Represented	Please list all BSC Parties responding on behalf of (including the respondent company if relevant). Scottish Power UK plc; ScottishPower Energy Trading Ltd.; Scottish Power Generation plc; ScottishPower Energy Retail Ltd.; SP Transmission plc; SP Manweb plc.
No. of Non BSC Parties Represented	
Non BSC Parties represented	Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).
Role of Respondent and Parties represented	(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state ⁴) Supplier/Generator/ Trader / Consolidator / Exemptable Generator / Party Agent

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on P106 and the provisional recommendation to the Authority contained in the draft Modification Report that it should be made? Please give rationale.	Yes	We agree with the view of the Panel that the transfer of supply assets by, for instance, trade sale is best facilitated by the use of additional Supplier IDs which ensures integrity and accuracy to Settlements. As instances have already occurred where trade sales have taken place, it is appropriate to bring the BSC into line with that reality. The provision of additional Supplier IDs will promote competition and efficiency in the trading arrangements for the reasons outlined in the Modification Report.

⁴ Delete as appropriate – please do not use strikethrough, this is to make it easier to analyse the responses

Q	Question	Response	Rationale
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	<p><i>Broadly, the legal text is appropriate. However, we note the following (minor) errors which require to be corrected -</i></p> <p><i>Sec. S 1.4.1(a), 2nd line - "...pursuant to and in accordance..."</i></p> <p><i>Sec. S 1.4.3(c) - "be signed by or on behalf of...", add in highlighted word.</i></p> <p><i>Sec. S 1.4.5 - full stop required at the end of sub-para.</i></p> <p><i>Sec. S 1.4.8, 2nd line - "...those provisions shall not affect or limit...". The use of "effect" will give the sub-para a different meaning.</i></p> <p><i>Sec. X definitions - "ID Transfer Date" has the meaning given in Sec. S 1.4.6 and 1.4.7.</i></p>
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P106? Please give rationale.	Yes	<p><i>There appears to be very little impact on the current systems and processes arising from P106, other than the updating of documentation. Therefore, the implementation dates approved by the Panel appear appropriate</i></p>
4	Are there any further comments on P106 that you wish to make?	Yes	<p><i>Our previous response indicated that a cost effective solution should be employed in relation to the provision of additional Supplier IDs. We would reiterate this view and see no current requirement for changes to systems intended to make them more robust. Demand for additional Supplier IDs is manageable within the current systems.</i></p>

P106_DR_011 – British Gas Trading**Re: Draft Modification Report P106 Amendment to the BSC to allow multiple Supplier Ids**

Thank you for the opportunity of responding to this draft modification report considering Modification Proposal P106. British Gas Trading (BGT) supports the Modification Proposal and believes this would better facilitate Applicable BSC Objectives (c) as it seeks to provide further clarification on the use and number of multiple Supplier Id's.

The Draft Report documentation also refers to BSC objective (d) for improving efficiency. With regard to this point British Gas believe that although two additional Supplier ID's per Party would be considered sufficient in the current market conditions as highlighted by VASMG, we are mindful that the market place is an evolving industry. The BSCCo have a responsibility to ensure that there agents including SVAA can constantly respond to changing market requirements and where necessary provide more Supplier ID's in the future at no extra cost to the industry.

BGT support the BSC Panel's provisional recommendation and concur with the proposed implementation dates. BGT also agrees that the draft legal text address the defect and is fit for purpose.

If you would like to discuss this matter further please do not hesitate to contact me directly.

Yours faithfully

Andrew Latham
Senior Account Manager (BSC)