

## 4.5. MP Form

<b>Modification Proposal – BSCP40/03</b>	<b>MP No:P347</b> <i>(mandatory by BSCCo)</i>
<b>Title of Modification Proposal</b> <i>(mandatory by originator):</i> Relaxing R1 read performance from 99% to 90% for Measurement Classes “E”, “F” and “G”	
<b>Submission Date</b> <i>(mandatory by originator):</i> <b>30 June 2016</b>	
<b>Description of Proposed Modification</b> <i>(mandatory by originator)</i> This Modification seeks to reduce the read performance requirements at the First Reconciliation Volume Allocation Run (R1) for Half Hourly (HH) customers in Measurement Classes “F” and “G”. This Modification also looks to apply this reduction to Measurement Class “E” until new Consumption Component Classes (CCCs) are introduced, potentially by BSC Modification <a href="#">P339 ‘Introduction of new Consumption Component Classes for Measurement Classes E-G’</a> should it be approved.  The current requirements state that Suppliers should achieve 99% of energy on ‘Actual Reads’  This Modification seeks to reduce the R1 read performance requirement to 90%.	
<b>Description of Issue or Defect that Modification Proposal Seeks to Address</b> <i>(mandatory by originator)</i> HH Agents face higher costs than those operating as Non Half Hourly (NHH). This is seen as a barrier to elective HH Settlement. Therefore options for preventing such higher charges have been assessed by the industry.  The current performance level of 99% for Measurement Classes “E”, “F” and “G” was introduced by <a href="#">P272 ‘Mandatory Half Hourly Settlement for Profile Classes 5-8’</a> and <a href="#">P300 ‘Introduction of new Measurement Classes to support Half Hourly DCUSA Tariff Changes (DCP179)’</a> .  There is concern that a performance level of 99% may not be achievable for Data and Communications Company (DCC) enrolled Meters following the smart meter rollout.  This target is seen as a barrier to Suppliers moving to elective HH Settlement because during and following the smart meter rollout it may not be possible to achieve this target and it could cause increased agent costs for Suppliers. For example, many sites may require a physical visit to correct metering issues and there could also be interim communication issues with the Meter resulting in increased costs and inability to meet the 99% requirement.  The Settlement Reform Advisory Group (SRAG) did not propose relaxing the 99% R1 requirement. However, in response to Ofgem’s <a href="#">open letter</a> published in December 2015 stakeholders suggested the reduction and Ofgem agreed with the proposal. The proposal was	

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<p>then discussed further at Ofgem’s settlement workshop and attendees agreed with the proposal.</p> <p>Ofgem’s Elective HH Settlement <a href="#">Conclusion Paper</a> mentions reducing the read performance requirement could have several potential benefits for agents and Suppliers offering elective HH Settlement:</p> <ul style="list-style-type: none"> <li>• Will make it less urgent for Supplier Agents to visit sites. <ul style="list-style-type: none"> <li>- At the workshop, one stakeholder said that a lower performance requirement could allow repairs to be made next time there is a van in the area and would cost less than a specific trip. Equally a missing read could be the result of an intermittent communication signal which over time improves without the need for a further site visit.</li> </ul> </li> <li>• It could allow optimisation of how frequently remote reads are taken from advanced or non-DCC-enrolled smart meters, to manage communications costs.</li> <li>• It could allow more time to manage exceptions in data validation.</li> <li>• It could help manage any temporary uncertainty about the performance of smart meters, particularly in the early stages of the roll-out.</li> </ul> <p>This change would only affect the minimum performance standards that Suppliers (and their agents) have to meet. Suppliers would be free to agree a higher level of performance with their agents, which might be for a number of reasons.</p>	
<p><b>Impact on Code</b> <i>(optional by originator)</i></p> <p>BSC Section S, Annex S-1 ‘General Glossary’.</p>	
<p><b>Impact on Core Industry Documents or System Operator-Transmission Owner Code</b> <i>(optional by originator)</i></p> <p>None anticipated.</p>	
<p><b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b> <i>(optional by originator)</i></p> <p>To be confirmed.</p>	
<p><b>Impact on other Configurable Items</b> <i>(optional by originator)</i></p> <p>To be confirmed.</p>	

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<b>Justification for Proposed Modification with Reference to Applicable BSC Objectives</b> <i>(mandatory by originator)</i>	
<p>This Modification will better facilitate Applicable BSC Objectives (c) and (d):</p> <p><i>(c)promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity</i></p> <p>Implementation of a less stringent, more achievable performance target will encourage facilitation and take up of elective HH Settlement, thereby promoting competition</p> <p><i>(d)Promoting efficiency in the implementation and administration of the balancing and settlement arrangements</i></p> <p>This modification will provide a more realistic performance target and therefore make the agreement more efficient to operate.</p>	
<b>Is there a likely material environmental impact?</b> <i>(optional by originator)</i>	
No	
<b>Urgency Recommended:</b> <i>(delete as appropriate) (optional by originator)</i>	
No	
<b>Justification for Urgency Recommendation</b> <i>(mandatory by originator if recommending progression as an Urgent Modification Proposal)</i>	
Not applicable	
<b>Self-Governance Recommended:</b> <i>(delete as appropriate) (optional by originator)</i>	
Yes	

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<b>Justification for Self-Governance Recommendation</b> <i>(mandatory by originator if recommending progression as Self-Governance Modification Proposal)</i>	
A Modification Proposal can be progressed as Self-Governance if: <ul style="list-style-type: none"> <li>• The Panel believes that it satisfies the Self-Governance Criteria, and the Authority does not issue a contrary direction; and/or</li> <li>• The Authority believes that it satisfies the Self-Governance Criteria and issues a notice to that effect.</li> </ul> <p>This Modification Proposal has no material impact on consumers, competition, the Transmission System and/or BSC governance. There will be no impact on Parties. We therefore believe that this Modification Proposal meets the Self-Governance Criteria.</p>	
<b>Fast Track Self-Governance Recommended: Yes / No</b> <i>(delete as appropriate) (optional by originator)</i>	
No	
<b>Justification for Fast Track Self-Governance Recommendation</b> <i>(mandatory by originator if recommending progression as Fast Track Self-Governance Modification Proposal)</i>	
Not applicable	
<b>Should this Modification Proposal be considered exempt from any ongoing Significant Code Reviews?</b> <i>(optional by originator in order to assist the Panel decide whether a Modification Proposal should undergo a SCR Suitability Assessment)</i>	
There are no current relevant Significant Code Reviews.	

<b>Details of Proposer:</b>	
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**Attachments: Yes / No** (*delete as appropriate*) (*mandatory by originator*)

**If Yes, Title and No. of Pages of Each Attachment:**

No attachments