



Change Proposal Circular

CPC00685: Impact Assessment of CP1336, CP1337 and CP1338

Responses for CP1336 'UMSO Adjustment of EACs and Pseudo HH Units based on Physical Audit Findings'

**Any Questions**

If you have any queries,
please contact:
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Or contact:

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Summary of Responses

Organisation	Capacity in which Organisation operates in	Agree?	Impacted?	Days needed to implement
MRASCo Ltd	MRASCo	Neutral	No	-
Electricity North West Limited	LDSO	Yes	Yes	In line with the proposed implementation date of 24th February 2011.
Western Power Distribution	LDSO, MOA	No	Yes	-
GDF SUEZ Energy UK	Supplier	Neutral	No	-
Spark Energy	Supplier	Neutral	Yes	90
British Energy	Supplier, Generator, Trader Non Physical	Neutral	Yes/No	-

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Summary of Responses

TMA Data Management Ltd	HHDC, HHDA, NHHDC and NHHDA	Yes	No	-
EDF Energy Networks	EDF Energy Networks (EPN) plc, EDF Energy Networks (LPN) plc, EDF Energy Networks (SPN) plc, EDF Energy (IDNO) Ltd (EDFI)	Yes	Yes	14
Central Networks	LDSO, UMSO	Yes	Yes	-
Scottish and Southern Energy	Supplier/Generator/ Trader / Party Agent / Distributor	Yes	Yes	60
NPower Limited	Supplier/Supplier Agents	Yes	Yes	We would be able to implement this Change Proposal for the proposed February 2011 Date.
E.ON UK Energy Services	NHHMOA NHHDC-DA	Neutral	No	-
Power Data Associates Ltd	MA	No, not as proposed	Yes	30
Scottish Power		Yes	Yes	30
British Gas	Supplier	Yes	No	-
E.ON	Supplier	No	No	-
Transport for London (interested party)	-	-	-	-
London Lighting Engineers Group (interested party)	-	-	-	-

Detailed Impact Assessment Responses

Organisation	Agree?	Impacted?	Comments
MRASCo Ltd	Neutral	No	Please explain the lead time - Standard notification procedures (Release email) will be fine.

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Electricity North West Limited	Yes	Yes	<p>Agree change comment - We agree that there must be a way to encourage Lighting authorities to submit regular and accurate inventories when requested to do so by the UMSO. Also we agree that when an inventory has been subjected to an audit and has been found to be inaccurate the BSC should contain guidance on appropriate sanctions to ensure compliance. We can see merit in this proposal but also some shortfalls with regard to the payment of supplier invoices based on an EAC uplift using this method. We have suggested additional sanctions in our response to question 6 below.</p> <p>For which role is your organisation impacted? UMSO acting on behalf of the LDSO.</p> <p>Please state what the impact is - Minimal impact for HH and NHH, however we would need to amend EAC calculation process to include the EAC uplift. Customers are more likely to dispute or fail to pay their supply bill, which will lead to an increase of customer and supplier contact and possible disputed DUoS bills.</p> <p>Please explain the lead time - In line with the proposed implementation date of 24th February 2011.</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? Minimal Impact</p> <p>Associated costs - Minimal costs.</p> <p>Any other comments - The basis of a successful partnership between the LDSO and the Unmetered customer must be a robust connection agreement. The connection agreement must state the frequency of inventory submission and give the LDSO the right to audit the inventory when required with the cost of the audit being met by the customer. Any customer refusing to sign a connection agreement or provide regular and accurate inventory submissions should not receive Unmetered connections.</p> <p>The EAC on which the supplier bill is based must be derived from an accurate inventory submission. If it is not, the customer may dispute the value of the supplier invoice.</p> <p>It is reasonable to assume that a customer who refuses to sign a connection agreement and submit an accurate inventory would probably refuse to pay a supplier invoice if it were subject to the EAC uplift as described in this CP.</p> <p>We believe that this CP could cause problems with regard to the payment of supply bills and may increase the number of disputes and would recommend the contractual relationship as described above maybe a better way forward.</p> <p>The UMSO should develop a close working relationship with the connections provider to ensure that Unmetered connections are only offered to those customers who comply with the Unmetered process. Eg a current signed connection agreement is in place and regular and accurate inventory submissions are being provided.</p> <p>There are other sanctions available to the UMSO following a poor audit result which may be employed to encourage customer compliance, they are:</p>
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			<ul style="list-style-type: none"> • Charge the customer for the full cost of the audit typically 7-10K • Withdraw Unmetered connections until the customer complies with their obligations detailed in the connection agreement. • Disconnect items not declared on the inventory. • Backdate energy charges for items not declared on the inventory typically 14 months.
Western Power Distribution	No	Yes	<p>Agree change comment - We are supportive of the principle of this CP but we do not believe the existing Code or BSCPs prevent an UMISO from adjusting the inventory where the Customer agrees that an uplift to the EAC is required, pending a full audit and agreement of the actual inventory. (Situation (a) in the proposer's CP).</p> <p>The proposed new paragraph in BSCP520 1.2.1 (r) only seems to permit an uplift to an inventory. As it is possible that an audit may reveal that the inventory is overstated due for example, to the replacement of conventional lamps with LEDs, the wording should be changed to also permit a temporary reduction in the EAC.</p> <p>The CP also proposes to permit an adjustment to the inventory where the Customer is not in agreement. (Situation (b) in the proposer's CP). We believe this would introduce a conflict with BSC Section S 8.2.4 which states:</p> <p>The inventory of Apparatus relative to a particular Unmetered Supply <u>shall be agreed between the Licensed Distribution System Operator on whose Distribution System or Associated Distribution System the Unmetered Supply takes place and the Customer</u> taking such supply and the Licensed Distribution System Operator shall:</p> <p>We therefore believe a Code Modification needs to be raised should an UMISO want to change an inventory without the Customer's agreement.</p> <p>In conclusion therefore we do not believe a CP is required to allow situation (a) to be resolved, and a Modification, not a CP, will be needed to address situation (b).</p> <p>For which role is your organisation impacted? UMISO & MA</p> <p>Please state what the impact is - Minor documentation changes as we already use the procedure to temporarily alter an inventory, with the customer's agreement, where an audit has revealed significant discrepancies.</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? No</p> <p>Associated costs: No costs</p>
GDF SUEZ Energy UK	Neutral	No	-

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Spark Energy	Neutral	Yes	<p>For which role is your organisation impacted? Supplier</p> <p>Please state what the impact is – Minimal</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? Unknown at this time</p> <p>Associated costs – unknown at this time</p>
British Energy	Yes	Yes/No	-
TMA Data Management Ltd	Yes	No	-
EDF Energy Networks	Yes	Yes	<p>Agree change comment - A valuable additional technique to mitigate shortfalls in UMS Settlement</p> <p>For which role is your organisation impacted? UMSO</p> <p>Please state what the impact is – (as per Q1)</p> <p>Please explain the lead time - Our UMS software is already configured to deliver this capability although we'd note that it's optional nature and the low volumes associated mean that others may manually adjust data and not require software changes.</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? No</p> <p>Associated costs – no costs associated</p> <p>Any other comments - This is an essential addition to BSCP520 to help address shortfalls in UMS Settlement caused by inventory failings and, on occasion, blatant abuse. For the majority of Customers it will mean that EAC corrections hit Settlement much earlier. For the challenging minority it is a more realistic approach than enforced disconnections which will typically impact persons other than the UMS Customer.</p>
Central Networks	Yes	Yes	<p>Agree change comment - We agree with the change, because it will improve the accuracy of settlements. Where an inventory has been shown to be inaccurate by an audit, then any action to amend that inventory to improve the accuracy of the energy calculations whether half hourly or non half hourly traded must be appropriate. However we believe that an UMSO can already take that action under the terms of the Connection Agreement, where an inventory has been shown to be inaccurate. Please see our response to Question 6 for further detail.</p> <p>For which role is your organisation impacted? LDSO and UMSO</p> <p>Please state what the impact is – As an UMSO and LDSO we are involved in agreeing Unmetered Supplies Inventories with customers and have the option to carry out Audits of those inventories.</p>

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			<p>Please explain the lead time - The software we use to manage customer's inventories already allows us to uplift summary inventories and/or adjust EACs as described in the CP.</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? None</p> <p>Associated costs - none</p> <p>Any other comments - During deregulation of the supply industry a number of "standard" Connection Agreements were developed for all types of connection including unmetered. It is probable therefore that all LDSOs include the following clause (or similar) in their Unmetered Connection Agreements;</p> <p>In addition to the rights and remedies which the Company has under any other provision of this Agreement, where an audit pursuant to Clause 7.8 reveals irregularities or discrepancies in the Detailed Inventory, then, in respect of the Connection Points in question:</p> <p>7.9.1 the Customer shall submit a revised Detailed Inventory to the Company to reflect such adjustments; and</p> <p>7.9.2 (if applicable) the Company shall make such adjustment to the Estimated Annual Consumption; or</p> <p>7.9.3 (if applicable) the Company shall require the Meter Administrator to make such adjustments to the consumption figures produced by the Equivalent Meter,</p> <p>as (in each case) may be required in order to ensure the accuracy (within the margins of accuracy set out in the BSC) of the settlement data on which the related supply and distribution use of system charges are calculated in respect of the Unmetered Supplies.</p> <p>It is clear that provision is made in the Connection Agreement for an uplift in the inventory. BSCP520 at 3.2.2 provides for the UMSO to agree the inventory with the customer. We would suggest that the process of agreeing the inventory is carried out under the terms and conditions in the Connection Agreement. The proposed uplift is therefore already possible under the existing BSCP520 wording.</p> <p>However if it is felt that greater clarity is required within BSCP520 by documenting the process, then we agree with the change. We accept that BSCP520 is unique in that no other BSCPs include customer obligations.</p>
Scottish and Southern Energy	Yes	Yes	<p>For which role is your organisation impacted? UMSO, MA & Supplier</p> <p>Please state what the impact is – Minimal impact</p>
NPower Limited	Yes/No/Neutral	Yes	<p>Agree change comment - Whilst supporting the initiative of reducing losses on the system, there are a number of further questions we would like answered before we can fully support this</p>

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			<p>Change Proposal.</p> <p>We appreciate the rationale for wishing to uplift any "lost units" - however this needs further examination, especially concerning customer billing.</p> <p>What rules will apply for the retrospective application of the changes?</p> <p>How will the 'lost units/uplift' be applied?</p> <p>Would this be applied 'on aggregate' across all customers, or be customer specific? Further examination required / details to be illustrated.</p> <p>What communication will take place with the customer and what agreement will be obtained prior to the application of the new EAC or update of the pseudo inventory?</p> <p>From a customer service perspective we would want a full audit trail to evidence the need for uplift, so that we can liaise with the customer(s) concerned to explain why we are billing on a "different" inventory to that information which they have supplied from their records. (We may also need to cross-reference our customer terms + conditions for conditions of service / payment).</p> <p>For which role is your organisation impacted? Supplier</p> <p>Please state what the impact is – Process Impacts</p> <p>Please explain the lead time - We would be able to implement this Change Proposal for the proposed February 2011 Date.</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? None</p> <p>Associated costs - Costs are unknown at present.</p>
E.ON UK Energy Services	Neutral	No	-
Power Data Associates Ltd	No, not as proposed	Yes	<p>Agree change comment - Whilst I appreciate the importance of getting settlement correct and if the Distributor has evidence to increase an inventory to correct the error then it is reasonable to do so. I disagree with the proposed method of implementation in the market.</p> <p>There should be clear evidence for the basis of the 'adjustment' and it should be a requirement in BSCP520 that this is communicated to the customer, and copies of this communication should be retained and reviewed by the BSC auditor.</p> <p>The communication should be repeated each time a new inventory is submitted. Where there is a gap of six months between inventory submissions then the communication should be repeated at least at six monthly intervals. The objective of this 'adjustment' is to get settlement and DUoS charging correct, but also to motivate the customer to submit an accurate and complete inventory. The customers with poor inventories are generally (but not always) those who do not understand the requirement of the industry, so clear and regular communication is</p>

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essential. This communication can, and will, be used by the recipients to seek funding from the customers' management to correct the inventory inadequacies.

The proposal uses the term 'physical audit' – but this is not defined in BSCP520. In taking this proposal forward there needs to be some definition of physical audit. It has been said that some Distributors have not performed a 'random' audit, but a targeted audit where they knew of deficiencies. The different approaches will clearly generate a very different outcome, one of which could reasonably be extrapolated to the whole inventory, the other would be inappropriate.

To date these physical audits have been outside of the BSC scope, if they are referenced in the BSC, then they need more fully defining. One aspect that is not described at all in the proposal is an appeal process where if the customer disagrees with the audit results or the outcome determined by the UMSO they should have a method of appeal. As proposed the UMSO has absolute authority. Where a customer progressively updates the inventory to correct errors then the 'adjustment' should proportionally reduce. The appeal process might need to be invoked where this is not happening in a logical manner.

Any adjustment should be a 'either way', if the evidence demonstrates that too much energy is being accounted in settlement then the consumption should be reduced – although I appreciate this is a less likely scenario.

There is a very different regional issue which is derived from the different Distributors' requirements over the last 15 years. I suspect even EDF Energy would acknowledge that there is a greater understanding of the need to maintain and submit a regular accurate inventory in EDF Energy (Eastern) than in EDF Energy (London). EDF Energy has invested considerable effort to change the culture in London, which takes years to motivate all the 30+ authorities. The same is true in other parts of the country.

The HH summary inventory is quite transparent in that it lists a summary of all the items. My preference, which I have previously suggested to EDF Energy, is that a new charge code be created called "UMSO adjustment" (or similar words) which has 1000 circuit watts. Then the UMSO can add as many of these charge codes as appropriate, some may be associated with a continuous charge code and some with the appropriate dusk-dawn or part night regime codes. This approach leaves the existing inventory quantities unaffected, and makes the 'adjustment' very visible – and easily costed by the customer. The number of items of the "UMSO Enhancement" can be steadily reduced as updates of the inventory are received, until it finally accepted as correct. The customer can also use the clearly identified figure as an internal justification to get a survey repeated or to update the inventory.

Although we are not involved in the NHH market we are aware that some UMSOs provide the equivalent of a summary inventory to the customer as part of the EAC certificate. This is good practice as it makes the EAC calculation more transparent. If the 'adjustment' was by the way of a new charge code, this enhancement would be equally transparent to the customer.

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We are aware of an UMISO who has previously increased the number of items annually as an assumed growth, but this practice was not clear to the customer, so although it recovers extra energy the customer is not incentivised to correct the error. In this case when a new lighting engineer arrived and eventually found out what had happened he obtained funding from his local authority to demonstrate an overpayment and as a result the EAC was lowered and a rebate issued. Although because of the settlement window, not for the whole period.

There were similar concerns of transparency with the enhanced DUoS "poor inventory" charges – which CDCM did away with in April 2010. So although the customer had updated the inventory the appropriate DUoS charges were not amended to reflect the now "good inventory". It is disappointing that this has not been discussed at UMSUG prior to being formally submitted as CP. Some of the points above could have emerged from discussion and led to a more fully complete CP, which we may then have been able to support.

To be clear I do not disagree with the principle that the settlement energy should be correct - it is the clarity/visibility and credibility with customers which I would wish to make more explicit.

For which role is your organisation impacted? As MA

Please state what the impact is – If implemented as drafted, customer will query why the numbers of items reported by the MA differ from those reported by the customer to the UMISO. This will lead to further customer debates and some customers may perceive that it is the MA who is 'adjusting' the numbers. If implemented as proposed, then the UMISO should advise the MA that the UMISO has enhanced the number of items by x% – this will enable the MA to explain and reinforce the UMISO actions.

If implemented as proposed above, then the MA will be able to reinforce the message that the UMISO is giving to the customer and advise the customer on how to eliminate the 'adjustment'.

If a new Charge code was created that would follow the normal MDD process. It would also make for a more visible audit trail in the inventories.

Please explain the lead time - New Charge Code would follow normal MDD processes and can be created within a month. No system impacts. Operational impact on training and operational documents due to the changes to BSCP520.

Would implementation in the proposed Release have an adverse impact on your organisation? None

Associated costs - Marginal.

Any other comments - Not commented on proposed redlining as this would need to be revised if the alternative approach as I have described above was adopted.

Power Data Associates Ltd also shared some feedback it has received from City of London:

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			<p>'Whilst we are fully aware that some authorities have not been diligent in collecting and forwarding the asset data necessary to the DNO (but are improving), the proposals do seem to be draconian in their implementation, and solely at the discretion of EDF, with no proposed appeal process.</p> <p>We have been submitting 'accurate' inventories for years, and have often been praised by EDF, etc.' for our diligence and the detail provided'. However, we, and I would think other Urban authorities, have the simple problem that a proportion, perhaps up to 10% at any one time, of our lighting inventory is 'transient' due to demolition, refurbishment, new building or traffic system changes. These 'variations' are always recorded on the inventory and passed to the DNO within a few days of being effective, but unless the 'Auditor' has the very latest copy of the declared inventory, there will inevitably be discrepancies.</p> <p>Even if we are notified of the audit, together with the database being used, if there is no appeals process, and the increased charges are effective immediately, it will lead to substantial delays in any payment of the account whilst the DNO errors are rectified, and could effective have an adverse effect upon the DNO's cash flow.'</p>
Scottish Power	Yes	Yes	<p>Agree change comment - The current arrangements prevent an UMSO from enforcing the results of an audit upon a Customer who refuses to take action. UMS connections operate in a very different world from metered sites where disconnection is a feasible last resort. For a myriad of reasons an UMSO cannot, though the right exists, disconnect a UMS connection if they fail to provide accurate inventories.</p> <p>ScottishPower believes that this CP supports the UMSO in their efforts to improve on the accuracy of UMS Settlement and to encourage customers to enter more accurate inventories. For this reason putting such a tool at the disposal of the UMSO can only improve data going to Settlement and for this reason we strongly support the change.</p> <p>For which role is your organisation impacted? UMSO, LDSO, Supplier</p> <p>Please state what the impact is – As the CP would only gives the UMSO the ability to take such an action if they deem it appropriate after an audit, we would not be impacted by the CP. However we believe system changes would be required to our UMS system to edit EACs automatically in the manner describe within the CP if we chose to use the EAC uplift. There would also be internal procedural changes.</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? None</p> <p>Associated costs - We are unable at this time to give any estimate of costs at this time.</p> <p>Any other comments - ScottishPower believes further consideration should be given to the fact that Customers have the ability to request retrospective changes to previously issued inventories. This could lead to an uplift being accepted by a Customer but which is then re-</p>

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			negotiated through a retro amendment. This could introduce further complexity into the process and may need to be considered further to ensure the uplift can be incorporated into existing processes. However, we believe the CP addresses a weakness in the process of enforcement of more accurate inventories which has caused problems for a number of UMSOs in the past. If approved, we believe it will assist in making UMS data more accurate.
British Gas	Yes	No	-
E.ON	No	No	Agree change comment - We agree that the current processes could and should be improved however we do not feel that this method resolves the issue of erroneous inventories it merely makes suppliers pass on the charges resulting from uplifted units.
Transport for London (interested party)	-	-	<p>I note that the proposal, submitted by EDFE, intends to introduce a technique to correct Settlement for UMS consumption by using audit results to adjust the difference between the Estimated Annual Consumption and 'actual' consumptions. Tfl fully supports the accurate accounting of energy consumed and believes that an accurate inventory is fundamental to good asset management. We would encourage all lighting authorities to invest in accurate record keeping but do not believe that the Change Proposal will encourage that investment and could have the opposite effect.</p> <p>Tfl believes that the best solutions to problems can be identified by collaborative engagement between the parties, and clearly this has not occurred on this occasion. We are very disappointed that this consultation had not been specifically drawn to our attention, either via our contacts with UKLB / ADEPT nor through our regular liaison with EDFE. By copy I would ask EDFE to withdraw this proposal until such time as meaningful engagement with lighting authorities has taken place, and failing that would seek an extension to the consultation period in order for a substantive response to be made by the UKLB and ADEPT Lighting Group.</p> <p>Tfl's also believes that the EDFE proposal does not take sufficient account of current DCUSA proposals to align the National Terms of Connection, in which there is ample scope to ensure that customer inventories are maintained to a suitable level of accuracy, and provide remedies if they are not.</p> <p>I still feel that there are fundamental flaws with this change proposal which if not addressed constructively with customers, will lead to problems down the line. I made comments on behalf of Tfl, but know that other lighting authorities have similar concerns, even though we have had insufficient time to develop a coordinated response.</p> <p>The consultation recently undertaken by DCUSA into proposed unified conditions of connection gave scope for the industry to set out clear and concise requirements for unmetered inventory accuracy and maintenance, auditing procedures and remedies if the customer or the DNO do not meet the defined standards. I do not say that the current terms of connection provide a</p>

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perfect solution, just that the industry has only recently been given adequate opportunity to develop one and the UKLB has made what it believes to be positive and constructive comments in that respect. It is disappointing that given the recent DCUSA consultation a further change has been proposed before DCUSA had had time to implement substantive change.

I fully accept that some authorities struggle to maintain inventories to acceptable standards, but similarly there is evidence of DNOs failing to audit satisfactorily. Poor auditing has resulted in privately owned estate lighting being cited as an omission to the local authority inventory, misspelt road names being cited as substantive errors, alleged errors in lamp type being demonstrated to be unfounded, lamps fed by metered supply being cited as omissions from the unmetered inventory and a number of other similar issues which were eventually conceded by the DNO as being correctly recorded by the customer. (Incidentally these were not audits undertaken by the proposer). As I read it there is no scope within the CP for a customer to challenge the DNO audit, nor a mechanism for the adjustment to be removed once the inventory has been verified as being as accurate.

In terms of discouraging some customers to invest in inventory updates, this proposal in effect takes ultimate responsibility for the accuracy of the inventory out of the hands of the customer and places it with the DNO. With ever increasing pressure on lighting authority budgets do you not believe that lighting authorities may take the view that they would in future rely on a DNO challenge and adjustment of the unmetered load, rather than invest in the ongoing burden of maintaining the inventory?

The proposer cites lighting authorities deliberately falsifying inventories to manage energy accounts, as I see it this will do nothing to prevent that continuing, as an errant lighting authority could submit an adjusted inventory following an audit to balance out any overall adjustment that the DNO might have made. This sort of issue should surely best be avoided.

Many lighting authorities hold a view that those applying good practice are currently being penalised by those that are failing to perform. Most lighting authorities would welcome clearly defined procedures for DNO auditing of inventories with appropriate remedies to rectify deficiencies as and when identified. I am sure that customer representatives would welcome the opportunity to work constructively with suppliers to that end if given the opportunity, and would be pleased to facilitate that at the next UKLB and ADEPT Lighting Group meetings.

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London Lighting Engineers Group (interested party)	-	-	<p>Whilst LoLEG fully supports accurate energy accounting and the need for robust and accurate inventories, we would raise the following points of concern :-</p> <ol style="list-style-type: none"> 1. The proposal constitutes a significant change to current practices and if implemented would have a major impact on lighting authorities, who in our view have not been engaged in a full and apposite manner. 2. An explicit definition of physical audits needs to be developed and must be agreed with the lighting authorities before this proposal is introduced. Amongst a host of other issues, the definition will need to address the time delay between inventory submission and the on-site audit. 3. Similarly, an appeals / dispute process is required, which must be agreed with the lighting authorities in advance of the roll-out of this proposal. 4. The process covering the removal of the proposed EAC uplift or the added HH items, "until the UMISO agrees the validity of a new inventory submission from the customer." needs developing further and prior agreement with the lighting authorities. 5. Any energy invoices submitted via this proposal are likely to be queried by the lighting authorities and so will remain unpaid until a resolution is reached. Undoubtedly this delay will impact on DNOs cash flow. 6. We would ask that this proposal is withdrawn until such time as meaningful dialogue with the lighting authorities has taken place.
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About Severity Codes

H (High):
Prejudices document's conclusions, recommendations or fitness for purpose.

M (Medium):
Matter of substance, but not high.

L (Low):
Minor error but document's intention is clear.

Comments on the redline text

No.	Organisation	Document name	Location	Severity Code	Comments
1	Central Networks	BSCP520	1.2.1 and 3.2.	M	The redlined text includes the phrase "audit derived uplift". Suggest that this needs defining perhaps by adding the phrase in brackets after the new paragraph " r " in 1.2.1.
2	Central Networks	BSCP520	3.2.2	H	The "WHEN" field has gained some spurious text that needs deleting.
3	Central Networks	BSCP520	3.2.2	H	The "ACTION" field should include the action of amending the inventory to include an agreed uplift. Suggest the following additional sentence;

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Comments on the redline text

					"Where a physical audit of the customer's detailed inventory has revealed discrepancies, the UMISO may apply an agreed audit derived uplift."
4	Central Networks	BSCP520	3.2.2	H	The "INFORMATION REQUIRED" needs amending as the detailed inventory is unlikely to be approved and include all traded equipment if it is inaccurate. Suggest the following additional wording; "or if an audit derived uplift has been applied to the detailed inventory, the UMISO shall provide details of the uplift against the inaccurate detailed inventory".

Responses for CP1337 'Improvements to the BSC Trading Disputes Process'

Summary of Responses				
Organisation	Capacity in which Organisation operates in	Agree?	Impacted?	Days needed to implement
MRASCo Ltd	MRASCo	Neutral	No	-
Western Power Distribution	LDSO, MOA	Yes	Yes	30
GDF SUEZ Energy UK	Supplier	Yes	Yes	-
Spark Energy	Supplier	Yes	No	90
British Energy	Supplier, Generator, Trader Non Physical	Yes	Yes	30
TMA Data Management Ltd	HHDC, HHDA, NHHDC and NHHDA	Yes	No	-
EDF Energy Networks	EDF Energy Networks (EPN) plc, EDF Energy Networks (LPN) plc, EDF Energy Networks (SPN) plc, EDF Energy (IDNO) Ltd (EDFI	Yes	Not Directly	-
Scottish and Southern Energy	Supplier/Generator/ Trader / Party Agent / Distributor	Yes	No	-
NPower Limited	Supplier/Supplier Agents	Yes	No	-
E.ON UK Energy Services	NHHMOA NHHDC-DA	Neutral	No	-
Electricity North West	Distributor	Yes	Yes	-
Scottish Power		Yes	Yes	14
British Gas	Supplier	Yes	Yes	-
E.ON	Supplier	Yes	Yes	180

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Organisation	Agree?	Impacted?	Comments
MRASCo Ltd Assessor Name: Geoffrey Sekyere-Afriyie Email: Geoffrey.sekyere-afriyie@gemserv.com Tel: 020 7090 1073	Neutral	No	Lead time comment - Standard notification procedures (Release email) will be fine. Would implementation in the proposed Release have an adverse impact on your organisation? No
Western Power Distribution Assessor Name: Graham Smith Email: grsmith@westernpower.co.uk Tel: 01752 502208	Yes	Yes	For which role is your organisation impacted? LDSO Please state what the impact is - Slight change to LWIs Would implementation in the proposed Release have an adverse impact on your organisation? No Associated costs - Negligible cost impact
GDF SUEZ Energy UK Assessor name: Jonathan Moore Email: jonathan.moore@gdfsuezuk.com Tel: 0113 3062048	Yes	Yes	Agree change comment - The changes suggested are sensible and the clarification on how to identify affected parties would be useful. However we have slight concerns over the large jump in the materiality threshold from £500 - £3,000. For which role is your organisation impacted? Supplier Please state what the impact is - Minor changes to the process for identifying a potential dispute and raising the dispute with Elexon. Would implementation in the proposed Release have an adverse impact on your organisation? No Associated costs - No significant associated cost.
Spark Energy Assessor Name: Julie Jeffreys Email: Julie.jeffreys@sparkenergy.co.uk Tel: 01750 726235	Yes	No	Would implementation in the proposed Release have an adverse impact on your organisation? Unknown at this time Associated costs – unknown at this time
British Energy	Yes	Yes	For which role is your organisation impacted? Supplier

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<p>Assessor Name: Deborah Bird Contact Name: John Henbest Email: deborah.bird@edf-energy.com T: 01452 653928</p>			<p>Please state what the impact is - Impact on processes</p>
<p>TMA Data Management Ltd Assessor Name: Alexandra Pourcelot Email: Udms@tma.co.uk T: 01324 711 744</p>	Yes	No	<p>Would implementation in the proposed Release have an adverse impact on your organisation? No</p>
<p>EDF Energy Networks Assessor Name: Sam Eden Email: sam.eden@edfenergy.com T: 01293 657 921</p>	Yes	Not Directly	<p>For which role is your organisation impacted? We are impacted indirectly as we may raise disputes through DUoS or billing Please state what the impact is - Additional dispute settlement runs. Please explain the lead time – no implementation time. Would implementation in the proposed Release have an adverse impact on your organisation? No</p>
<p>Scottish and Southern Energy Assessor Name: Vasu Mistry Email: vasu.mistry@sse.com Tel: 01256 304123</p>	Yes	No	-
<p>NPower Limited Assessor Name: Louise Williams Email: Electricity.Codes@Npo</p>	Yes	No	<p>Please explain the lead time – We do not require any notice to implement this change proposal. Would implementation in the proposed Release have an adverse impact on your organisation? No Associated costs - We do not envisage any costs to implement this change proposal.</p>

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<p>wer.com Tel: 0121 336 5232/ 07833235839</p>			
<p>E.ON UK Energy Services Assessor Name: Alastair Barnsley Email: Alastair.barnsley@eon-uk.com Tel: 02476 186886</p>	Neutral	No	-
<p>Electricity North West Assessor Name: Pam Simpson Email: Pam.simpson@enwl.co.uk T: 01925 846857</p>	Yes	Yes	<p>For which role is your organisation impacted? Distribution/MPAS/Revenue Protection/SFIC Please state what the impact is - Improved slicker process when/if required Would implementation in the proposed Release have an adverse impact on your organisation? No Associated costs - Not aware of any costs to implement</p>
<p>Scottish Power Assessor Name: Man Kwong Liu Email: Man.kwong.liu@accenture.com Tel: 01355 352 731</p>	Yes	Yes	<p>Agree change comment - ScottishPower agreed that the proposed changes will improve the existing Disputes process so that it is simpler, clearer and more efficient and will bring certain elements of the process more up to date. For which role is your organisation impacted? Supplier Please state what the impact is - Procedural and process only. Would implementation in the proposed Release have an adverse impact on your organisation? No Associated costs - Minimal costs. Any other comments - Any reason why £3000 threshold for affected parties rather than the £5000 as recommended by the TDC Review Group?</p>
<p>British Gas Assessor Name: Kevin Woollard Email: Kevin.woollard@centrica.co.uk</p>	Yes	Yes	<p>For which role is your organisation impacted? Supplier Please state what the impact is - Update processes</p>

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T: 07979 563580			
E.ON Assessor Name: Kate Potts Email: Kate.potts@eonenergy.com Tel: 02476 181350	Yes	Yes	For which role is your organisation impacted? Supplier Please state what the impact is - It only impacts a manual process Would implementation in the proposed Release have an adverse impact on your organisation? No

No comments on the redlined text.



About Severity Codes

H (High):
 Prejudices document's conclusions, recommendations or fitness for purpose.

M (Medium):
 Matter of substance, but not high.

L (Low):
 Minor error but document's intention is clear.

Responses for CP1338 'Guidance for Complex Sites - Network Flows affecting Settlement Meter Readings'

Summary of Responses				
Organisation	Capacity in which Organisation operates in	Agree?	Impacted?	Days needed to implement
MRASCo Ltd	MRASCo	Neutral	No	-
Western Power Distribution	LDSO, MOA	Yes	Yes	30
GDF SUEZ Energy UK	Supplier	Neutral	Yes	-
Spark Energy	Supplier	Yes	Yes	90
British Energy	Supplier, Generator, Trader Non Physical	Neutral	Yes/No	-
TMA Data Management Ltd	HHDC, HHDA, NHHDC and NHHDA	Yes	Yes	30
EDF Energy Networks	EDF Energy Networks (EPN) plc, EDF Energy Networks (LPN) plc, EDF Energy Networks (SPN) plc, EDF Energy (IDNO) Ltd (EDFI	Yes	No	-
Scottish and Southern Energy	Supplier/Generator/ Trader / Party Agent / Distributor	Yes	No	-
NPower Limited	Supplier/Supplier Agents	Yes	No	-
E.ON UK Energy Services	NHHMOA NHHDC-DA	Neutral	Yes	180
Association of Meter Operators	Represents metering organisations	No	No	-
Electricity North West	Distributor	Neutral	No	-
Scottish Power		Yes	Yes	60
British Gas	Supplier	Yes	Yes	-

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Summary of Responses

E.ON	Supplier	Yes	No	-
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Organisation	Agree?	Impacted?	Comments
MRASCo Ltd Assessor Name: Geoffrey Sekyere-Afryie Email: Geoffrey.sekyere-afryie@gemserv.com Tel: 020 7090 1073	Neutral	No	Lead time comment - Standard notification procedures (Release email) will be fine. Would implementation in the proposed Release have an adverse impact on your organisation? No
Western Power Distribution Assessor Name: Graham Smith Email: grsmith@westernpower.co.uk Tel: 01752 502208	Yes	Yes	Agree change comment - see comments to Q7 For which role is your organisation impacted? HHMOA Please state what the impact is - Update to LWIs Would implementation in the proposed Release have an adverse impact on your organisation? No. In fact, as it is only a documentation change we believe it should be introduced in the November 2010 release. Associated costs - Negligible cost impact
GDF SUEZ Energy UK Assessor name: Jonathan Moore Contact name: John Morris Email: john.morris@gdfsuezuk.com Tel: 0113 3062179	Neutral	Yes	Agree change comment - It is our view that non settlement flows through Settlement Metering are likely to occur where dual feeder separately metered parallel connected sites have embedded on site generation facilities which are likely to result in low Customer demand levels on site and where for any reason Customers site loads may be low at any time. Whilst we agree that the proposed guidance does offer a viable solution to the problem, we have some concerns that the solution compromises the correct recording of import / export data during a half hourly time interval. Comments on each of the possible solutions to the scenario as follows. We believe that 'proposed solution 1' would not be a viable option for the vast majority of these sites. Due to the fact that it would be very unlikely to find an appropriate point of common coupling at the site other than the one currently in use. We agree that 'proposed solution 2' would offer a solution to the current problems. However we

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			<p>also recognise that it would only be applicable when the customer did not require parallel metering.</p> <p>The proposed 'possible solution 3' the netting of imports and exports will not record the true import and export total site values for each half hour period. It will only record a single import or export value but not both. Therefore actual import and export from both feeders will be netted together within each half hour period, thus reducing import volumes and consequently reducing the renewable obligation payable on import supplies and also reducing the VAT to be charged on both imports and exports. Historically HMR&C allowed the netting through "virtual" summated metering. However due to increase in the number of these sites and the expected fall in taxable revenue (VAT) their rules now dictate that both import and export usage are billed separately and VAT levied on both supplies unless both supplies are physically summated through the appropriate metering solution. There will also be some situations where one or both of the dual feeders has no export Mpan.</p> <p>We would also like to note that the registered import supplier may not be the same as the registered export supplier for any given feeder, indeed it is possible that up to four separate Electricity Suppliers to be involved with a single dual feeder separately metered supply.</p> <p>For which role is your organisation impacted? Supplier</p> <p>Please state what the impact is - In the recent past we have encountered at least one significant problem and customer dispute resulting from a dual feeder separately metered parallel connected site with low load conditions. We believe that this was not a one off occurrence and are concerned that, especially given the current financial climate, these circumstances could be repeated. As such we have a significant interest in any development in the treatment of complex sites.</p> <p>Associated costs - No cost to implement</p> <p>Any other comments - In view of the likely substantial increase in embedded generation facilities in the near future, We would suggest that DNO's should be required to provide Elexon with a list of all their dual feeder separately metered supplies where authorization to parallel the connection has been given to the Customer or where parallel connection of the dual feeders may be required by the DNO in the future.</p> <p>Where authorization to parallel separately metered the dual feeders have been given, Customers should be given the option to pay for the installation of true 'within half hour' summation metering or revoke the right to parallel their feeders altogether.</p>
<p>Spark Energy Assessor Name: Julie Jeffreys Email: Julie.jeffreys@sparken</p>	<p>Yes</p>	<p>Yes</p>	<p>For which role is your organisation impacted? Supplier</p> <p>Please state what the impact is – Currently Minimal due to volume of sites currently</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? Minimal</p> <p>Associated costs – unknown at this time</p>

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ergy.co.uk Tel: 01750 726235			
British Energy Assessor Name: Deborah Bird Contact Name: John Henbest Email: deborah.bird@edf-energy.com T: 01452 653928	Neutral	Yes/No	-
TMA Data Management Ltd Assessor Name: Alexandra Pourcelot Email: Udms@tma.co.uk T: 01324 711 744	Yes	Yes	For which role is your organisation impacted? HHDC Please state what the impact is - Impacts on procedures. Would implementation in the proposed Release have an adverse impact on your organisation? No Associated costs - Low cost involved Any other comments - This change will validate existing set up that are currently non compliant. It makes sense to use the complex sites facilities to ensure that data entering settlement is accurate.
EDF Energy Networks Assessor Name: Sam Eden Email: sam.eden@edfenergy.com T: 01293 657 921	Yes	No	Any other comments - It is practical and pragmatic solution to real metering issues. The alternative options 1 & 2 are not appropriate or economically viable.
Scottish and Southern Energy Assessor Name: Vasu Mistry Email: vasu.mistry@sse.com Tel: 01256 304123	Yes	No	-

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<p>NPower Limited Assessor Name: Louise Williams Email: Electricity.Codes@Npower.com Tel: 0121 336 5232/ 07833235839</p>	<p>Yes</p>	<p>No</p>	<p>Please explain the lead time – We do not require any notice to implement this change proposal. Would implementation in the proposed Release have an adverse impact on your organisation? No Associated costs - We do not envisage any costs to implement this change proposal.</p>
<p>E.ON UK Energy Services Assessor Name: Alastair Barnsley Email: Alastair.barnsley@eon-uk.com Tel: 02476 186886</p>	<p>Neutral</p>	<p>Yes</p>	<p>For which role is your organisation impacted? HHMOA Please state what the impact is - Changes may be required to operational procedures.</p>
<p>Association of Meter Operators Assessor Name: Tom Chevalier Email: Tom.Chevalier@PowerDataAssociates.com Tel: 01525 862870</p>	<p>No</p>	<p>No</p>	<p>Agree change comment - The origin of the complex metering form was that the DTC flow D0268 was not sufficiently flexible to cope with the small number of more obscure 'complex' metering arrangements that existed. As has been indicated in the TAA Annual Audit report there are about 59 sites described as complex. The section in BSCP502 was added to give some guidance on when and how to use the form and to satisfy the audit requirements where additional technical information is communicated outside of the DTN.</p> <p>The non-exhaustive list of examples' were exactly that – these were some examples of the weird and wonderful cases that existed in the industry. They were not given as examples of acceptable metering arrangements. The weird sites would normally have a Dispensation to document why they were exceptions to the normal BSC metering arrangements.</p> <p>Any exceptions bring a cost of management for the MO & DC to have suitable manual processes to ensure the MTD is correctly communicated and acted upon. By their very nature these 'complex' arrangements are more likely to have errors. This is why 'complex' sites were selected as the subject of the specific TAA audit last year.</p> <p>There is a concern that this CP could 'legitimise' certain arrangements without the rigor of an approved Dispensation. The two examples described highlight some specific issues: Network Flows Impacting Settlement Meters – Fig 1</p> <p>The diagram shows the bus-coupler closed and network current running through the customers equipment. This reduces the resilience of the customers network. If there is a network fault the customer loses all supply. The normal arrangement would be for the bus-coupler to be open if</p>

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one the network feeds is lost, then only half of the customers load is lost, and the customer can open the network breaker, close the bus-coupler and restore supplies to all his load. The same arrangement would be used for maintenance of the metering circuit breakers, although the bus coupler would be closed as part of the switching process, this would only be for a few minutes and any network flow would be insignificant in settlement/billing terms.

If the infeed and outfeed used 2km of the customers private network – would that be acceptable?

Network Flows Impacting Settlement Meters – Fig 2

This diagram shows the distribution network being used to transmit generation from one of the customers feeders onto the distribution network and back into the customers feeder. Using the proposed metering 'netting', the distribution business will not 'see' this energy and it will not be subject to DUoS charging. This loss of DUoS revenue may (or may not) be acceptable to the Distribution business. The diagram infers a few metres of copper bus bar, however where do you draw the line? – a few meters, a few hundred meters of cable or 3km?

In the 'old days' summation CTs could have been used to resolve some of these situations, but these were 'outlawed' in the mid 1990s. Using them under a dispensation may still be an appropriate solution in some situations.

The concern with this CP is that might have the effect of legitimising some metering arrangements without the full rigor and challenge of the dispensation process. I would repeat that the original purpose of the complex sites section in the BSCPs was to describe an unusual situation – it was not there to 'allow' these situations, that is what the Dispensation process is there for – if there is an appropriate supporting business case.

The text in the CP under proposed solution point 1 – seems incorrect. Moving the metering to the correct position could be costly – true, but where it is a significant cost then a dispensation could be applied for justified by avoiding these costs.

By seeking and approving a BSC Dispensation the full engineering and financial case for the arrangement can be documented, and where approved will be available for reference by subsequent Suppliers and MOs. It is also available to the TAA to ensure that there are not any inappropriate non-compliances applied.

Any other comments - Not commented on the redline changes as the comments above, if accepted, would lead to a rethink.

I have spoken to Keith Champion on this subject, who understands the concerns. It is not easy to describe the concerns clearly on paper, so still not sure if the point is clearly made.

The following comments were included in a document sent to SVG/ISG & PAB chairs on the 28th June (prior to the issue of this change pack):

The site specific TAA audit into complex sites has highlighted some strange scenarios which could and should have been subject to a BSC Dispensation application. The need for dispensations is

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			<p>recognised in the existing BSCP514 guidance.</p> <p>BSCP514 states:</p> <p>“In many cases, a Complex Site shall meet the conditions required to apply for a Metering Dispensation as described in BSCP32 ‘Metering Dispensations’. Where Complex Sites use MS which are not fully compliant with the relevant CoP, a Metering Dispensation should be applied for via BSCP32. Once a Dispensation has been granted, the information shall be available for all future Suppliers, so that they shall have the ability to understand the metering configuration at the Complex Site. As part of the dispensation application process, the Supplier shall need to submit a simplified schematic diagram of the Complex Site connection arrangements and the proposed metering points, as required in BSCP32.”</p> <p>The indication of the SVG paper is that energy not related to the customer is flowing across the boundary between the Distribution network and the customer’s equipment. This energy flow is being incorrectly included in settlement. A fundamental requirement for settlement metering is that it should be located at the boundary between the customer/distribution network. Where there are unusual circumstances, as allowed for under the complex sites, then a dispensation should be considered which would formally record the situation.</p> <p>Getting this correct will also impact on Distribution Use of System revenue. On initial review of the SVG paper diagrams, the bus-bar breaker would normally be ‘open’ preventing the pass through of distribution consumption. Similarly the second diagram identifies a scenario where the distributor may be missing use of system revenue, if this is only the use of 2m of bus-bar they may be willing to accept a dispensation, but if it is 2km of cable, then probably not.</p> <p>It is not clear from either the SVG paper or the TAA report if any of the 59 audited metering systems has a dispensation. Although if a dispensation did exist then the site may not have received a CAT 1 non-compliance as the metering arrangement would have been formally independently reviewed and agreed within the BSC arrangements.</p>
<p>Electricity North West Assessor Name: Pam Simpson Email: Pam.simpson@enwl.co.uk T: 01925 846857</p>	Neutral	No	-
<p>Scottish Power Assessor Name: Bryan Donnelly</p>	Yes	Yes	<p>Agree change comment - ScottishPower fully support the recommendation that Option 3 is progressed. Options 1 and 2 would involve further disruption with additional costs but little additional benefit to the sector over Option 3.</p>

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<p>Email: Bryan.donnely@accen-ture.com Tel: 01355 352 657</p>			<p>Option 3 would result in a suitable solution whilst minimising cost and impact. For which role is your organisation impacted? HHDC, MOA Please state what the impact is - There would be changes to our internal processes Would implementation in the proposed Release have an adverse impact on your organisation? None Associated costs - We can give no definitive costs at this time but we would expect them to be low if our preferred option 3 is implemented. Options 1 and 2 would have further additional costs in terms of managing.</p>
<p>British Gas Assessor Name: Kevin Woollard Email: Kevin.woollard@centrica.co.uk T: 07979 563580</p>	Yes	Yes	<p>For which role is your organisation impacted? Supplier Please state what the impact is - Update internal processes</p>
<p>E.ON Assessor Name: Kate Potts Email: Kate.potts@eonenergy.com Tel: 02476 181350</p>	Yes	No	-



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 Prejudices document's conclusions, recommendations or fitness for purpose.

M (Medium):
 Matter of substance, but not high.

L (Low):
 Minor error but document's intention is clear.

Comments on the redline text

No.	Organisation	Document name	Location	Severity Code	Comments
1	Western Power Distribution	Cp1338 Attachment for BSCP502	Page 13 & page 14 section 4.9.8	H	The aggregation rule for the Imports on the 2 new examples appears to be wrong. Shouldn't the rule be: $\text{Import MSID} = (M1 \text{ AIAE} + M2 \text{ AIAE}) - (M1 \text{ AEA} + M2 \text{ AEA})$
2	Western Power Distribution	Cp1338 Attachment for BSCP514	Page 9 and page 10 section 8.4.8	H	As above.

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