Any Questions
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elexon.change@elexon.co.uk

Change Proposal Circular – CPC00741 Responses

CPC00741: Impact Assessment of CP1414

Summary of Responses for CP1414

ORGANISATION	AGREE WITH THE CHANGE?	IMPACTED?	COST?	IMPLEMENTATION DATE?
TMA Data Management Ltd	Neutral	No	None	Neutral
Dudley MBC	Yes	No	None	Yes
Carmarthenshire County Council	Yes	Yes	None	Yes
Power Data Associates Ltd	Yes	Yes	None	Yes
Atkins Ltd	Yes	No	None	Yes
Northern Powergrid	No	Yes	Will depend on customer take up	No, propose earliest release: November 2015.
Barnsley MBC	Yes	Yes	None	Yes
Walsall Council	Yes	Yes	None	Yes
UPL	Neutral	No	None	Neutral
RWE Npower	Neutral	No	None	Neutral
Warwickshire County Council	Yes	Yes	Minimal	Yes

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ORGANISATION	AGREE WITH THE CHANGE?	IMPACTED?	COST?	IMPLEMENTATION DATE?
Western Power Distribution	Yes	Yes	<£10,000	No align with DCUSA changes
Brookfield Utilities UK	Yes	Yes	None	Yes
ESP Electricity Ltd	Yes	Yes	None	Yes
British Gas	Neutral	No	None	Neutral
E.ON	Yes	No	None	Yes
Electricity North West	No	Yes	TBD	No
Eastern Power Networks plc London Power Networks plc Southern Eastern Power Networks plc UK Power Networks (IDNO) Ltd	No	Yes	TBD	No
ScottishPower	No	Yes	TBD	No
Scottish & Southern Energy Power Distribution	No	Yes	Medium	No
Leeds City Council	Yes	Yes	None	Yes
Warrington Council	Yes	Yes	None	Yes
Wigan Council	Yes	Yes	None	Yes
Sunderland City Council	Yes	Yes	None	Yes

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ORGANISATION	AGREE WITH THE CHANGE?	IMPACTED?	COST?	IMPLEMENTATION DATE?
Hampshire County Council	Yes	Yes	None	Yes
City of Wakefield Metropolitan District Council	Yes	Yes	Minimal	Yes
South Gloucestershire Council	Yes	Yes	None	Yes
Kirklees' Council	Yes	Yes	None	Yes
Surrey County Council	Yes	-	-	-
East Sussex County Council	-	-	-	-
Lincolnshire County Council	-	-	-	-

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TMA Data Management Ltd	**Do you agree with the change?** Neutral **How is your organisation impacted? –** No impact **What are the associated costs on your organisation to implement the change? –** None **Agree with the implementation approach? If not, why? –** Neutral **Any other comments?** No
Dudley MBC	**Do you agree with the change?** Yes **How is your organisation impacted? –** No impact **What are the associated costs on your organisation to implement the change? –** None **Agree with the implementation approach? If not, why? –** Yes – we would be looking for implementation as soon as practicable. **Any other comments?**
Carmarthenshire County Council	**Do you agree with the change?** Yes , main advantages for the CP is that it removes a number of issues that Las have identified. **How is your organisation impacted?** – Higher Supplier charges due to not getting competitive contract rates with preferred suppliers. **What are the associated costs on your organisation to implement the change? –** No real associated costs to implement the change. **Agree with the implementation approach? If not, why? –** Yes

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	Any other comments? No
Power Data Associates Ltd	**Do you agree with the change?** Yes because: • it simplifies the administration of inventories for UMS customers • it reduces the number of inventories which a UMS customer must manage • it minimises the opportunity for double counting, which is currently occurring, hence causing overbilling by customers and incorrect settlement allocation it enables the IDNO connected lighting network to benefit from CMS equipment **How is your organisation impacted? –** Yes Our customers are currently confused how to deal with the IDNO supplies. It is apparent that a number of them incorrectly add them to the LDSO inventory and expect the industry to 'sort it out'. Many local authorities are requiring developers to install CMS controlled lighting equipment as part of the design criteria for a new development. But once the equipment is installed it is not possible to manage the equipment using CMS in a NHH MPAN. The customer then approaches us about trading a small MPAN on a HH basis, which is not economic. "UK plc" may be missing out on the potential carbon savings from use of CMS. **What are the associated costs on your organisation to implement the change? –** If the IDNO CMS and ordinary equipment is incorporated into the LDSO MPAN then we have no impact. **Agree with the implementation approach? If not, why? –** Yes, because there are no system changes simply organisational and operational inventory changes. **Any other comments?**

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Atkins Ltd	**Do you agree with the change?** Yes because it will reduce the costs through reduced admin and charges of maintaining separate inventories and MPANS for DNO and IDNO. **How is your organisation impacted? –** No impact **What are the associated costs on your organisation to implement the change? –** None **Agree with the implementation approach? If not, why? –** Yes because… this will put onus on Developer / IDNO to advise LA of an IDNO in their authority at adoption and allow for HH trading with future potential for CMS inclusion **Any other comments?** Ideally the identification of an IDNO in an LA should be advised to the LA by the IDNO at appointment of the IDNO by the developer. Therefore I propose this requirement is added to the proposed process prior to Item 1. This will allow for suitable information to be placed on documentation subject to technical checks and allow for identification of IDNO within S38 agreements. Also will allow for the pre-population of necessary fields to identify IDNO in advance of adoption.
Northern Powergrid	**Do you agree with the change?** No, Northern Powergrid feel it would be inappropriate to change the current industry process and fundamental roles of parties to allow for the transfer of responsibilities for the trading of Embedded LDSO's connected unmetered inventories to the upstream LDSO, in order to reduce the number of inventories that need to be maintained by UMS customers. It may be more appropriate to address the root causes of the UMS customer's concerns via an education route or the creation of an Embedded LDSO managed service for Embedded UMS inventories. The proposal appears to move administrative overheads from the lighting authorities and embedded network operators (and potentially from the Suppliers and Meter Administrators) on to the upstream LDSO's by way of introducing new processes. If additional costs for customers do exist this proposal simply seeks to move those to a third party (the upstream LDSO) who has no

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	obvious way of recovering them, and have not factored these additional costs into their current business plans. The proposed change suggests that the customer would choose which party would manage their unmetered supplies and, while the change assumes that the upstream DNO would be the party that the customer chooses, there is scope for the customer to choose a larger Embedded LDSO to manage their unmetered equipment connected to Embedded LDSO networks. This will potentially increase the risk to the accuracy of settlements by increasing the likelihood that UMS equipment is maintained inaccurately on inventories provided to the incorrect LDSO; not included on any inventory; or maintained on more than one inventory i.e. double counted. There should be no scope for confusion in the market through customer choice. It is understandable and entirely logical that Embedded LDSOs have targeted housing and commercial developers to promote competition in connections as the controlling entities for any contracts for utilities on any given new site. However, this approach may have left some lighting authorities on the side-lines and blind to the fact that their street furniture would be connected to an Embedded LDSO network (rather than to the upstream LDSO's network) until the latter stages of a development (the adoption phase). If this is the case it may be appropriate to fundamentally review how new connection projects involving UMS connections are managed from the start in terms of relationships between the Embedded LDSO and its initial core customer(s) on any site (i.e. the builder/developer and the adopting lighting authority) and educate the relevant parties as to their responsibilities as opposed to appeasing flagrant non-compliance and changing obligations to shift responsibilities. In addition, there is insufficient analysis to show the financial magnitude of the suggested costs on Suppliers and Meter Administrators from the existing arrangements (i.e. on the costs that may be communicated through administration charges to SLA

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	customers on a per MPAN basis). This is important if this is one of the root causes of any current problems as suggested. Furthermore, there is no analysis of the additional costs being proposed on DNOs and so no sufficient cost benefit analysis has been carried out. We are also concerned that this proposal breaks the current core contractual agreements between the relevant parties. Parallel trading arrangements were established to create no distinction between DNOs and EDNOs as industry parties so that a level playing field for competition exists. The proposal undermines these parallel trading arrangements and seeks to move a core responsibility of an embedded network operator to the upstream DNO. The lighting authorities have commercial contracts with their chosen Suppliers. A more simple solution must be for lighting authorities to negotiate with their chosen Supplier and the Embedded LDSO(s) on arrangements for Embedded LDSO connected inventories rather than create a new convoluted trading arrangement. The proposal as drafted will not reduce the burden on the lighting authority in terms of separately identifying Embedded LDSO connected UMS items and transfers additional administration, costs and risks from the UMS customer and Embedded LDSO(s) to the upstream LDSO without considering more appropriate options. The change proposal as drafted may also not fully address LDSOs concerns about maintaining records of UMS inventory items connected to Embedded LDSOs. For example, although adding Embedded LDSO connected streetlights to host LDSOs inventories may help maintain the overall accuracy of settlements data; this assumes that the UMS customer includes all of the Embedded LDSO connected streetlights in 'total UMS inventories' and this in turn requires the UMS customers to maintain records of all such

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	Embedded LDSO connected streetlights. As the UMS customer will need to maintain such records it is not a big step to capture them on separate 'IDNO connected' inventories (which could also be checked by the relevant IDNOs if required) for submission to the UMSO. CP1414 indicates that Suppliers and MA's are levying additional administrative charges on a per MSID basis; causing SLA's to refuse to complete highway adoption agreements with developers. It is unclear whether CP1414's intent, at least in part, is to combine the inventories so that UMS customers can avoid such charges, if this is the case it would seem inappropriate to transfer administration and costs to the upstream LDSO due to a charging issue between MA's and customers. The customer reserves the right to be able to change Suppliers and MA's and therefore it would seem more appropriate for the UMS customers to challenge the MA's on the validity and cost reflectivity (with the support of the Embedded LDSOs) or consider changing Supplier and MA. The proposal as drafted would also cause other issues, including serious issues for Use of System billing. Including all lamps on the host LDSO's inventories would create corresponding 'total UMS' DUoS bills. We assume that Embedded LDSOs would be expecting their appropriate share of the DUoS income and therefore the 'total UMS' income would need disaggregating in relation to the Embedded LDSO UMS items. This disaggregation would therefore also necessitate the requirement for separate lists/inventories of Embedded LDSO connected UMS items to distinguish them from LDSO connected items. Again, as these separate lists/inventories of Embedded LDSO connected UMS items would need to be created to support DUoS income separation, it would not be a big step to trade such items as separate formal inventories which would be much more transparent. **How is your organisation impacted?** –The impact would be dependent on the number of customers that choose to use the

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	upstream LDSO to manage their inventory or if a third party is chosen (i.e. a larger Embedded LDSO). Should the SLAs choose the upstream LDSO to manage all (or a large proportion) Embedded LDSO sites there would be a requirement for review of resource as well as system upgrades to ensure Embedded LDSO unmetered connections are tracked for DUoS billing arrangements. As the proposed change creates optionality it decreases transparency, causes confusion and removes the possibility of accurately assessing the business requirement for the management of unmetered supplies. **What are the associated costs on your organisation to implement the change?** – As the impact would be dependent on the number of customers that choose to use the upstream LDSO to manage their inventory or if a third party is chosen (i.e. a larger Embedded LDSO) an assessment of the impact would need to be undertaken to understand the extent of additional resource that would be required as well as IT system changes which could be significant. As this is a new proposal which has the potential for significant costs it should be considered that those costs were not factored into our recent RIIO-ED1 business plan. As appropriate processes and systems are already in place may be better to address the root causes of the UMS customer's concerns via an education route or the creation of an embedded LDSO managed service for Embedded UMS inventories. **Agree with the implementation approach?** If not, why? – No, we believe that the proposed timescales are unrealistic; the implementation is linked to the BSC release date and would leave no scope for the required education of SLAs in order to indicate the options available to them or the responsibilities of all parties in the new process. If this is not done properly it is likely to add to

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	risk that inventories are not maintained properly and that the associated revised billing arrangements may not be sufficiently robust. In addition time would need to be allowed for IT system upgrades and assessment of the potential impact onto the business processes. It is proposed that if the change was agreed a more realistic go live date would be November 2015. **Any other comments?** The proposed solution indicates that the Embedded LDSO will continue to have full legal and regulatory responsibility for connections made to its distribution network, there is no indication as to who would be responsible for 'policing the arrangement' if customers do not provide the information they are required to or they provide incorrect information. Under the change the customer will still need to identify those connections that are connected to an Embedded LDSO network, if the customer fails to do so or does not have the ability to maintain their asset management database to the required standard to facilitate this proposal, or does not follow the guidance and obligations there would still be a fundamental issue with the data being entered into settlements. The change proposal suggests that BSC Objective (b) (iii) promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase (as defined in the Transmission Licence) of electricity (not objective (c) as indicated in the change proposal) will be better met if the proposal succeeds. However, it appears that BSC Objective (c) that the Code is given effect without undue discrimination between Parties or classes of Party will be breached should the change proposal be successful as the upstream LDSO will be required to complete the Embedded LDSO's licence obligation. The change proposal indicates that the reduction of the number of MPAN's to be registered in the UMS market through

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	implementation was recognised by KPMG during an audit of Embedded LDSO inventory management arrangements, however there is no indication how that monitoring would continue should the change proposal be taken forward and which party would be responsible for any issues found. It seems as though the burden of the managing the UMSO responsibilities for Embedded LDSO would be placed upon the upstream LDSO to ensure all customers follow the proposed process correctly and it seems that the upstream LDSO could potentially be penalised through the BSC Audit process or be open to legal recourse through the National Terms of Connection through the term "UMSO captures all inventories." If current DCUSA change proposal DCP203 is successful it may be a more efficient and transparent way of reducing the number of MPAN's than the proposed CP1414 solution and therefore fix the customer service issue that the CP1414 change proposal is attempting to rectify. DCP203 proposes a single inter-distributer billing arrangement for all connection types and would allow Embedded LDSO's to have a maximum of 6 MPAN's per unmetered supplies customer. Reducing the number of MPANs via DCP203 would seem a more appropriate type of solution i.e. it does not change the formal fundamental roles and responsibilities of Parties, whereas CP1414 risks formalising a potentially confusing and broken process without fully addressing the underlying issues and risks to settlement or addressing the concerns of UMS customers (please note our answer to question 1). In addition to the proposed process being innately flawed it adds to the processes of customers that the proposal itself indicates are a risk to the settlement of unmetered supplies. As there is choice introduced by the customer under the proposal it does not mean that the customer will only have to maintain one inventory, they could choose to have a proportion managed by the upstream LDSO but not all. If they do choose to have the upstream LDSO manage their unmetered supplies they would still need to maintain separate lists of equipment in order to be able to identify to the upstream LDSO, which equipment is connected to Embedded LDSO networks, which Embedded LDSO is the owner of the network the equipment is connected to and which upstream LDSO the Embedded LDSO is connected to should the customer cover an area that crosses licence boundaries. This

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	means that the change would not help resolve the issue of UMS equipment being maintained on the wrong inventory, not maintained on any inventory or maintained on more than one inventory. We fully understand the customer service implications, but we believe that the solution lies in education and we have already offered to assist Lighting Authorities and IDNO's in this matter. The root cause of the issue does not entirely lie in the trading arrangements with Suppliers and Meter Administrators. Those customers who have admitted that they combine their embedded network inventory with that of the LDSO are not guaranteed to be able to provide accurate information on Embedded LDSO connected UMS items if this change is progressed; and therefore might not be able to be relied upon to rectify the issue without further education and process support in the management of UMS connections to Embedded LDSO connections.
Electricity North West	**Do you agree with the change?** No. We can understand from a customer's perspective that one inventory and one bill from their Supplier of choice may be beneficial. However, this issue is not new to these customers since they have to deal now with where their boundary overlaps that of LDSO GSP areas. It is very difficult to understand what is actually happening here. We understand that: • a developer will have an MSID raised and at the point of adoption the Local Authority will decide whether they want to have an inventory with the incumbent embedded LDSO or the host LDSO upstream; and • the existing MSID will be disconnected since the inventory will be added to another MSID. but if they do decide to move upstream what does the embedded LDSO do regarding the raising or otherwise of an MSID?

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	We acknowledge from a billing perspective that their Supplier will not bill them but from a network management perspective if they have disconnected the MSID for such connections how do they intend to manage their network obligations? How will the process work for onward payment to the embedded LDSO for their use of system charges? If they have not billed the Supplier, the existing discount process of LDSO to LDSO billing will not work. This is only briefly mentioned within the DCUSA change proposal, and we are currently waiting for the consultation to be issued. So it's worth noting that without such an obligation this change proposal cannot be approved since UMS data will be processed and sent to the LDSO for inventories that are not connected to their network and will be very difficult, if not impossible, to unpick in order to bill correctly. We only have a Licence obligation to bill use of system for our network and not that of an embedded LDSO. From a settlement perspective there still needs to be a responsibility placed on the shoulders of the embedded LDSO to confirm the accuracy of the inventories on their network since the upstream LDSO will be oblivious to any changes to their network. Whilst there is an attempt to do so within the legal text they seem at best limited in their nature. In fact the legal text is quite broad and allows for any inventory on an embedded network having the ability to move to a host LDSO including any developer. Is this an unintended consequence of such a change proposal or the intention all along? This CP states the combining of the inventories will be optional and also states it has been raised to most likely obligate LDSOs / Unmetered Supplies Operator's (UMSOs) to accept inventories of unmetered equipment connected to an embedded LDSOs network. If there are additional changes to DCUSA to allow this, then why are we limiting customer choice based on who has the most consumption? Surely they should be able to choose either way. It seems to us that this change proposal should really have gone through the issues group to fully understand the cross industry code ramifications. The reason for the CP is that the alternatives are: (1) that too many MSIDs will need to be raised

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	(2) Suppliers together with Meter Administrator's may levy additional administration charges against the customer for each MSID; and (3) there might be problems with adoptions by Local Authorities. Our view is that the CP is not the answer to the issue. Our response to each of the concerns are: (1) volume of MSIDs isn't causing any settlement issues and the DCUSA change attempts to deal with this issue by reducing them. (2) the customer decides who their Supplier is, so would find the Supplier that provides the best deal for them. The customer would also decide whether the equipment would be added to a Half-Hourly or Non Half-Hourly inventory, ultimately having the choice on incurring additional costs. (3) Some Council's have started to put agreements in place with embedded LDSOs covering adoptions. A recent request for information sent to Local Authorities seemed to indicate a mixed response in that there are some MSIDS associated with embedded LDSOs, some may be oblivious to their existence or UMS connections are not yet at the adoption stage. Education may be the answer to this, together with a means of reducing the number of MSIDS required rather than placing an as yet to be defined obligation on the host LDSO to bill on their behalf to the Supplier for use of system that is not theirs and an as yet to be defined way of passing on such charges to the embedded LDSO for an as yet to be defined administration cost for doing so. It is recognised that this change proposal will be judged on its own merits so we would like to offer our view on whether this is the case or not. The Originator believes that the following BSC Applicable Objectives will be better achieved: (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.

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	(d) promoting efficiency in the implementation and administration of the balancing and settlement arrangements. Our view is that this CP will not better achieve those BSC Applicable objectives: (c) whilst work has to be done to break down the perceived barriers to adoption we are not convinced about this being a reason to combine inventories from different networks. Indeed, some Council's now have agreements in place with embedded LDSOs covering adoptions. The number/size of inventories is not a factor in competition and in the case of Half-Hourly Trading; customers can negotiate with all Meter Administrator's. Likewise the customer may consider NHH trading if administrator costs are high. (d) it's worth highlighting that the proposed solution is optional, so any perceived benefits may not be realised. This CP will not simplify the current process as additional steps are being proposed which will impact customers, LDSOs, embedded LDSOs and Meter Administrators'. In the case of the D0030 being set to MWh would it be worth considering whether to investigate a change to increase the number of decimal places, thereby making it more accurate but the net result is likely to be the same and immaterial to settlement. The CP also states some customers already combine the inventories from different networks, but that does not mean it is the right solution. Once such instances arise these can easily be resolved. There will not be a reduction in auditing costs, as the embedded LDSO would still carry out that activity separately for the equipment on its network. In fact it may increase the auditing undertaken by the BSC to ensure that settlement is not being affected by processing data twice, and that the communication between the two, three, four or five embedded LDSOs within the upstream host LDSOs network accurately reflects the inventory associated with each customer. Our view is that this will increase the burden of administration so does not better facilitate this objective. **How is your organisation impacted?** We have identified earlier in our response a number of impacts on our organisation so in

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	summary we will potentially be receiving some inventories containing unmetered equipment that is not connected to our network, which isn't a precedent we are comfortable with as it starts to blur the lines between host LDSOs and embedded LDSOs without the relevant code obligation to do so or an agreement to act as the agent of the embedded LDSO in question. There is also the potential for customers to start contacting the host LDSO with unmetered supply enquiries instead of the embedded LDSO. It is evident from the request for information that in some instances they are unaware of such LDSOs. Education must take place to ensure that this does not occur. In view of the expected increased volumes, we expect the impact for the processing of the inventories including validation to be low, but we will have to review and update our processes and procedures to cater for the interface between the host LDSOs UMSO and the embedded LDSOs UMSO. We have yet to understand what if any the process will be to deal with the inter LDSO billing but this impacts DCUSA rather than the BSC. We do however anticipate additional BSC audit costs to deal with this change. **What are the associated costs on your organisation to implement the change** We envisage the implementation of this CP will have a cost impact but the information to date has not flushed out all the potential impacted areas for us to be able to understand how complex this may or may not be. The full impact of this change proposal needs to be ascertained and how it interacts with other codes and the respective Distribution Licences in order to ensure that one code doesn't undermine the ability of the other code to deliver in line with Licence obligations. It is essential therefore that there is engagement with the DCUSA administrator to understand the full picture. **Agree with the implementation approach? If not, why?** – No, this change proposal is subject to related change proposals in

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	DCUSA, one of which is covering the National Terms of Connection and has yet to be raised. At best it cannot be in advance of the DCUSA change proposals. There is also an issue over whether we can actually bill Suppliers for use of system associated with another LDSOs network. Until this is explored further we cannot agree to any implementation date. **Any other comments?** Our main concern is that inventories of unmetered equipment on different networks should not be combined as there could potentially be confusion/issues with lines of responsibility both for the industry and indeed customers. Whatever the process or procedure there will be costs involved and moving those processes or procedures and their costs to other industry parties just does not seem to be justifiable or provide a resolution to an issue. We would urge caution in accepting this change proposal due to its impact on compliance with another code and as such without changes to them a breach of that code and the Distribution Licence. The impact seems to be limited to the LDSOs and UMSOs yet Suppliers are affected by this in that should this change be accepted they will also be receiving data that will combine some aspects of the embedded LDSO and the host LDSO through other obligations placed upon us and as such their input should be considered. It may be worth noting that as yet there is no Supplier engagement in the DCUSA change which is of concern, but may be due to the title of the change proposal inferring an impact only on the discount factors being applied to UMS tariffs. And finally we believe the legal text lacks clarity to really understand what is being suggested here. In summary it would have been more appropriate to have gone through the issues process or waited until the DCUSA changes where more advanced to fully understand what was being proposed and the impact it has on the BSC and its procedures.

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Barnsley MBC	**Do you agree with the change?** Yes because we will only have to submit one inventory to the DNO, instead of one to the DNO and several to IDNO's **How is your organisation impacted? –** Yes Increased Meter Administration costs, increased in workload supplying several inventories. **What are the associated costs on your organisation to implement the change? –** The cost would be minimal as our UMS inventory is on one database, and additional work is required to split the IDNO's loads when inventories are submitted. **Agree with the implementation approach? If not, why?** – Yes **Any other comments?** No
Walsall Council	**Do you agree with the change?** Yes – this would simplify data extraction and billing for local authorities. This would also reduce costs. **How is your organisation impacted?** – Yes This would encourage competitive rates from preferred suppliers as the IDNO inventory can be added to the existing DNO MPAN and therefore applying the same rates. Additional MPAN charges and Meter Administrator charges will be avoided with the use of the existing DNO MPAN as IDNO inventories too small to warrant HH trading, with the new arrangement, we can take advantage of the Pseudo HH MPAN The change improves the Settlement process overall and has less impact than current arrangements. The consumption being so low on IDNO MPANs, leading to consumption in kWh not appearing in the 3 decimal MWh fields in the industry billing flows, meaning that the IDNO cannot charge the Supplier and the DNO cannot charge the IDNO for consumption. This change would allow using preferred supplied as current supplier cannot take on IDNO MPAN due to low thresholds and/or unable to support IDNO MPANs.

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	This change also put governance around what is already happening in the industry – customers accidentally and also purposely adding IDNO inventories on DNO MPANs. **What are the associated costs on your organisation to implement the change? –** None This change would not be onerous and would allow to be implemented without any additional costs. **Agree with the implementation approach? If not, why? –** Yes – we would be looking for implementation as soon as practicable. **Any other comments?** No
Surrey County Council	**Do you agree with the change?** Yes Please be advised I have not completed the attached for as we generally do not object to the change and aligning the new assets to existing MPANs will reduce administration time/costs for both the Council and Skanska (our contractor under PFI). **How is your organisation impacted? –** **What are the associated costs on your organisation to implement the change? –** **Agree with the implementation approach? If not, why? –** **Any other comments?**
Warwickshire County Council	**Do you agree with the change?** Yes – simplification of data and billing **How is your organisation impacted?** – One single data extract and the ability to utilise HH trading and utilise CMS on IDNO networks Additional MPAN charges and Meter Administrator charges will be avoided with the use of the existing DNO MPAN

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	What are the associated costs on your organisation to implement the change? –Cannot see any additional costs to us but this is without consulting with current MA or supplier. We are fairly confident any costs would be minimal and would be outweighed by possible savings on energy costs and admin time. **Agree with the implementation approach?** If not, why? – Yes – we would be looking for implementation as soon as possible. **Any other comments?** No
Western Power Distribution	**Do you agree with the change?** Yes, primarily because it offers a better service to Customers **How is your organisation impacted? –** Yes We will need to make changes to processes to account for transfer of DUoS income to the IDNOs. This is primarily a DCUSA issue. **What are the associated costs on your organisation to implement the change? –** Unable to quantify fully at this stage but expectation is <£10,000 **Agree with the implementation approach? If not, why? –** No, we don't support the implementation date of November 2014 because we would prefer this change to be implemented at the same time as related DCUSA changes. **Any other comments?** No
Brookfield Utilities UK	**Do you agree with the change?** Yes The proposed changes will deliver improved service to UMS customers by simplifying the current administration process for customers with unmetered connections. The simplification of this process will allow customers (e.g. property developers) to award contracts to embedded LDSOs without the fear of highway adoption issues, this in turn will promote effective competition in the

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	provision of connections and distribution services to distribution networks. Currently, some highway authorities are indicating that they will not adopt roads or UMS equipment connected to IDNO networks because of increased costs and complexity. This has the potential to significantly distort completion in connections. Currently, a customer with unmetered connections to more than one Licensed distributor within a GSP group is required as a minimum to maintain multiple inventories (one per licensee within the GSP group). This can result in significant increase in the administration of inventories and in the supply costs to the customer. Should the customer wish to trade in the HH market, they have to appoint Meter Administrator. Anecdotally we are advised that these costs are very high. Also, we understand that only a limited number of suppliers are active in offering contracts for unmetered supplies. This is likely to be more so the case where inventories are very small. Therefore competition in supply is restricted. Also we understand that many supplier do not offer contracts for UMS on IDNO networks. We understand that this may be because supplier systems do not have the capability to handle MPANs other than from the former 14 ex PES distribution businesses. This issue would be removed as the LA can add the IDNO inventory to the existing DNO MPAN and therefore apply the same rates. UMS customers who wish to benefit from HH metering of their IDNO MPANs will be able to add their IDNO connections to their IDNO connections inventory thereby removing the need for additional meter administration charges. Furthermore UMS customers with connections from IDNO networks are often unable to take advantage of Pseudo HH MPAN arrangements as IDNO inventories too small to warrant HH trading. Again this issue would be removed by this change proposal.

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	The change will improve the overall accuracy of settlement as it removes the current problem of the consumption being so low on IDNO MPANs, which leads to consumption in kWh not appearing in the 3 decimal MWh fields in the industry billing flows, meaning that the IDNO cannot charge the Supplier and the DNO cannot charge the IDNO for consumption. Also the requirement to maintain multiple inventories is in itself a source of inaccuracy since UMS apparatus could be "double counted" by being included in different inventories or wholly missed off any inventory (A distributor would not know whether apparatus was include in the inventory of another distributor). This change reduces the number of separate small inventories required to be traded by UMS customers. There is a relatively small number of electricity Suppliers in the UMS market and smaller inventories are less attractive to many Suppliers. This change will significantly reduce the number of small inventories in the market, which in turn will make the UMS market more attractive to competition in supply. This change will provide governance around what is already happening in the industry – customers accidentally and also purposely adding IDNO inventories on DNO MPANs. We believe that the proposed solution is lower cost than a solution that facilitates multiple inventories to trade under a single MPAN through changes to the settlement systems **How is your organisation impacted?** – We like other IDNOs acquire assets from new developments that require the construction of an extension to the host DNO's network. One of the critical path items for any development is the successful handover of constructed adoptable highways to the local authority upon completion of the development. The current industry arrangements have caused problems for developers finalising the adoption of these highways when they choose to appoint an

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	IDNO to adopt the extension assets from the host DNO networks. If this situation continues it is highly likely that it will have a significant impact on competition in connections as developers may be deterred from choosing IDNOs in future. We don't not anticipate any change in our UMSO activities as the IDNO will continue to be responsible for for validating the inventories associated with the connections to the IDNO's networks that are adopted by the LA. This will ensure that the DNO does not need to take on any additional UMSO responsibilities. We will ensure that our UMS customers enter into a connection agreement to ensure that their inventories for connections to the IDNO network are correctly maintained. We will need to modify the DCUSA to ensure that there are contractual arrangements are in place to require the IDNOs to monitor/audit the inventories relating to connections to their networks to avoid the DNO UMSO having to take on any additional UMSO responsibilities. **What are the associated costs on your organisation to implement the change? – None** We do not anticipate any additional costs to our organisation as a result of the proposed changes. **Agree with the implementation approach? If not, why? –** Yes **Any other comments?** Yes We see the process working as follows:

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	1. LA provides developer with letter of adoption (LOA) and section 38 info. 2. Developer advises IDNO of adoption. 3. IDNO confirms with LA that certificate is in fact for the relevant items on the developer's inventory – ensures LA is aware of new inventory is to be added to DNO MPAN and that the LA needs to record in their internal systems that the inventory is connected to the IDNO network. This will enable the LA to liaise with the correct distributor for fault call-outs – and also enable the DNO to check that the 'new' inventory items connected to the IDNO network has appeared on the DNO MPAN's inventory. This requires a field to be included on the LA's inventory submission to the DNO that identifies which DNO/IDNO the UMS is connected to. 4. Once all confirmed, IDNO removes inventory from developer's MPAN and sends UMS certificate to LA for validation (ensuring no gaps in transfer dates). The DNO can also opt to have a copy of the UMS cert to check it appears on the LA's updated inventory submission. No additional validation required. 5. The IDNO is responsible for continually validating the inventories that are adopted by the LA – providing security to the DNO that items appearing on their inventories are correct. 6. There will be contractual obligations between LA and IDNOs ensuring the LA is maintaining the inventories connected to IDNO networks - covered off in Connection Agreements between IDNO and LA. Connection Agreements between DNOs and LAs will not cover off inventories connected to IDNO networks – hence the need for separate agreements.

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	7. Contractual arrangements ensuring the IDNOs are monitoring/auditing those inventories will be covered off in either the BCAs between IDNOs and DNOs, or the DCUSA amended to put those obligations in place between DNOs/IDNOs. 8. Inter-distributor billing will be led by the IDNO and covered off in DCUSA changes to Portfolio Billing Schedule and possible 'Nested Networks' schedules of DCUSA.
ESP Electricity Ltd	**Do you agree with the change?** Yes The changes proposed greatly improve the service for all UMS customers by removing the additional costs and extra admin they incur when adopting UMS inventories on embedded LDSO networks. These additional costs and admin are mainly brought about by the requirements imposed on embedded LDSOs to support inter-distributor billing. The additional costs come about mainly due to following reasons: • the UMS customer not being able to take advantage of their already agreed contracted competitive rates with their preferred supplier. • Additional MA charges on HH MSIDs. • Additional standing charges for additional MSIDs. The change also allows UMS customers to trade embedded LDSO inventories HH and take advantage of the carbon reduction

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	incentives as embedded LDSO inventories are typically too small to warrant HH trading. The change also removes the barrier on competition by allowing the UMS customer (without the concerns of incurring additional MSID costs) to award contracts to developers who intend to contract with an embedded LDSO for their development. The change also improves accuracy in Settlements as it removes the current problem of the consumption being so low on embedded LDSO MSIDs that it leads to consumption in kWh not appearing in the 3 decimal MWh fields in the industry billing flows. This means that the embedded LDSO cannot charge the Supplier and the host LDSO cannot charge the embedded LDSO for consumption, increasing losses as a result. Additionally the change also puts governance around what in practice is already happening in many instances i.e. the UMS customer deliberately (to avoid additional costs) or accidentally adding embedded LDSO inventories to host LDSO MSIDs. This change reduces the number of separate small inventories required to be traded by UMS customers. There is a relatively small number of electricity Suppliers in the UMS market and smaller inventories are less attractive to many Suppliers. This change will significantly reduce the number of small inventories in the market, which in turn will make the UMS market more attractive to competition in supply. The change can already be supported by the industry; customers have the ability to 'split' and record inventories between different LDSOs (e.g. when operating across more than one GSP); Suppliers will not see any effect on their billing processes; no adverse

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	effects on Settlement; small impact on admin process for Host LDSOs. Finally, having discussed the change with a number of host LDSOs, this change would not require an increased burden in administration on the host LDSO – the embedded LDSO would still have the obligation to ensure the inventory is valid for their connections (via connection agreements with the customer ensuring audits are carried out etc.) and would investigate any discrepancies. **How is your organisation impacted?** – We adopt networks connected to Host LDSOs. Successful handover of adoptable highways by the local authority upon completion of the development is critical. The current industry arrangements have caused problems for developers finalising the adoption of these highways when they choose to appoint an embedded LDSO to adopt the networks. If this situation continues it is highly likely that it will have a significant impact on competition in connections as developers may be deterred from choosing embedded LDSOs in future. We will continue to be responsible for validating the inventories associated with our networks that are adopted by the LA. This will ensure that the Host LDSO is not required to take on any additional UMSO responsibilities. We will need to modify the DCUSA to ensure contractual arrangements are in place between host and embedded LDSOs. We will ensure that UMS customers enter into a connection agreement with us to make certain that inventory updates and audits are maintained (the host LDSO's connection agreements would not cover inventories connected to other LDSOs).

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	We will need to modify the DCUSA to ensure that there are contractual arrangements in place to require the embedded LDSO's to monitor/audit the inventories relating to connections to their networks to avoid the DNO UMSO having to take on any additional UMSO responsibilities. **What are the associated costs on your organisation to implement the change?** – We do not anticipate additional costs through either system changes or additional administration. **Agree with the implementation approach?** If not, why? – Yes **Any other comments?** Having spoken to a number of parties regarding this change, it became evident that I had not provided the level of detail on how we saw the change being implemented in the market. I would be happy to submit a version 2 of this CP that would highlight that level of detail to be recirculated to the industry for further IA. That additional detail would be as follows: 1. UMS customer (predominantly the LAs) provides developer with letter of adoption (LOA) and section 38 info. 2. Developer advises embedded LDSO of adoption. 3. Embedded LDSO confirms with LA that certificate is for the relevant items on the developer's inventory – ensures LA is aware of new inventory is to be added to Host LDSO's MSID and that the LA needs to record in their internal systems that the inventory is connected to the embedded network. This will enable the LA to liaise with the correct LDSO for fault call-outs – and

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	also enable the Host LDSO to check that the 'new' inventory items connected to the embedded network has appeared on the Host LDSO's MSID inventory. This requires a field to be included on the LA's inventory submission to the Host LDSO that identifies which network the UMS is connected to. 4. Once all confirmed, embedded LDSO removes inventory from developer's MSID and sends UMS certificate to LA for validation (ensuring no gaps in transfer dates). The Host LDSO can also opt to have a copy of the UMS cert to check it appears on the LA's updated inventory submission. No additional validation required. 5. The embedded LDSO is responsible for continually validating the inventories that are adopted by the LA – providing security to the Host LDSO that items appearing on their inventories are correct. 6. There will be contractual obligations between LA and embedded LDSOs ensuring the LA is maintaining the inventories connected to embedded networks - covered off in Connection Agreements between embedded LDSO and LA. Connection Agreements between Host LDSOs and LAs will not cover off inventories connected to embedded networks – hence the need for separate agreements. 7. Contractual arrangements ensuring the embedded LDSOs are monitoring/auditing those inventories will be covered off in either the BCAs between LDSOs, or the DCUSA amended to put those obligations in place between LDSOs. 8. Inter-distributor billing will be led by the embedded LDSO and covered off in DCUSA changes to Portfolio Billing Schedule

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	and possible 'Nested Networks' schedules of DCUSA.
Wigan Council	**Do you agree with the proposed changes?** Yes, Wigan Council would support the proposal to trade its UMS under a single MSID, by the use of a combined inventory. The present method of working, where separate inventories are submitted for each LDSO's system will add a significant burden to Authorities in terms of administration of the monthly inventory processing and additional cost of Meter Administration services for processing multiple inventories. This would appear to be an unforeseen penalty for local Authorities from the use of competition in the market and treats UMS end customers at a disadvantage to metered end customers, who consume energy transported along the same LDSO network systems. Additionally, the present low energy consumption profiles associated with street lighting units connected to these (IDNO) systems can prevent Authorities from taking advantage of procuring energy through an HH or CMS (particularly for multiple stage dimming) arrangement. The outcome of this is the use of EAC profiles, which invariably result in higher unit cost per kWh and are not conducive to allowing Authorities to operate street lighting installations in the most energy efficient manner. This approach may also cause problems for those Authorities who qualify for the Carbon Efficiency Scheme (CRC) as there is a stipulation for street lighting UMS energy to be consumed through HH arrangements.

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	As a consequence Authorities have perceived the 'competition' in allowing developers to commission IDNO systems as having little or no benefits for them as the end customer, which has caused problems in the adoption process for new developments. The above issues would only increase over time with the future growth of IDNO's. The proposed change to allow Authorities to submit a single 'combined' inventory that identifies street lighting equipment connected to each LDSO for the purpose of DuOS charges etc. would be a pragmatic and practical solution that would offer the most efficient method of working for Authorities as the end customer, in this process. **How is your organisation impacted?** – Wigan Council (local Authority) maintains a street lighting inventory management system that collects data to identify the LDSO which connects into its street lighting equipment.As such there would be no impact in this respect. There would be a minor change required to the monthly inventory data file submitted to the LDSO/MA, with the use of an additional data field required to identify the LDSO, which would not be considered to be significant. **What are the associated costs on your organisation to implement the change? –** I am not aware that Wigan Council (local Authority) would incur any additional cost, if the proposal was implemented. **Agree with the implementation approach? If not, why? –** Yes, Wigan Council would support the proposed implementation

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	date by 6 November 2014, to trade its UMS under a single MSID, by the use of a combined inventory. This would ensure that Wigan Council could deliver its street lighting service in the most efficient manner.
Sunderland City Council	**Do you agree with the change?** Agree, Sunderland City Council would support the proposal to submit combined inventories for its UMS services. The present method of working, where separate inventories are submitted for each LDSO's system will add a significant burden to Authorities in terms of administration of the inventory processing and additional cost of Meter Administration services for processing multiple inventories. This would appear to be an unforeseen penalty for local Authorities from the use of competition in the market and treats UMS end customers at a disadvantage to metered end customers. Additionally, the present low energy consumption profiles associated with street lighting units connected to these (IDNO) systems can prevent Authorities from taking advantage of procuring energy through an HH or CMS (particularly for multiple stage dimming) arrangement. The outcome of this is the use of EAC profiles, which invariably result in higher unit cost per kWh and are not conducive to allowing Authorities to operate street lighting installations in the most energy efficient manner. This approach may also cause problems for those Authorities who qualify for the Carbon Efficiency Scheme (CRC) as there is a

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	stipulation for street lighting UMS energy to be consumed through HH arrangements. As a consequence Authorities have perceived the 'competition' in allowing developers to commission IDNO systems as having little or no benefits for them as the end customer, which has caused problems in the adoption process for new developments. The above issues would only increase over time with the future growth of IDNO's. The proposed change to allow Authorities to submit a single 'combined' inventory that identifies street lighting equipment connected to each LDSO for the purpose of DuOS charges etc. would be a pragmatic and practical solution that would offer the most efficient method of working for Authorities as the end customer, in this process. **How is your organisation impacted?** – Sunderland City Council maintains a street lighting inventory management system that collects data to identify the LDSO which connects into its street lighting equipment. As such there would be no impact in this respect. There would be a minor change required to the inventory data file submitted to the LDSO, with the use of an additional data field required to identify the LDSO, which would not be considered to be significant. **What are the associated costs on your organisation to implement the change? –** I am not aware that Sunderland City Council would incur any additional cost, if the proposal was implemented. **Agree with the implementation approach? If not, why? –** Yes, Sunderland City Council would support the proposed implementation date by 6 November 2014, to trade its UMS under a single MSID, by the use of a combined inventory.

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	This would ensure that Sunderland City Council could deliver its street lighting service in the most efficient manner. **Any other comments?**
Hampshire County Council	**Do you agree with the change?** Yes – this would simplify data extraction and billing for local authorities. This would also reduce costs **How is your organisation impacted? –** This would encourage competitive rates from preferred suppliers as the IDNO inventory can be added to the existing DNO MPAN and therefore applying the same rates. Additional MPAN charges and Meter Administrator charges will be avoided with the use of the existing DNO MPAN as IDNO inventories too small to warrant HH trading, with the new arrangement, we can take advantage of the Pseudo HH MPAN The change improves the Settlement process overall and has less impact than current arrangements. The consumption being so low on IDNO MPANs, leading to consumption in kWh not appearing in the 3 decimal MWh fields in the industry billing flows, meaning that the IDNO cannot charge the Supplier and the DNO cannot charge the IDNO for consumption. This change would allow using preferred supplied as current supplier cannot take on IDNO MPAN due to low thresholds and/or unable to support IDNO MPANs. This change also put governance around what is already happening in the industry – customers accidentally and also purposely adding IDNO inventories on DNO MPANs. **What are the associated costs on your organisation to implement the change? –** This change would not be onerous and would allow to be implemented without any additional costs **Agree with the implementation approach? If not, why? –** Yes – we would be looking for implementation as soon as practicable.

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	Any other comments?
City of Wakefield Metropolitan District Council	**Do you agree with the proposed changes?** Response - Yes – as it maintains a simple clear method of data submission with the burden of responsibility allocated to the appropriate parties. This also ensures that given austerity measures within Local Government that the Local Authority is not absorbing addition workload and its associated costs. **How is your organisation impacted**? – Response - This change notice mitigates the potential for additional agent and settlement charges along with the increase in staff time required to collate and verify the inventory submission. (i.e. Additional MPAN and MA charges are mitigated with the use of the existing DNO MPAN). If this change notice is rejected the ability is lost to: • Take advantage of the Pseudo metering on the HH MPAN, as IDNO inventories are individually too small to warrant HH trading. • Allow the IDNO to charge the Supplier, and the DNO to charge the IDNO for consumption. This is due to the possibility of very low consumption figures on the IDNO MPANs which would in all likelihood lead to consumption measured in kWh not appearing in the 3 decimal places MWh fields in the industry billing flows. In addition this change also puts governance around how customers should record and manage DNO and IDNO items on their inventories. **What are the associated costs on your organisation to implement the change? –** Cost in our view would be minimal to identify iDNO asset on the existing inventory. **Agree with the implementation approach? If not, why? –** Yes. Required urgently.

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	Any other comments? • Amendments to BSCP must ensure that each iDNO is clearly identified on any inventory submission. • Channels of communication need to be written in to ensure that the closure of the developers MPAN reaches the Lighting Authority in an accurate and timely manner.
South Gloucestershire Council	**Do you agree with the change?** South Gloucestershire Council would support the proposal to trade its UMS under a single MSID, by the use of a combined inventory. The present method of working, where separate inventories are submitted for each LDSO's system will add a significant burden to Authorities in terms of administration of the monthly inventory processing and additional cost of Meter Administration services for processing multiple inventories. This would appear to be an unforeseen penalty for local Authorities from the use of competition in the market and treats UMS end customers at a disadvantage to metered end customers, who consume energy transported along the same LDSO network systems. Additionally, the present low energy consumption profiles associated with street lighting units connected to these (IDNO) systems can prevent Authorities from taking advantage of procuring energy through an HH or CMS (particularly for multiple stage dimming) arrangement. The outcome of this is the use of EAC profiles, which invariably result in higher unit cost per kWh and are not conducive to allowing Authorities to operate street lighting installations in the most energy efficient manner. This approach may also cause problems for those Authorities who qualify for the Carbon Efficiency Scheme (CRC) as there is a

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	stipulation for street lighting UMS energy to be consumed through HH arrangements. As a consequence Authorities have perceived the 'competition' in allowing developers to commission IDNO systems as having little or no benefits for them as the end customer, which has caused problems in the adoption process for new developments. The above issues would only increase over time with the future growth of IDNO's. The proposed change to allow Authorities to submit a single 'combined' inventory that identifies street lighting equipment connected to each LDSO for the purpose of DuOS charges etc. would be a pragmatic and practical solution that would offer the most efficient method of working for Authorities as the end user and value for money to the Council tax payer, in this process. **How is your organisation impacted?** South Gloucestershire Council (local Authority) maintains a street lighting inventory management system that collects data to identify the LDSO which connects into its street lighting equipment. As such there would be no impact in this respect. There would be a minor change required to the monthly inventory data file submitted to the LDSO/MA, with the use of an additional data field required to identify the LDSO, which would not be considered to be significant. **What are the associated costs on your organisation to implement the change?** – I am not aware that South Gloucestershire Council (local Authority) would incur any additional cost, if the proposal was implemented.

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	Do you agree with the implementation approach? Yes, South Gloucestershire Council would support the proposed implementation date by 6 November 2014, to trade its UMS under a single MSID, by the use of a combined inventory. This would ensure that South Gloucestershire Council could deliver its street lighting service in the most efficient manner.
Kirklees' Council	**Do you agree with the change?** Yes I agree with the proposal. This will simplify the process for billing of consumption on unmetered supplies. It will also reduce the additional meter administrator costs associated with multiple MPANs. Furthermore it will enable HH UMS customers to combine all equipment on a single energy procurement contract. **How is your organisation impacted?** – Kirklees Council would benefit from reduced Meter Administrator costs as a result of utilising a combined inventory. We currently maintain a detailed inventory of all unmetered equipment and we would need to make a minor amendment to our inventory submission but this is a negligible amount of work. Kirklees Council would be able to continue to trade all our UMS equipment under a single MPAN and therefore gain the advantage of utilising our existing pseudo meter. **What are the associated costs on your organisation to implement the change?** – There would be no costs to Kirklees Council if the proposed changes were implemented **Agree with the implementation approach?** If not, why? – Yes **Any other comments?**

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Lincolnshire County Council	Throughout the country SLAs put a huge resource into inventory preparation and update for their UMS equipment. While there is aspiration to improve the efficiency of administering UMS inventories and submissions one should remember it is the accuracy of the SLA inventory which is the key to success or failure to provide fair and transparent settlements. The more complications that arise the less likely it is that inventories will be accurate. ELEXON are to be applauded for taking steps to enable the submission of a single inventory it appears to be a step toward improving efficiency but, and it has to be said, the gains are negligible to most UMS customers. Since the majority of data is now stored, retrieved and transmitted electronically it does not really matter how many MPANs there are since SLAs can arrange for them all to be submitted to their MA efficiently on a single e-mail. Computers do the number crunching so perhaps it may not be appropriate for ELEXON or ESP to justify changing SLA inventory submission processes on the grounds that SLAs will make tangible efficiency or cost savings. Is not the case that although SLAs appreciate and use independent connections providers it is the exception rather than the rule when an SLA chooses to employ IDNO services. Rather it is the case that SLAs have IDNO services covertly foisted onto them by canny developers who are the sole beneficiary. Moves by SLAs to refuse to adopt IDNO connections are apparently thwarted leaving SLAs with no choice except to accept, adopt and maintain the developers choice in perpetuity. When it comes to the adoption of IDNO services it is in many cases left for the SLA to do the "running" and resolve ownership and inventory issues particularly when both DNO and IDNO companies continue to neglect their own GS 88 guidance and fail to label their equipment or even provide the street name where their equipment is located. GS 88 also places prospective unacceptable delays in the DNO/IDNO response to deal with highway emergencies putting both the public at risk during the emergency and placing risk on the Highway Authority who under the Highways Act 1980 have a duty of care to maintain the highway. For clarity most SLAs come

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	under the highway authority. The costs of such divergence is met by the tax and council tax payers apparently for the benefit of private companies. A single inventory is likely to increase the work load of meter administrators the cost of which is met by SLAs. All additional costs will by necessity be passed back through the processes and be met from the public purse again placing pressure on local authority budgets. In addition implementation of CP1414 is likely to burden SLAs with additional initial set up costs incurred in developing an understanding of the processes, amending their computerised inventory reports and embedding revised processes into their operational and quality management systems. The key beneficiary is likely to be IDNO companies therefore as long as the proposal remains as: "*CP1414, which proposes to give UMS customers the option to trade their UMS connections from embedded Distribution Systems under a single distribution MSID*" and is OPTIONAL rather than obligatory the move will be supported. Looking to the future for IDNO unmetered connections for highway or proposed highway. It should be possible to enact legislation to place a levy on developers for each unmetered IDNO connection. The levy should then be passed to the SLA as a commuted sum to compensate them for the undertaking the tasks that result from IDNO connections from which developers profit and the tax payer is burdened. This would go some way to restore a balance where developers will have a choice of connections provider but not at public expense.
East Sussex County Council	The proposed change to BSCP520 to enable UMS customers to trade their IDNO inventories on the host DNO's existing UMS MPAN(s) is an essential progression to create a simple and efficient process for energy management.

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	The processes outlined in the summary generally appear to be reasonable and logical although items below may require amendment or further consideration (see specific comments). 4. Once all confirmed, IDNO removes inventory from developer's MPAN and sends UMS certificate to LA for validation (ensuring no gaps in transfer dates). The DNO can also opt to have a copy of the UMS cert to check it appears on the LA's updated inventory submission. No additional validation required. Comment - In my experience many connections on development sites are not declared and will only appear on any inventory when adopted by the LA therefore no UMS certificate for IDNO to forward to LA. 5. The IDNO is responsible for continually validating the inventories that are adopted by the LA – providing security to the DNO that items appearing on their inventories are correct. Comment - Realistically the LA will validate the street lighting/traffic signals, illuminated street furniture inventory at adoption and amend when changes are made. How will the IDNO validate inventories and will LA need to advise IDNO of any changes.
Eastern Power Networks plc London Power Networks plc	**Do you agree with the change?** No. We have not seen any actual evidence that a local authority has refused to adopt street lights connected to an Embedded LDSO

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Southern Eastern Power Networks plc UK Power Networks (IDNO) Ltd	network to support the need for this change. The Change Proposal (CP) does not clearly specify where all responsibilities lie and if the change is adopted would impact Host LDSO processes resulting in an increased administration and validation burden. BSCP520 would need careful consideration and a potential change to differentiate between the roles of Embedded LDSO and the Host LDSO as each would have distinct responsibilities. In particular section 1.2.1 would need to be reviewed as the Host LDSO under this change is responsible for putting data into settlements for equipment not connected to its network. Furthermore, it should not become the Host LDSOs responsibility to ensure the accuracy of inventories that relate to equipment connected to Embedded LDSOs networks. Moreover the Host LDSO must be able maintain the integrity of its own network connection data through separation or differentiation from Embedded LDSO connection data. This change in isolation would appear to place obligations on the Host and Embedded LDSOs which they are currently unable to fulfil as associated DCUSA changes are required to make this proposal workable. In particular a DCUSA change would be required to introduce and define an agency agreement between Host LDSOs and Embedded LDSOs. Further DCUSA changes would be required relating to the use of system charging methodology and the Host LDSOs relationship with suppliers, to permit the invoicing of revenue over and above the Host LDSOs allowed duos revenue (the CP mentions improving inter-LDSO billing but it cannot do that in isolation – step 9 of the outlined process cannot be achieved without changing DCUSA), and there will also need to be changes to the NTC. **How is your organisation impacted?** We would need to be able to identify the equipment connected to our network and to the Embedded LDSO network – to maintain the integrity of our network connection data. To do this we would have to rely on the customer to supply the correct information without any enforceable sanction on them. We would need to carry out more reporting of units not assigned to our end exit points for this equipment. The agency arrangements between Host LDSO and the Embedded LDSOs would require additional process and potentially

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	additional or changed IT systems. **What are the associated costs on your organisation to implement the change?** There would be costs associated to the change including potential IT changes. We have not been able to fully study the impact of CP1414 in isolation. As mentioned above associated DCUSA changes would be required and these would add to the cost of the change. **Agree with the implementation approach? If not, why?** No. This change would move some responsibility from other parties who have contractual obligations to each other onto the Host LDSOs. This change only becomes viable as and when contractual obligations have been confirmed. **Any other comments?** It is unusual (unprecedented?) for units in settlement to be associated to the "wrong" MPAN or even the "wrong" LDSO. If this change is to proceed, we would wish to maintain the Embedded LDSOs inventory separately on a different MPAN in order to maintain the accuracy and transparency of our own data. This is to maintain the integrity of Host LDSO connection data for auditing and accounting purposes. Furthermore, it is unclear what controls would be introduced to prevent UMS apparatus being maintained on the wrong inventory (or assigned to the wrong LDSO within a single inventory), to manage the risks of UMS apparatus not being maintained on any inventory or being double counted. The Host LDSO will not be able to validate the reasonableness of data being provided in respect of the Embedded LDSO apparatus and should not be expected to validate inventories against certificates issued by Embedded LDSOs. Data ownership and responsibility for accuracy must be clearly defined. We also note that the use of CMS could make the ability to report accurately on consumption data for each LDSO within a shared inventory very difficult.

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	It is unclear why only red lined text for BSCP 502 has been circulated and not red lined text for S8 of the BSC or the OID, the need for changes to which are identified in the CP.
ScottishPower	**Do you agree with the change?** No. This proposal follows on from DCUSA DCP 168 which was withdrawn in the face of significant concern from the DNOs as to the lack of evidence behind it and the lack of full understanding from the proposer of the wider effects of the proposal on existing Industry Processes. We also note that an amended proposal DCP203 has replaced this and seeks to reduce the DUOS tariff options (LLF categories) from the existing choices to a single overall charge level – if successful, this in itself will significantly reduce the volumes of tariffs/MPANs in the system and in effect remove the main basis behind this CP1414 proposal. SPEN consider that the previous and this current CP is attempting to address a what is in essence a relatively small issue impacting narrow and specific sectors of the EDNO and Local Authority Market, with the root cause relating to Supplier billing processes around MPAN Management and Billing procedures (specifically the application of Standing Charges for every MPAN created) – on this basis, rather than introducing significant changes, SPEN believe that it is the Supplier Billing processes that should be challenged, rather than DNO processes. SPEN, and other DNOs have continually pressed for evidence of volumes and values, and indeed have provided our own evidence as follows: The DUOS values confirmed as currently applying to ALL EDNO UMS portfolios within SPEN equate to £775 per month (see figures below). Allowing for a "discount factor" to apply to throughput, clearly this proposal cannot reasonably be considered as cost-efficient for the LDNOs or even the wider market. We feel that the scale of this issue has been overstated. The CP states that '…a UMS customer could potentially be required to trade, 180 separate MSIDs against its portfolio of UMS connections.' SPEN's actual figures as presented to the DCP168 working group are as follows:

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Organisation	**Responses/Comments**
	• SPOW had 4 EDNOs with 68 MPANs at LV (DUoS of £400 per month) • MANW had 2 EDNOs with 24 MPANs at LV (DUoS of £50 per month) • SPOW had 3 EDNOs with 62 MPANs at HV (DUoS of £300 per month) • MANW had 2 EDNOs with 18 MPANs at HV (DUoS of £25 per month) • Both had 0 EDNOs with 0 MPANs at EHV (DUoS of NIL) • Both had 0 EDNOs Billing UMS at HH (DUoS of NIL) Thus the potential would appear very different from the actuality. We believe that contrary to the statement in the proposal, the integrity of settlement values is compromised by this change. DNOs will require to submit EAC D0052 flows containing values not relating to just their own Network, but to those of several other EDNO Networks. Thereafter LDNOs would be billing DUoS to the Suppliers based on falsely inflated D0052 volumes. From the Revenue side, this means that DNOs would also then have to change their Sales Reporting and Losses calculations mechanisms/methodologies to take account of this newly created inaccuracy (overstatement of units relevant to the LDNO actual market), introducing new functionality to record and deduct all relevant EDNO UMS values within the process as well as introducing new processes around Accounts Payable activities which do not normally form part of DNO Accounts Receivable processes within existing DUOS Billing systems. The proposal seeks to combine inventory management processes and effectively transfer administrative processing responsibility from LAs and EDNOs to DNOs, and suggests efficiency gains throughout. We do not believe that this change reduces costs and administration, as the additional administration being introduced within LDNOs will more than offset any perceived reduction across the other parties (see question 2a). Sections of the proposal refer to the need for the LA to continue to maintain separate records for the DNO and EDNO parties, the need for the EDNO to continue to validate and confirm each separate part of that inventory, and advise DNOs accordingly. These activities are not therefore reduced

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	at all with the only additional activities impacting DNO Inventory processing activities. Thus in our view BSC Objectives c and d are not better met by this proposal. **How is your organisation impacted?** The proposal introduces significant changes to administrative arrangements surrounding the DUoS Billing processes. If approved, there will be significant changes relating to transition and ongoing processing of Inventory Information: Proposed Solution section (points 4 & 5) cover the transfer of inventory 'changes' and suggest that a process for liaison between the parties will be put in place – SPEN consider that this is a significant administrative activity and any future process should be set out and form part of the CP. This on the basis that it may be challenging and cumbersome to explain the new procedure and set up relevant contact points and clear demarcation lines for each part of the MPAN creation and Inventory compilation process. e.g. all impacted UMS inventories EAC calculations will change, resulting in new D0052 Flows from EDNOs and LDNOs for the full MPAN ranges, this only after detailed examination and verification of the data contained within current submissions, once these are exchanged between the parties. Thereafter, as stated in our Q1 response, a full range of Purchase Order preparation and Accounts Payable validation and payment procedures may need to be set up to settle the EDNO UNS Billing invoices. Finally, the impact of the settlement error introduced by this proposal needs to be assessed and the appropriate impact Analyses carried out to identify the procedural and system changes required, together with costs of same. **What are the associated costs on your organisation to implement the change?** Not known at this time. The detailed and complex processes behind what appears to be a straightforward high-level change need to be clarified in order that a full impact analysis can be completed. In addition, we would expect that the service that the DNOs are now being asked to introduce and deliver to the EDNO will be

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	chargeable. **Agree with the implementation approach? If not, why?** Not at this time, due to the lack of clarity of the process changes required to deliver the CP. **Any other comments? No**
Scottish & Southern Energy Power Distribution	**Do you agree with the change?** No because it will introduce additional manual processes for DNO UMSOs to manage. It will require additional billing functionality requirements that are currently not present. There appears to be a lack of evidence in the proposal that this is a problem of any significance that would justify the additional costs. As a DNO that operates both in our host area and in all other areas nationally we do not perceive this to be an issue. **How is your organisation impacted?** This would require changes to our billing and financial systems. Additional resource would be required to manage the manual administration work. Training would be required for our emergency service centre staff to ensure any customer issue on the EDNO unmetered network is directed to the correct location. This could lead to customer dissatisfaction. **What are the associated costs on your organisation to implement the change?** We have medium implementation costs and a requirement for additional staffing levels as an ongoing cost. More accurate estimates will be available post analysis of the requirements. **Agree with the implementation approach? If not, why?** No because we would require a minimum of 6 month lead time for process and system changes. **Any other comments?** This proposal has substantial costs and process difficulties associated to it. We believe it may be

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	detrimental to our existing customer base. In our experience the majority of LAs and national developers have processes in place to manage multiple MPANs.
Leeds City Council	**Do you agree with the change?** Yes. Currently all of the data required for a valid submission is held on one data base. To extract this data and submit to one organisation is inevitably less problematic than extracting separate files which could result in double counting, data being missed, additional reconciliations, additional resource and or time for each LA. **How is your organisation impacted?** At present the energy processing can be quite time consuming and errors are made. To introduce additional MPAN's, additional meter administration etc. will incur additional costs and time. Given the size of the IDNO inventories and therefore the size of the connected load, it is surely not of a sufficient size to warrant the additional administration. We currently trade on a half hourly basis. Will to small a size of the load make it not possible to trade IDNO sites on the HH market. If we can, surely additional PSUEDO meters will be required. Having a combined submission will ensure that all other elements of the energy bill i.e. energy, TUoS etc will be paid and not delayed due to additional work involved registering each site. **What are the associated costs on your organisation to implement the change?** If we continue as at present i.e. one submission, we would not incur any additional costs. Moving to multiple submissions is in the longer term likely to cause additional costs and also increases the risk of accurate bills not be produced because of the extra elements of the submissions not being done in time. **Agree with the implementation approach? If not, why?** Yes. The sooner it is confirmed that we submit ONLY to our host

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	DNO the better. **Any other comments?** This issue is only one of a number of problems that the introduction of competition has created. Whilst we broadly welcome completion, we now have problems with developers confirming connection arrangements etc.
Warrington Council	**Do you agree with the change?** Yes, Warrington Council would support the proposal to trade its UMS under a single MSID, by the use of a combined inventory. The present method of working, where separate inventories are submitted for each LDSO's system will add a significant burden to Authorities in terms of administration of the monthly inventory processing and additional cost of Meter Administration services for processing multiple inventories. This would appear to be an unforeseen penalty for local Authorities from the use of competition in the market and treats UMS end customers at a disadvantage to metered end customers, who consume energy transported along the same LDSO network systems. Additionally, the present low energy consumption profiles associated with street lighting units connected to these (IDNO) systems can prevent Authorities from taking advantage of procuring energy through an HH or CMS (particularly for multiple stage dimming) arrangement. The outcome of this is the use of EAC profiles, which invariably result in higher unit cost per kWh and are not conducive to allowing Authorities to operate street lighting installations in the most energy efficient manner. This approach may also cause problems for those Authorities who qualify for the Carbon Efficiency Scheme (CRC) as there is a stipulation for street lighting UMS energy to be consumed through HH arrangements. As a consequence Authorities have perceived the 'competition' in allowing developers to commission IDNO systems as having little or no benefits for them as the end customer, which has caused problems in the adoption process for

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	new developments. The above issues would only increase over time with the future growth of IDNO's. The proposed change to allow Authorities to submit a single 'combined' inventory that identifies street lighting equipment connected to each LDSO for the purpose of DuOS charges etc. would be a pragmatic and practical solution that would offer the most efficient method of working for Authorities as the end customer, in this process. **How is your organisation impacted?** Warrington Council (local Authority) maintains a street lighting inventory management system that collects data to identify the LDSO which connects into its street lighting equipment. As such there would be no impact in this respect. There would be a minor change required to the monthly inventory data file submitted to the LDSO/MA, with the use of an additional data field required to identify the LDSO, which would not be considered to be significant. **What are the associated costs on your organisation to implement the change?** I am not aware that Warrington Council (local Authority) would incur any additional cost, if the proposal was implemented. **Agree with the implementation approach? If not, why?** Yes, Warrington Council would support the proposed implementation date by 6 November 2014, to trade its UMS under a single MSID, by the use of a combined inventory. **Any other comments?** None

Summary of Comments on BSCP redlining			
Organisation	**Document name & location**	**Comment**	**ELEXON's recommendation**
PDA	BSCP520 1.2.1	Duplicated para (q)	
PDA	BSCP520 3.3.2	It may be appropriate to add some text such as: "The Host UMSO and Embedded UMSO should liaise to minimise the opportunity for duplicate or missing consumption data from settlement"	
PDA	BSCP520 1.3.5	Unnecessary page break	
PDA	BSCP520 3.8.2	There is no indication where the customer ceases to include the Apparatus in the Host UMSO inventory. Should there be at least a statement such as "Where the Host UMSO becomes aware that the Embedded UMSO's equipment is no longer in the customer inventory they should liaise with the Embedded UMSO to agree approach."	
PDA	BSCP520	We have had a question from a customer who spans two LDSO areas. They interpreted the change to allow them to submit	

Summary of Comments on BSCP redlining

Organisation	Document name & location	Comment	ELEXON's recommendation
		one single inventory for all the apparatus in the two LDSO areas. We have corrected their view on this aspect. But it may be appropriate to add some explicit text to clarify that this is not changing and an inventory will be required for each LDSO area. We have some highway authorities spanning three LDSO areas. Further clarity through examples could be added to the OID as a customer facing guidance document.	
Brookfield Utilities UK	BSCP520 1.2.1	Duplicated para (q) should be (r)	
ESP Electricity Ltd	BSCP520 3.1.1	I believe embedded UMSO should provide the notification of the inclusion of the inventory to the host UMSO so the flow of information should be Embedded UMSO to Host UMSO. This moves the burden of validating from the host UMSO back to the embedded UMSO.	

Summary of Comments on BSCP redlining			
Organisation	**Document name & location**	**Comment**	**ELEXON's recommendation**
ESP Electricity Ltd	n/a	Regarding the lack of clarity mentioned in Question 4 above, does consideration need to be given to including some of the steps outlined 1-8 above into the BSCP520 – or would it sit better under the OID?	
Electricity North West	1.2.1 q	We seem to have two clauses with a reference of 'q'	
Electricity North West	1.2.1 q (second one)	What is meant by "that is disconnected or where a customer's inventory is amended to remove Apparatus, with the intention of being included on the customer's inventory..." Is there an MSID or not? If we use the term disconnected the MSID does not exist. What about increases in inventories. How does the host LDSO deal with a situation where there is no longer any apparatus associated with a disconnected MSID? We are second guessing what is happening here due to lack of clarity, and as such	

Summary of Comments on BSCP redlining

Organisation	Document name & location	Comment	ELEXON's recommendation
		we are concerned over auditing this where there are two views or what the intent is. This clause also brings into question nested networks i.e. an LDSO connected to an LDSO who is also connected to an LDSO. Our interpretation is that the middle LDSO is the host LDSO to the final LDSO, and the first LDSO is the host LDSO to the middle LDSO. This seems against what the middle LDSO is expecting but does meet the definitions. Let's consider the following scenario here. Prior to the connection the Customer of the embedded LDSO decides to have their inventory associated with the Host LDSO. Post this decision there is a connection of a nested network and we also have the same customer. They once again would prefer to have their inventory associated with the original Host LDSO but this is now not possible, and because the 'middle' LDSO is now the host	

Summary of Comments on BSCP redlining			
Organisation	**Document name & location**	**Comment**	**ELEXON's recommendation**
		LDSO and have zero consumption they are left with the nested LDSO managing the inventory.	
Electricity North West	1.3.1 new text	This is limiting choice based on the higher of the two consumptions. Notwithstanding the DCUSA and Licence concern here, if that was rectified and supported by Ofgem and the industry why are we limiting customer choice?	
Electricity North West	1.3.1 new text	"Where such an option has been exercised, the Embedded LDSO will disconnect or amend the inventory for the customer's MSID(s), as appropriate. The Host UMSO will then process the inventory in the normal manner under the customer's MSID(s) within the Host LDSO's network." Lack of clarity on what the embedded LDSO is to do here. Are they adopting the existing processes associated with their MSIDS? If so what data is going through settlement and where are the relevant clauses to ensure that	

Summary of Comments on BSCP redlining

Organisation	Document name & location	Comment	ELEXON's recommendation
		this is not the case?	
Electricity North West	3.1.1	"including any Apparatus that may be associated with an Embedded UMSO". We would never be in a situation where we would be raising a new UMS Inventory where such a situation exists. We would already have an inventory and be amending it.	
Electricity North West	3.1.1	"Notify of any inclusion of Apparatus associated with an Embedded UMSO". We seem to have the obligation the wrong way round here. Surely the embedded UMSO would notify the host UMSO because the host UMSO is oblivious to the needs of a customer who has connections on an embedded network. If, in the instances being used here, there is an adoption agreement approved the expectation seems to be that they will be coming to the host LDSO rather than the embedded LDSO.	

Summary of Comments on BSCP redlining

Organisation	Document name & location	Comment	ELEXON's recommendation
		This therefore means that we would have to put extra processes in place and let the embedded LDSO know what is being adopted. What if the inventories do not match that of the embedded LDSOs inventory? Surely we do not want added administration being put on the host LDSO who is effectively being put in the middle of all of this with no information or actual responsibility.	
Electricity North West	3.1.1	We are unclear why there is a change to the new UMS inventory section when there is actually a change to an existing host UMSO inventory.	
Electricity North West	3.1.2	Is the rest of this process required if the two UMSOs have discussed who is managing the inventory? The way it is written is that the next steps will still prevail. Is this true?	
Electricity North West	3.2.2	"Where a customer has opted to remove Apparatus from its	

Summary of Comments on BSCP redlining

Organisation	Document name & location	Comment	ELEXON's recommendation
		inventory associated with its MSID(s) with the Embedded LDSO network, where there is no disconnection, and where it is intended that the Apparatus will be included on its inventory associated with its MSID(s) on the Host LDSO's network." First point – remove apparatus – the query raised here is that there is a need to disconnect a developer's MSID and add the inventory to a Local Authority's existing inventory once a section 38 has been agreed. So there is no customer removal of an inventory. If we leave this as is, it opens the floodgates for the likes of any developer to move its inventory across from the embedded distributor to the host distributor. This seems to be an unintended consequence of this change proposal. Second point – the use of an 'and' statement – clarification is the intention here that:	

Summary of Comments on BSCP redlining			
Organisation	**Document name & location**	**Comment**	**ELEXON's recommendation**
		a customer wishes to remove some of its Apparatus thereby ensuring that it is not disconnecting the MSID; and adding it to another inventory (the host UMSO). If so we are not sure whether this was the original intent. Third point – an UMSO does not submit inventories, so why is the embedded UMSO submitting an inventory to the host LDSO and what if this information is different to the customer's submission? Shouldn't the embedded UMSO and the customer just agree the inventory?	
Electricity North West	3.3.2	Why are there no changes to the legal text associated with a NHH trading scenario? There is nothing earlier to suggest that this is limited to HH. Without such a change this is restricting choice for the customer.	

Summary of Comments on BSCP redlining

Organisation	Document name & location	Comment	ELEXON's recommendation
Electricity North West	3.8.2	Does this mean we end up with an inventory on the host UMSO associated with no MSID on an embedded UMSO? How will updates then occur when the inventory needs to be amended due to potential redevelopment of the embedded LDSOs network that may reduce the inventory because under clause 3.2.2 (amendments) it states that there is no disconnection. What should the host UMSO do with this data? Will the customer not be providing updated inventories?	
Eastern Power Networks plc London Power Networks plc Southern Eastern Power Networks plc UK Power Networks (IDNO) Ltd	BSC520 1.3.1	Does there need to be a process to allow an inventory to be transferred from Host LDSO UMSO to Embedded LDSO UMSO e.g. if the rules about relative sizes are subsequently breached for some reason.	

Summary of Comments on BSCP redlining

Organisation	Document name & location	Comment	ELEXON's recommendation
Eastern Power Networks plc London Power Networks plc Southern Eastern Power Networks plc UK Power Networks (IDNO) Ltd	BSC520 3.1.1	This puts an obligation on the Host LDSO that it is not adequately dealt with elsewhere in the CP. It is not clear how the Host LDSO will agree the inventory with the customer for apparatus he has no visibility of.	
Eastern Power Networks plc London Power Networks plc Southern Eastern Power Networks plc UK Power Networks (IDNO) Ltd	BSCP520 1.1.1	May need more clarity in each case whether the action is by an Embedded UMSO or a Host UMSO and the interactions between them	
Eastern Power Networks plc London Power Networks plc Southern Eastern	BSCP520 1.2.1	May need more clarity in each case whether the action is by an Embedded UMSO or a Host UMSO and the interactions between them	

Summary of Comments on BSCP redlining			
Organisation	**Document name & location**	**Comment**	**ELEXON's recommendation**
Power Networks plc UK Power Networks (IDNO) Ltd			
Eastern Power Networks plc London Power Networks plc Southern Eastern Power Networks plc UK Power Networks (IDNO) Ltd	BSCP520 1.3.1	May need more clarity in each case whether the action is by an Embedded UMSO or a Host UMSO and the interactions between them	
Eastern Power Networks plc London Power Networks plc Southern Eastern Power Networks plc UK Power Networks (IDNO) Ltd	BSCP520 3	May need more clarity in each case whether the action is by an Embedded UMSO or a Host UMSO and the interactions between them	