



30 October 2003

Mr David Haldearn
Director of Scotland and Europe
Ofgem
9 Millbank
LONDON
SW1P 3GE

Dear David

Approval for ELEXON BETTA Project Work Packages 4.2 and 5.1B

Please find attached copies of two further Work Package proposals (Work Packages 4.2 and 5.1B) for the ELEXON BETTA Project. These Work Packages were endorsed by the ELEXON Board on 29 October 2003, and are therefore recommended to the Authority for approval.

The detailed activities, deliverables, timescales and estimated costs are set out in the individual Work Package documentation accompanying this letter. In summary, these Work Packages, if approved, authorise ELEXON to undertake activities as follows.

Work Package 4.2 – ELEXON Systems, Performance Assurance and ELEXON related document changes

This Work Package covers the planning and implementation of BETTA related changes to the Performance Assurance Framework, and related processes, systems and techniques. It will include the assessment of any additional capacity or other changes required to enable ELEXON systems to operate under BETTA. The ELEXON systems include PARMS, TOMAS and other Market Monitoring Systems. The Work Package also includes an analysis of the Performance Assurance techniques, together with the related documentation, the development of any necessary changes, and the development of an Implementation Plan and an Operational Pack for ELEXON Systems.

PARMS, TOMAS and the other Market Monitoring systems enable ELEXON to meet a number of its responsibilities under the BSC and, prospectively, under the GB BSC. Thus the PARMS application is used for calculation of Supplier Charges and for the provision of Supplier performance data as required by Section S3.2 and ANNEX S-1. The Market Monitoring Systems are used in the preparation of operational reports as required by Section V4. TOMAS is used for monitoring Party Credit and managing occurrences of Credit Default covered by Section H3.

This Work Package runs from 3 November 2003 to 31 July 2004.



Work Package 5.1B – Consultation on BM and Trading Unit Configurations

Work Package 5.1B has been drafted in response to a request from Ofgem for the ELEXON BETTA Project to carry out a public Consultation on the configuration of non standard BM Units and Trading Units that may be required by Scottish participants for BETTA. The Work Package includes the preparation of a letter to all SAS signatories, the production of a consultation document and the preparation of a report to Ofgem on the responses to the Consultation.

The ELEXON Board has confirmed the amendment to the scope of the ELEXON BETTA Project to include this additional work requested by Ofgem.

This Work Package runs from 3 November 2003 to 30 March 2004.

2-month extension to Work Package 5.1 – BETTA Data Take-on/Trialling/Participant Support Activities

As a consequence of the changed target implementation date (to April 2005), the Ofgem/DTI BETTA Programme co-ordinated a re-planning exercise during the summer. As part of this exercise, the Project prepared a Stage 2 Plan which was approved by the BETTA Project Board on 8 October 2003. This Plan includes the latter part of Work Package 5.1 (BETTA Data Take-On/Trialling/Participant Support Activities) which was approved by the Authority on 6 June 2003 and commenced on 9 June. The Work Package is due to finish on 30 November 2003, but this date was originally predicated on the previous target implementation date of October 2004.

Two of the deliverables under Work Package 5.1 are the Data Acquisition Plan and the Data Validation and Testing Plan. Work now in progress under Work Package 6.2B (Development of GB BSC Transition Approach, Plan and Legal Text) approved by the Authority on 30 September 2003, is directly relevant to these Data Acquisition, Validation and Testing Plans and it would be both prudent and efficient to formulate these documents after the relevant early activities under Work Package 6.2B have been completed.

In the light of these considerations, endorsement of a 2-month extension to Work Package 5.1 has been sought from, and was granted by, the ELEXON Board on 30 October 2003, and this extension is recommended for approval by the Authority.

The new proposed expiry date is 31 January 2004. The extension, if granted, will allow the Project to use resources in a more efficient and cost effective way. It should also be noted that, although the overall Project timetable is to be extended by 6 months, it is proposed to extend Work Package 5.1 by only 2 months.

No additional budget is being sought in conjunction with the proposed extension as the work to be carried out and the overall resources required remain unchanged.



General

I confirm that we are happy for this letter and the Work Package documents that accompany it to be placed in the public domain.

It is a requirement of the BSC, as modified by P108, that any work that ELEXON undertakes on BETTA shall not prejudice the discharge of its other functions and responsibilities. The ELEXON Board believes that the undertaking of the proposed Work Packages will not compromise its ability to meet its ongoing obligations under the BSC.

Should you have any questions or comments about these Work Packages please do not hesitate to contact Peter Davies or John Talbot at ELEXON.

Yours sincerely

A handwritten signature in black ink, reading "Nicholas Durlacher". The signature is written in a cursive style with a large, prominent "N" and "D".

Nicholas Durlacher

Chairman

List of Enclosures

ELEXON BETTA Project Work Package 4.2 v1.0

ELEXON BETTA Project Work Package 5.1B v1.0