

David Halldearn
BETTA Project
Ofgem
9 Millbank
London
SW1P 3GE

25th February 2005

Dear David,

BETTA Go Live and Contingency Planning

Thank you for the opportunity to comment on the above consultation issued last Friday 18th February. We have previously raised the issue of contingency arrangements in the event of a delay to BETTA at a number of industry fora/BETTA seminars with Ofgem.

We understand that a decision on the BETTA Go Live date will be made by the Secretary of State on or shortly after the 8th March but note too the observation that subsequent 'certain events' might make it necessary to defer the Go Live date. Although noting the 'very low probability' of such a deferral, we hope that this announcement will provide both the necessary certainty as to the conditions that need to be satisfied to allow timely BETTA implementation and also identify the circumstances which would require deferral of BETTA Go Live. Such events should be clearly defined and quantified to enable industry participants to identify potential mitigating actions. This will enable any necessary contingency planning in very short timescales to be appropriately focussed.

It would be helpful for the term 'short notice' to be properly defined to remove any uncertainty as to which arrangements could be invoked at any point in time in the run up to Go Live. In order to trade out prior GB positions, clearly the longer the notification period of Go Live deferral will provide participants with greater opportunities to mitigate financial losses. To this end, we are currently of the opinion that option (ii), the single imbalance cashout price provides the most appropriate solution, noting that such an administered price solution set by the BSC Panel would only be applied for a short period.

If you have any issues arising from the above please do not hesitate to contact me to discuss.

Yours sincerely



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Transmission and Trading Arrangements
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