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Dear David

BETTA Go-live and contingency planning

We expect that, the Secretary of State having taken the decision to Go-live, the likelihood of an event occurring for which it would be wise to defer BETTA Go-live is very small. However, we do welcome the Ofgem/DTI initiative to prepare contingency arrangements, should the need arise.

We note that the BSC already has a number of contingency arrangements, but it would appear necessary to write in a provision to link these to a short-notice deferral of the BETTA Go-live date.

In the event of a short-notice deferral, then we believe that a single imbalance price, market related, would be the more favourable option, rather than ex-post contract notification.

On the question of the threshold upon which it would be necessary to invoke a single imbalance price, then we would agree that the suggested three days before Go-live feels appropriate.

It follows that the duration of the contingency period in which the administered single imbalance price would apply should also be set at around three days.

In the event that BETTA Go-live is deferred, we would wish to see intervention in the Scottish market arrangements to the extent that the 100% of Demand and the Top-up and Spill contracts continue in force until BETTA Go-live. These are the contracts through which England & Wales based Suppliers currently purchase from the Scottish Companies to satisfy their customers' demand in Scotland.

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We hope that you find these comments helpful. If you wish to discuss any aspect of them, please feel free to contact me.

Yours sincerely

Paul Chesterman

Special Projects Manager