



12 January 2009

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Dear Mark

“Timing-out” of Authority decisions

Thank you for the opportunity to respond to the open letter ‘the timing out of Authority decisions on modification proposals’, published 18 November 2008. The BSC Panel discussed the letter at its meeting of 11 December 2008 and the following comments reflect the views of the majority of the members present.

Background

The Panel had previously set up a sub-committee of its members to discuss whether the current construction of implementation dates should be amended to avoid any future risk of nugatory work. Following this an industry consultation was conducted. The majority of respondents to the consultation were of the view that the Panel’s present process had served the industry well. Two respondents encouraged some flexibility where necessary. The Panel noted the respondents’ views and welcomed notice of the Authority’s consultation on introducing a licence requirement. In the interim, it was anticipated, the Panel would be appropriately flexible in setting dates.

The options for setting dates

Ofgem seeks views on two options for setting implementation dates where code changes are at risk of being ‘timed out’: either the Authority would vary the timetable following a consultation; or the Authority would request a revised implementation timetable from panels. The majority of the BSC Panel concluded that it preferred the second option, allowing the Panel to provide information on the appropriate lead time and a view on whether analysis remained relevant. The Panel unanimously agreed that it would always consult with the industry to derive new dates. One Panel Member was strongly of the view that neither option was necessary as the incentive for timely decisions should be retained to prevent delays impacting participants’ implementation budgeting and noted the construct of implementation dates had historically served the industry, the BSC Panel and Ofgem well.

I hope that you find this response helpful. Should you have any questions in relation to the contents, please contact David Jones (0207 3804213) in the first instance.

Yours sincerely

Nick Durlacher
BSC Panel Chairman