

<p align="center">Change Proposal – BSCP40/02</p>	<p>CP No: CP1334</p> <p><i>Version No: 1.0</i></p>
<p>Title</p> <p>New PARMS Serials</p>	
<p>Description of Problem/Issue</p> <p><u>Background</u></p> <p><u>PARMS Serials</u></p> <p>The Performance Assurance Reporting and Monitoring System (PARMS) is a database that contains information on the performance of Suppliers and their Supplier hubs against a set of Serials¹. Each Serial focuses on a process or requirement drawn from the obligations in the BSC or its subsidiary documents and which industry agrees should be monitored for assurance purposes. Each Serial comprises one or more Standards which are performance measures associated with the relevant process or requirement.</p> <p>Performance data relating to each of the Serials is submitted to PARMS by participants on a monthly basis.</p> <p><u>Impact of P207</u></p> <p>Prior to Modification P207² being implemented, Serials were used primarily to provide metric data on key industry processes. Under the new risk based approach to assurance, participants are monitored against key risks via their Risk Management Plans (RMPs) and submissions made against PARMS Serials.</p> <p>The Risk Evaluation Register (RER) details the risks in Settlement and gives them a net significance based on probability, impact and control strength. Of the top ten Settlement Risks for Performance Assurance Operating Period April 2009 to March 2010, only eight have an applicable PARMS Serial. And out of the 176 total Settlement Risks (for both Central Volume Allocation (CVA) and Supplier Volume Allocation (SVA)), only 39 are covered by a PARMS Serial. For those risks that are mapped to a PARMS Serial, not all the standards can be used to provide performance data against the Settlement Risk. Therefore the Serials are not necessarily monitoring the right areas.</p> <p><u>PARMS Serial Review</u></p> <p>A review of the PARMS Serials was approved by the Performance Assurance Board (PAB) in September 2008 and was carried out by a group comprising ELEXON staff and industry experts. The Review Group determined that a number of Serials no longer provide meaningful metric data for Settlement Risks. The remaining Serials were not considered to fully measure the risks in the RER. It was the Group's opinion that these Serials could be amended to better align to the key Settlement Risks.</p> <p>Those Serials associated with Supplier Charges were outside the scope of the review. The ELEXON website has details of the industry consultation carried out on behalf of the group, and the Final Outcome Report to PAB (PAB105/05).</p> <p><u>Problem/Issue</u></p> <p>Overall there are nine PARMS Serials which cover Risk areas that the PAB, PARMS Serial Review Group and industry consultation respondents (8 out of 15) agreed need monitoring through the use of Serials.</p>	

¹ Please refer to the following link for information on PARMS Serials - [Performance Monitoring and Reporting](#)

² Modification P207 'Introduction of a new governance regime to allow a risk based Performance Assurance Framework (PAF) to be utilised and reinforce the effectiveness of the current PAF'

These are:

Serial Reference	Data Provider
SP05 (Retrospective Appointment of Agents)	DC & MOA (HH & NHH)
SP06 (D0148 ³ Flow from Suppliers)	DC & MOA (HH & NHH)
HM04 (Provision of HH MTD to HHDC) & HM05(Provision of HH MTD to New HHMO)	HHMOA
HM06 (Quality of D0268 ⁴)	HHDC
NM03 (Provision of NHH MTD to NHHDC) & NM04 (Provision of NHH MTD to New NHHMO)	NHHMOA
NC02 (NHHDC to NHHDC Meter Reads and History)	NHHDC
HM01 (HH Meter Faults: Time Taken to Resolve)	HHDC

Review Group concluded that the Serials listed above are too basic in their current form and recommended to replace them with new improved Serials to better measure the associated risks in the RER. The current Serials were designed to measure non-compliance against BSCP obligations, and as such they do not measure, or give any indication of, any associated actual risk to Settlement. Using the current Serials to monitor the level of risk Performance Assurance Parties (PAPs) pose to Settlement may result in the PAB not targeting those PAPs with genuine underperformance. This in turn could increase the risk to Settlement.

Furthermore, the approach of the current Serials is inconsistent. For example, some Serials for a given reporting period look at events/processes in that period (**t**), whereas other Serials look at events/processes in the previous reporting period (**t-1**). Some Serials look at performance at a **national level** whilst others at **GSP Group level**. Moreover, ambiguity in the current Serials can result in inconsistent reporting.

Overall, the PAB, PARMS Review Group and industry consultation respondents recognised extensive issues with the current Serials which lead to unreliability and variations in reporting. The new Serials will better facilitate the reporting of PAPs' performance and aid Suppliers that use the Serials to identify potential issues with their agents.

In addition Meter Operator Agent (MOA) submissions are not currently split into Half Hourly (HH) and Non-Half Hourly (NHH) activities, making it difficult to identify the causes of underperformance and therefore the risk to Settlement.

³ D0148: Notification of Change to Other Parties

⁴ D0286: Half Hourly Meter Technical Details

Proposed Solution

In order to address the limitations identified with the current suite of PARMS Serials, 12 new Serials are proposed. The new Serials will:

- Quantify the risk to Settlement, of business processes, by measuring if that process has been completed by each Settlement Run. To do this, they will either report whether the events occur in a timely fashion in relation to the relevant Effective From Date or how many of the events have failed completely (as these represent different risks);
- Provide context to the risk by reporting the total number of events (business processes) for a given reporting period;
- Report at GSP Group level to aid consistency and localisation of issues; and
- Look at the current reporting period (equates to the 't' period for the current PARMS Serials) and remove the concept of t-1 Serials to make the Serials more uniform and easier to report

Furthermore MOA submissions will be split into distinct Serials to measure HH and NHH MOA activities to improve the ability to quantify the different risks to Settlement.

For full details on the proposed new Serials please see attached redlined documents.

Amending the PARMS Serials above will require modification of the PARMS software. Logica as the PARMS Service provider would carry out this change. During the PARMS Serial review Logica gave an indicative figure of £80,000 to implement these changes. As part of the consultation to industry for the PARMS Serial Review, the Group requested indicative costs. Most respondents provided high level details of the impact of implementing a revised suite of PARMS Serials but limited information in terms of costs and timescales.

Justification for Change

The new Serials will provide improved metrics on the volume of failures which will facilitate PAB and Suppliers in the on-going assessment of the "likelihood" and "significance" of the Settlement Risks and also serve as an indicator of the areas in Settlement which require more focus. The new Serials will better fit the objectives of the Risk-based PAF (as introduced by Modification P207) by better quantifying the risk to Settlement (12/15 industry consultation respondents agreed).

Both the PARMS Serial Review Group and the PAB have recognised that the implementation of P207 has led to increased discussions between ELEXON, the PAB, Suppliers and Supplier Agents to better understand their (Suppliers and Supplier Agents) underperformance indicated by the Serials. As such Suppliers and Supplier Agents have reported to ELEXON that Serials can be a useful indicator of performance. Therefore introducing new more focused Serials will increase the level of performance monitoring and further advance this arrangement.

The majority of industry respondents from the PARMS Serial review endorsed the view that the current Serials do not fully support the assessments of performance against key Settlement Risks (10/15 industry consultation respondents agreed) and supported the high level structure and intentions of the new Serials (8/15 industry consultation respondents agreed).

Splitting Meter Operator Agent submissions into Half Hourly and Non Half Hourly will give a more accurate view of the issues and will make performance monitoring more transparent. Fourteen out of 15 industry consultation respondents supported this proposal.

The proposed new Serials focus on key business processes, which will be relatively 'future proof' against any changes to BSC arrangements made in response to AMR or smart metering. Therefore it was concluded by the PARMS Review Group and the PAB that the need to amend the new Serials in the future would be

limited as these processes would still be required.

To which section of the Code does the CP relate, and does the CP facilitate the current provisions of the Code?

Introducing 12 new PARMS Serials will help facilitate the provisions in sections S and Z. The new Serials will provide better metric data to monitor Suppliers and Supplier Agents performance compared with the existing ones.

Estimated Implementation Costs

The approximate cost for ELEXON to implement these changes is 151 Working Day, which is equivalent to £36K.

(Please note the above cost is estimated on the assumption that CP1334 is the only change to be implemented in February 2011 release. We believe there will be more CPs to be submitted between now and August aiming for this release, and the actual implementation cost for this CP will be lower than the one quoted above, as the release cost will be shared by the CPs in the same release.)

If any of the new Serials are to be included in Supplier Charges (which doesn't seem to be the case, based on the scope of the Serial review), there will be an additional impact on the "Supplier Charge Apportionment" application. The impact on this can be estimated once the apportionment rules for those serials have been agreed.

In addition, the estimated cost for BSC Service Provider to implement these changes is £38K.

Configurable Items Affected by Proposed Solution(s)

BSCP504 – 'Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'
 BSCP514 – 'SVA Meter Operations for Metering Systems Registered in SMRS'
 BSCP533 – 'PARMS Data Provision, Reporting and Publication of Peer Comparison Data'
 BSCP533 Appendix A – 'PARMS Data Provider File Formats'
 BSCP533 Appendix B – 'PARMS Calculation Guidelines'
 BSCP533 Appendix C – 'PARMS Data Provider File Formats and Calculation Guidelines for Obsolete PARMS Serials'
 SVA Data Catalogue Part 1

Impact on Core Industry Documents or System Operator-Transmission Owner Code

None

Related Changes and/or Projects

[CP1325](#) – 'Removal of Obsolete PARMS Serials'

Requested Implementation Date

1 March 2011

Reason:

This CP will be implemented as part of the February 2011 release. We believe it is more efficient to have the CP apply from the beginning of a reporting period (calendar month), rather than 24 February 2011.

Version History

Version 1.0 for Impact Assessment.

Originator's Details:

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Attachments⁵: Yes

Attachment A – BSCP504 redlined (2 pages)

Attachment B – BSCP514 redlined (3 pages)

Attachment C – BSCP533 redlined (53 pages)

Attachment D – BSCP533 Appendix A redlined (62 pages)

Attachment E – BSCP533 Appendix B redlined (111 pages)

Attachment F – BSCP533 Appendix C changes (62 pages)

Attachment G – SVA Data Catalogue changes (12 pages)

⁵ Please note Attachment C, D, E, F contain changes based on the latest BSCPs, and all changes proposed by CP1325 (which will be implemented on 1 November 2010) have been accepted in these documents to prevent corruption. All the approved CP1325 changes can be found [here](#).