

CP Progression – CP1376 ‘Issues with reporting of Failed Instructions (D0023) Flows’

Meeting Name	Supplier Volume Allocation Group
Meeting Date	4 September 2012
Purpose of paper	For Decision
Summary	This report provides details of the background, solution, impacts and industry views for CP1376. We invite the SVG to consider the report and to reach a decision on whether to approve the CP.

1. Why Change?

1.1 Background

- 1.1.1 Failed Instructions (D0023) flows are issued by Non Half Hourly Data Aggregators (NHHDA) to inform Non Half Hourly Data Collectors (NHHDC) of issues with the processing of instructions. The majority of Failed Instructions are issued to NHHDCs when NHHDA fail to process D0019 flows (Metering System Estimated Annual Consumption/Annualised Advance Data).
- 1.1.2 BSCP504 ‘Non Half Hourly Data Collection for SVA Metering’ requires NHHDCs to resolve all issues that result in a Failed Instruction. Any unresolved Failed Instructions are considered outstanding.
- 1.1.3 When a Supplier decides to change NHHDC or a NHHDC’s contract expires, the old NHHDC is required to retain responsibility for Failed Instruction files until all outstanding instructions have been processed correctly.

1.2 What is the issue?

- 1.2.1 Each year, in order to ensure that Agents are processing Failed Instructions correctly, the BSC Auditor requests counts of outstanding Failed Instructions from NHHDA and NHHDC. Several Parties have received Audit Issues as a result of discrepancies between the NHHDA and NHHDC counts, and a Market Issue has also been raised (Market Issue 2289).
- 1.2.2 There are two main aspects of the reporting process that contribute to these discrepancies, and therefore bring into question the validity of these Issues:

1. Inconsistent reporting between NHHDAs and NHHDCs

The BSC Auditor notes that the number of Failed Instructions reported by NHHDCs is generally lower than the number of Failed Instructions reported by NHHDAs. The reason for this discrepancy is that NHHDCs only report those Failed Instructions where they are still appointed to the Metering System in question; whilst NHHDAs report all Failed Instructions, including where the NHHDC is no longer appointed. This is because Failed Instructions for de-appointed NHHDCs represent a much lower risk to Settlement than those for the current NHHDC, since:

- 1) the impact is time-bound (i.e. the data relates to the period of appointment); and
- 2) the new NHHDC can provide consumption data for the old NHHDC's period of appointment, thus resolving issues without the need for the old NHHDC to correct the Failed Instruction.

Therefore NHHDCs only report high risk exceptions, whilst NHHDAs report both high and low risk exceptions.

2. Inconsistent Reporting between NHHDAs

There is no standard query which NHHDAs can run in order to ensure consistent reporting. As such, NHHDAs have developed their own queries. While these are likely to be broadly similar, consistency cannot be guaranteed.

2. Solution

2.1 CP1376 was raised as a Draft Change Proposal (DCP) on 30 September 2011 by EDF Energy. It proposes to address both issues by improving the way that Failed Instructions are reported across the Industry. There are two elements to the solution:

1. Changes to BSCP504 Requirements

BSCP504 section 1.2.5 currently states that 'following de-appointment by the Associated Supplier, the old NHHDC shall retain the responsibility for instruction files sent to the Associated NHHDA until all outstanding instructions have been processed correctly'.

CP1376 would amend this requirement to make it explicit that the outgoing NHHDC should only remain responsible for Failed Instructions where a Supplier requires them to be because they cannot be resolved by the new NHHDC (or through other means). This would reduce discrepancies between NHHDAs and NHHDCs, because NHHDCs would no longer be responsible for Failed Instructions for periods in which they are no longer appointed. It would also remove unrealistic expectations on them to resolve exceptions that represent a much lower risk to Settlement.

2. Standardised reporting script(s)

To help ensure consistency in reporting, and to identify where the discrepancies between Failed Instruction counts are occurring, section 1.6 of BSCP505 'Non-Half Hourly Data Aggregation for SVA Metering Systems Registered in SMRS' would be amended to require NHHDCs to use a standardised script for reporting Failed Instructions.

Introducing a standardised script to report the numbers of exceptions in a consistent manner will allow the Auditor to establish the level of material error in the industry. The script(s) would provide the following information for each NHHDC:

- Count of all Failed Instructions
- Count of material Failed Instructions
- Count of Metering Systems with Failed Instructions
- Count of material Failed Instructions (excluding those for NHHDC with no active appointment to the Metering System)
- Count of Metering Systems with material Failed Instructions (excluding those for NHHDC with no active appointment to the Metering System)
- List of Metering Systems with material Failed Instructions (excluding those for NHHDC with no active appointment to the Metering System) – to allow NHHDCs to focus on correction of errors.

3. Industry Views

3.1 CP1376 was issued for participant Impact Assessment via CPC00715. We received 7 responses of which 6 agreed and 1 was neutral.

3.2 The breakdown of responses is shown in the following table. The full collated participant responses to CP1376 are available in Attachment C or on the ELEXON website [here](#).

Respondent Role	Respondent Support		
	Yes	No	Neutral
LDSOs	3	0	-
DC/DA/MOA	1	-	1
Suppliers	1	-	-
Mixed (i.e. two or more of Supplier, Generator, Trader, Party agent or Distributor)	1	-	-
Total	6	0	1

3.3 No respondents were against the changes proposed by CP1376. The majority commented that they would be impacted in a beneficial manner.

3.4 One respondent commented that the reporting of D0023s and its related BSC Audit issues have always been a problem for Suppliers and NHHDCs, because the Failed Instructions are often immaterial. They



highlighted that these changes would bring stability and clarity to the types of instructions Suppliers and NHHDCs should be working on, as well as creating a reliable measure for Industry performance.

3.5 One respondent had some questions, and these are summarised in the following table, along with ELEXON's response.

Respondent's Query	ELEXON's Response
Will the count of D0023 exceptions between NHHDC and NHHDA ever match? We know some NHHDCs archive their exceptions after three months and because of this how can the counts ever be reconciled at a yearly audit?	PSL100 10.3.1 requires that Market Participants make data available to the BSC Auditor. The BSC Auditor carries out their Audit on an annual basis, so NHHDCs shouldn't be archiving exceptions after 3 months.
If the industry has a standard script for reporting D0023 exceptions from NHHDA then do we need a reconciliation of these with NHHDC at all?	The BSC Auditor carries out this reconciliation to ensure that all D0023 exceptions reported by the NHHDA are being addressed by NHHDCs. This will still be needed, but the standard script will take into account whether the NHHDC and NHHDA are still appointed. This will allow the BSC Auditor to determine whether any discrepancies between the NHHDC and NHHDA counts are material.
If the D0023 reprocessed flag identifier of 'X' (unresolvable) is to be used in the prioritisation of D0023s in the new script then it would be useful for NHHDCs to fully understand how this flag is applied to individual D0023 exceptions?	The script will only count those exceptions with an Instruction Status of 'F' = Failed.

3.6 We provided the above clarifications to the respondent, who had no further comments.

3.7 Comments on the Proposed Redlining

3.7.1 The redlined text comments received are shown in the table below.

Redline Comments			
Organisation	Doc Name and Location	Comment	ELEXON recommendation
ScottishPower	BSCP504 1.2.5 Paragraph 2, Sentence 2	Suggest that the wording of sentence 2 be changed to remove ambiguity over the responsibility for outstanding instructions. Sentence beginning "Responsibility for these ..." to be changed to "Responsibility for these files shall be held by the old NHHDC until all outstanding instructions ... etc". The previous sentence mentions the new NHHDC immediately prior to the	Extra wording has been inserted to paragraph 2, sentence 2 to read as follows: "Responsibility for these files shall be held by the old NHHDC until all outstanding instructions have been processed correctly." The redlined text for BSCP504 can be

Redline Comments			
Organisation	Doc Name and Location	Comment	ELEXON recommendation
		sentence on "responsibility".	found in Attachment A.
STARK	BSCP504 1.2.5	This could reduce the risk of data being duplicated or superseded by erroneous or corrupt data where an agent feels forced to send data to fulfil the obligation.	No further action is required.
STARK	BSCP505 1.6	Can only be of benefit to the audit process.	No further action is required.

4. Intended Benefits

4.1 The proposed changes will have a number of benefits:

- allow for more focussed analysis on the extent of outstanding Failed Instructions across the industry;
- assist in the resolution of any issues;
- provide better information to the BSC Auditor in their assessment of the level of market and individual DC error;
- allow ELEXON to better assess the strength of the Failed Instructions Report as a mitigating control against the risks in the Risk Evaluation Register;
- allow ELEXON to compare NHHDC performance more equitably and to apply Performance Assurance Techniques such as Error and Failure Resolution more effectively; and
- NHHDCs will have access to better information allowing them to focus their effort more efficiently on those Failed Instructions that are having a material impact.

5. Impacts and Costs

5.1 The following table summarises the ELEXON effort required to implement CP1376 and the impact on market participants.

Market Participant	Cost/Impact	Implementation time needed
ELEXON (Implementation)	14 man days, equating to £3,360	June 2013 release is suitable.
Service Provider	£10,000 (developing and testing of script)	June 2013 release is suitable.
DC/DAs	30-90 man days, £3,000 estimated for implementation only	June 2013 release is suitable.
LDSO	180 days	June 2013 release is suitable.
Supplier	182 days	June 2013 release is suitable although February 2013 is

Market Participant	Cost/Impact	Implementation time needed
		preferable.

6. Implementation Approach

6.1 CP1376 would be implemented on 27 June 2013 as part of the June 2013 BSC Systems Release. The CP would, therefore, take effect in the 2013/14 BSC Audit.

7. Recommendations

7.1 The SVG is invited to:

- a) **AGREE** the proposed amendments to BSCP504 and BSCP505; and
- b) **APPROVE** CP1376 for implementation on 27 June 2013, as part of the June 2013 Release.

Appendices:

None

Attachments:

Attachment A – BSCP504 redlining v 0.2

Attachment B – BSCP505 redlining v 0.1

Attachment C - Collated Responses to CPC00715 for CP1376

For more information, please contact:

Claire Anthony, Change Analyst, BSC Operations

claire.anthony@elexon.co.uk / 020 7380 4293