Change Proposal – BSCP40/01	CP No: 1177 *Version No: 2.0*

Title *(mandatory by originator)*
Changes to the change of Profile Class process as set out in BSCP516 'Allocation of Profile Classes and SSCs for Non-Half Hourly SVA Metering systems Registered in SMRS'

Description of Problem/Issue *(mandatory by originator)*

A number of issues with the change of Profile Class process have been identified by the ELEXON Project to investigate erroneously large Estimated Annual Consumptions (EACs) and Annualised Advances (AAs); and by Technical Assurance checks carried out in 2006 on the change of Profile Class process. Some of the issues with the change of Profile Class process are considered to be root causes of the erroneously large EAC/AA issue. Mention of issues around the calculation of EACs and AAs has been included in all BSC Audit Reports from late 2002 onwards.

The issues identified by the ELEXON Project to investigate erroneously large EACs and AAs were initially discussed by the SVG in 2003 (SVG/26/303), an update on the current extent of issues around Profile Classes was presented to the SVG in October 2006 (SVG69/04).

BSCP516 'Allocation of Profile Classes and SSCs for Non-Half Hourly SVA Metering systems Registered in SMRS' states that annually in February, Non-Half Hourly Data Collectors (NHHDCs) should identify all Non-domestic Metering Systems where Maximum Demand is recorded, carry out Load Factor (LF) calculations for each Metering System and notify the Supplier where the Profile Class for a Metering System should be changed. The Supplier should then update the Profile Class for the relevant Metering Systems by sending the NHHDC a D0052 'Affirmation of Metering System Settlement Details' containing the new Profile Class.

The issues in the change of Profile Class process are as follows:

1) Many NHHDCs are failing to complete the review of Metering Systems and the calculation of the LFs in February due to the timing and periodicity. The last quarter of the financial year is busy for both Suppliers and their agents.

2) The Supplier currently has 3 Working Days following the receipt of a change of Profile Class report from the NHHDC to review and action the Profile Class changes required. A number of Suppliers have suggested that this is an unrealistically short timescale as there are generally a large number of items that need to be followed up.

3) If a Supplier questions the validity of a NHHDC's LF calculation there is no defined timescale by which this query should be resolved. Therefore this process could continue indefinitely with the change of Profile Class process remaining incomplete. Other priorities then take precedence that hinder the completion of the process further.

4) Where NHHDCs are able to complete the annual review many Suppliers are failing to complete the required Profile Class changes. This can be attributed to two reasons firstly that the process is low on the Supplier's priority list and secondly that many Suppliers link their customer tariffs to Profile Class.

In addition, the load research carried out by the Profile Administrator uses a sample of Supplier

registered Profile Classes. Therefore a failure to correctly allocate a Profile Class to a Metering System has the potential to unduly influence this load research, the result being a reduction in the distinction between Profile Classes. This re-asserts the importance of Metering Systems being allocated to the correct Profile Class.

The SVG therefore proposed a solution that addressed timing issues, lack of clarity in the process, incentives on Suppliers and Suppliers linking tariffs to particular Profile Classes.

This issue has more recently been discussed by the Performance Assurance Board (PAB) as a result of the recent change of Profile Class Technical Assurance check. The PAB have endorsed the solution proposed for extending the timescale in which Suppliers have to update the revised profile class from 3 to 20 Working Days.

Erroneously large EACs and AAs remain a significant, albeit declining, problem in Settlements.

Proposed Solution(s) (*mandatory by originator)*

A number of changes should be made to BSCP 516 Sections 3.1 and 3.2 as set out below:

1) Change the When column of 3.2.1 to 'Six Monthly in May and November' to allow a Profile Class Review on a six monthly basis (rather than annually) with reviews held in May and November (as opposed to in February) in order to avoid contract round activity. It should be noted that LFs would still be calculated on an annual basis in accordance with BSCP516 Appendix 4.4.

2) The timescale for Suppliers to review the profile class changes should be lengthened from 3 Working Days to 20 Working Days.

3) Additional steps should be added to section 3.2 to introduce a query period to allow a Supplier to question an LF calculation performed by the NHHDC.

4) The NHHDC should be responsible for making changes to the Profile Class for each Metering System where it has identified that a change is necessary, as opposed to the NHHDC waiting for the Supplier to send a D0052 to make these changes.

The following changes to BSCP516 for points (2) to (4) would be required:

- Additional information would be provided in Appendix 4.1, and this would be referenced in step 3.2.3 so that for where a potential Change of Profile Class is identified, a tolerance band around the upper and lower boundaries would be employed to allow discretion to be used to prevent a Metering System flip flopping between Profile Classes at each review. The exact tolerance band would be set based on Impact Assessment responses but the initial suggestion is for a 5% tolerance band. For Metering Systems falling into that tolerance band, the NHHDC would determine whether a change of Profile Class is required.
- A new step would be added after 3.2.4 so that the Supplier would have 20 Working Days to query the LF calculation performed by the NHHDC;
- Another new step would be added after 3.2.4 so that once the query period has elapsed, if no question has been raised by the Supplier, the NHHDC would enact the indicated Profile Class

change.

- A final new step would be added after 3.2.4 so that where a Query has been raised, a further 20WD Review Period be allowed for the Supplier and NHHDC to reach agreement. If no agreement is reached, ELEXON would act as arbitrator to reach a conclusion. If appropriate, the NHHDC would update the Profile Class.
- The reference to 'within 3 Working Days of notification from NHHDC, via 3.2.4' in the When column of 3.1.3 would be removed. This would mean that section 3.1 would be reserved for allocating Profile Classes as a result of a new Metering System, change of use or change of Meter configuration and section 3.2 would contain the entire process relating to re-calculating LFs and changing the Profile Class of Metering Systems as a result of the re-calculation of LFs.

Justification for Change *(mandatory by originator)*

In 2003, the SVG (SVG/26/303) agreed that CoPC errors are a significant contributor to the problem of erroneous EAC/AAs, as shown by the approximately 60,000 genuine instances of consumption for metering systems in Profile Classes 5-7 identified in the original SVG paper that would not have breached the erroneously large EAC/AA thresholds if the metering system had been in the correct Profile Class.

An update on this issue was taken to the SVG in October 2006 (SVG69/04), and indicated that this issue is still considered to be significant. This is based on analysis carried out by ELEXON, and the results of a set of Change of Measurement/Change of Profile Class Technical Assurance checks that were performed in March 2006. A non confidential version of the results of these checks has been published on the Technical Assurance section of the ELEXON website.

Incorrect allocation to Profile Class also has the potential to skew the research of the Profile Administrator as it will distort the sample for load research.

The proposed solution addresses timing, clarity and incentivisation problems around the CoPC process. Allocation of metering systems to the correct Profile Class would result in a significant reduction in the number of metering systems Suppliers are required to review on a monthly basis.

Is the Change being proposed a Housekeeping Change? *(optional by originator)*

N

Configurable Items Potentially Affected by Proposed Solution(s) *(optional by originator)*

BSCP516 'Allocation of Profile Classes and SSCs for Non-Half Hourly SVA Metering systems Registered in SMRS'

Impact on Core Industry Documents or System Operator-Transmission Owner Code *(optional by originator)*

No impact identified.

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Related Changes and/or Projects *(mandatory by BSCCo)*

No related changes or projects identified.

Requested Implementation Date *(mandatory by originator)*

The next appropriate release.

Reason:

This change should be implemented concurrently with other changes to BSCP516.

Agreed Release/Implementation Date *(mandatory by BSCCo)*

Originator's Details:

BCA Name…….

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Date: 15 September 2006

Attachments: N