

Change Proposal – F40/01	CP No: 949 Version No: 1.0
Title <i>(mandatory by originator)</i> PAF Review Stage 2: Updates to BSCP535 Technical Assurance of Suppliers & Supplier Agents	
Description of Problem/Issue <i>(mandatory by originator)</i> Updates necessary to BSCP535 to implement the changes recommended by the Review of Technical Assurance for Suppliers and Supplier Agents as part of Phase 2 of the Review of the Performance Assurance Framework (PAF). These changes were approved by the Panel (58/001c) on 13 th February 2003. BSCP535 will be re-written to reflect a new approach to Technical Assurance (TA) that will focus on visits directed by a Scope document, targeted visits and post Certification visits. The required changes are outlined below: <u>Scope Document</u> Many of the checks currently specified in BSCP535 were identified as being redundant, either because the market had matured, or the original intention of the test was not realised. The Expert Group agreed that using a Scope document, to be produced at least on an annual basis and endorsed by the PAB, provided a more flexible and co-ordinated approach. The use of a Scope document will also allow issues raised and identified via other PAF techniques, including the BSC Audit, to be pursued in more depth. An example Scope document for the Audit year Oct-02 – Sept-03, is attached to this Change Proposal for reference. It is intended that the approved Scope document will be published on the ELEXON website. <u>Post Certification Visits</u> One of the recommendations of the Accreditation review was that TA visits would be conducted to newly Certified Party Agents. The TA Expert Group agreed that these visits should be scheduled to take place six months after the commencement of operation, i.e. after initial appointment. The format of the post-Certification visits has not been defined, but will be determined at the time of the visit and will be tailored to suit the individual Agent role, focusing on high-risk areas of the Certification and any collected performance information. These changes will be implemented as part of Modification Proposal P99. <u>Other Changes Recommended</u> The Expert Group also agreed that the resolution of non-compliances identified would be via the ELEXON Problem Control Process, including the allocation of a severity rating to each non-compliance (as recommended in NPAB20/233). It was also agreed that where it was possible to derive an approximation to the potential level of materiality any non-compliance could have, then this should be calculated and used in support of the ELEXON Problem Control Process. Changes have also been proposed to the timing of reporting of non-compliances to associated Suppliers. The opportunity will be taken during this update to BSCP535 to tidy up any minor errors or anomalies that should not have been included in this BSCP.	

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Proposed Solution(s) <i>(mandatory by originator)</i> A 'red-lined' copy of BSCP535 will be produced detailing exact changes necessary.	
Justification for Change <i>(mandatory by originator)</i> These changes will: a) Provide a more flexible and responsive technique to address the key issues in the market, via the proposed Scope Document approach b) Introduce a measure of the materiality of non-compliances c) Improve reporting of non-compliances to associated Suppliers. These changes have been recommended by an Expert Group comprising industry representatives familiar with BSCP535. These recommendations have been reviewed and endorsed by the PAB and the BSC Panel.	
Configurable Items Potentially Affected by Proposed Solution(s) <i>(optional by Originator)</i> None apart from BSCP535	
Impact on Core Industry Documents <i>(optional by originator)</i> None	
Related Changes and/or Projects <i>(mandatory by BSSCo)</i> P99	

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<p>Requested Implementation Date (<i>mandatory by originator</i>)</p> <p>July 2003</p> <p>Reason:</p> <p>This document will be impacted by P99. It would be beneficial to implement these changes prior to the document being amended for that Modification, which is currently scheduled for implementation in January 2004.</p>	
<p>Agreed Release/Implementation Date (<i>mandatory by BSCCo</i>)</p> <p>'Standalone' Release - July 2003</p>	
<p>Originator's Details:</p> <p>BCA Name...Isabel Moss.....</p> <p>Organisation...ELEXON.....</p> <p>Email Address.....isabel.moss@elxon.co.uk.....</p> <p>Date.....1/4/03.....</p>	
<p>Attachments: Y/N* (If Yes, No. of Pages attached: 2) <i>(delete as appropriate)</i></p>	

EXAMPLE SCOPE DOCUMENT: OCT 2002 – SEPT 2003

Focus Area	Scope	Reason for Check	Comment
Meter Advance Reconciliations (MARs)	HHDC Agents	Known market issue	The check will consist of an on-site visit, lasting one day, to confirm that MARs are being calculated in accordance with requirements, defined in BSCP502 Appendix 4.7.
CP696 Default Consumption Data	HHDA Agents	New requirement TA	Agents' compliance with this new requirement will be confirmed by a site visit, lasting one day. The check will involve a review of the relevant procedures and investigation of a sample of MSIDs.
CP800 Mandatory Refreshes	HHDA and NHHDA Agents	New requirement TA	Agents' compliance with this new requirement will be confirmed by a site visit, lasting one day. The check will involve a review of the relevant procedures and investigation of a sample of exceptions to determine that the appropriate procedures have been applied.
Clearance of Exception Reports (D0095/D0023)	NHH Suppliers and NHHDC Agents	Audit issue	Site visits will be carried out to all those NHH Suppliers who are currently audited by the BSC Auditor and to all NHHDC Agents. The purpose of the visits, which should be only one day in duration, will be to investigate the processing and clearance of MSIDs that are reported as exceptions, either on the D0095 flow for Suppliers or the D0023 flow for NHHDC Agents. As part of this check a targeted sample of MSIDs will be investigated specifically.
Change of Profile Class/Change of Measurement Class	NHH Suppliers and NHHDC Agents	Audit issue	Site visits to NHH Suppliers and NHHDC Agents will be undertaken to evaluate the procedures in place to review and amend where necessary, the Profile Class (PC) and Measurement Class (MC) of all MSIDs. The check will involve a review of the relevant procedures and investigation of a sample of exceptions to determine that the appropriate procedures have been applied. In order to generate the targeted sample the TAA will review data submitted to ELEXON as part of EAC/AA reporting and for Supplier Serial 9.

Focus Area	Scope	Reason for Check	Comment
UMS Certificates	Distribution Businesses	Identified by TA and also an Audit issue	Site visits, each lasting one day, will be carried out to all relevant Distribution Businesses to ensure that EAC values are recalculated on an annual basis as outlined in BSCP520.
Disaster Recovery Arrangements	Supplier Agents, including SMRS Agents	High risk gap area	A check will be undertaken to ensure that each Supplier Agent has Business Continuity (BC)/Disaster Recovery (DR) plans in place. Confirmation will be sought that all plans have been tested in the last twelve months in such a way as to ensure that business processes, systems and data can be recovered and continue to operate in the event of the procedure being invoked. The check will consist of an on-site visit, lasting one day, to review all the relevant documentation and test evidence.
Self Initiated Changes Process	Supplier Agents	High risk gap area	An on-site check, lasting one day, to assess whether changes to systems or business processes that posed a significant risk to settlement as outlined in BSCP531 have occurred without re-Certification being sought. Agents who have not been re-Certified or Certified for a period of two years shall be targeted.
Accuracy of Data Provided to the PAA	Suppliers and Supplier Agents	High risk gap area	The accuracy of the aggregated data that a Supplier or Supplier Agent supplies to the PAA will be measured against the raw data. The TAA and PAA will select at random and on a quarterly basis 4 serials (2 Supplier serials and 2 Supplier Agent serials) and their associated standards as defined in BSCP533 that require drilling down. This drill down data will be requested from a random selection of 3 Suppliers and 2 Agents. The check will consist of an on-site visit, lasting one day, to review all the relevant documentation and drill down data.