



BSC Auditor's Summary of Market Issues

For the year ended 31 March 2016

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15 July 2016

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Meter Operator (MOA) Market

Issue Title	Lack of clarification regarding MOA BSCP requirements	First Raised	2002		
Status	Open	Issue Number	3774	Legacy Issue Number	1640
Impact Rating	High	Has the non compliance improved over the last 12 months?	No		
BSC Requirement	BSCP514 details the actions required from MOAs over Half Hourly and Non Half Hourly Metering Systems.				
Description	<p>BSCP514 sections 7.1 to 7.4 provide guidance over Change of Measurement Class from Non Half Hourly to Half Hourly and vice-versa. One of the requirements is that the incoming MOA is required to send the final meter register readings to the outgoing MOA on a D0010 flow, or if the reading is not available a D0002 flow should be sent. However the principal method of communication between these Agents, the DTN, does not support the sending of these flows between MOAs. For the year ended 31 March 2013 we noted that both NHHMO and HHMO Agents, struggle with the change of measurement class (CoMC) processes. As examples and including point 2 above:</p> <ol style="list-style-type: none"> 1. It can be difficult for the incoming Meter Operator to identify a CoMC from any other appointment as there is no flag or code in the D0155 - although there is one, albeit rarely used, in the D0151. 2. Often the D0142 flow is the point at which they are identified but only via the free text entered by the Supplier, which is extremely variable in its extent and quality. 3. The process requires the sharing of Meter Technical Details but often MOA systems are not configured to accept those flows which can then hamper the process, e.g. a HHMO will send a D0268 to a NHHMO or a NHHMO will send a D0150 to a HHMO. 				
2015/16 Audit Year Findings	<p>KPMG have found there has been no change in the issue, finding the same issues as in previous year.</p> <p>Testing performed during the Audit period has highlighted multiple problems with the CoMC process which further supports the continued confusion in regards the interpretation and implementation of MOA BSCP requirements:</p> <ul style="list-style-type: none"> - D0151 flows not including "MC" termination reason code, which causes the MOA to be unable to identify the COMC for a loss. - For a gain, there is ability to specify within the appointment the associated reason i.e. COMC - D0142 flows not clearly explaining that the required meter exchange is a CoMC as this can only be specified within the "free text" (J0012 - Additional Information Field). - MOA agents not deprogramming the jobs in a timely manner, resulting in relevant meter technical details, updates to ECOES, updates to MAP and initial reads not being sent out in a timely manner. - MOA agents not sending the final reads to relevant parties. - MOA agents not forwarding the respective meter technical details to other parties. - Site technical details (requested via D0170) are not requested of the LDSO which may lead to the incorrect meter being replaced. <p>Based on the above observations it appears that the issue is more extensive compared to prior years due to the impact of P272.</p> <p>As a result of ELEXON and PAB discussions over P272 and the improvements required to the Change of Measurement Class process, a related change (CP3428) was approved and implemented which will allow D0010s to be transferred between NHH and HH MOAs during the undertaking of the COMC process to reduce the likelihood that closing meter reads are not successfully provided to newly appointed MOA.</p> <p>ELEXON have undertaken work throughout the year to provide advice to Parties on CoMC best practice and required activities. A further BSC workshop is currently planned for Summer 2016, where ELEXON will look to liaise with Market Participants on best practice in completing CoMC.</p>				
BSC Auditor's Recommendation	KPMG are in agreement with ELEXON's approach to holding a further workshop this Summer to provide support to market participants undertaking CoMC related activities. It is recommended that the impact of resourcing constraints affecting the CoMC performance are reviewed as part of this activity to determine whether there are any further areas where support/guidance could be provided to alleviate pressures on MOAs.				

Meter Operator (MOA) Market (cont.)

Issue Title	Lack of clarification regarding MOA BSCP requirements	First Raised	2002		
Status	Open	Issue Number	3769	Legacy Issue Number	1640
Impact Rating	Low	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP514 details the actions required from MOAs over Half Hourly and Non Half Hourly Metering Systems.				
Description	<p>BSCP514 provides the requirements under which MOAs must perform their responsibilities. Review of the BSCP and our work at MOAs previously identified a number of areas where the meter operations details were considered not to be prescriptive enough. Specific limitations noted were as follows:</p> <ul style="list-style-type: none"> - MOAs use Data Transfer Network ('DTN') data flows for dealing with prepayment meters, such as the D0192 'Readings and Settings from a Token or Key Meter' flow and the D0216 'Request Installation of Token' flow. BSCP514 does not include guidance on the use of these flows. <p>BSCP514 does not include guidance on the use of these flows.</p>				
2015/16 Audit Year Findings	<p>KPMG were informed D0192 flows are generally not used across the industry. Where they are used, agents did admit there is limited guidance available compared to other processes/ flows, however have found their actions regarding these flows have not resulted in any major problems.</p> <p>KPMG noted that usage of the flows in practice is very limited, mainly larger MOA agents tend to receive D0192 flows with a lot of smaller agents not processing any during the audit period. It was further noted by some agents that D0002 flows were used as an alternative, or failing this, the information was transferred outside of DTN flows, usually via email. Clear guidance does not exist over these alternative methods of communication however, so a risk was noted that inconsistent and potentially inappropriate actions could be taken as a result of this.</p>				
BSC Auditor's Recommendation	It is recommended that the BSCP is updated to reflect alternative methods of communication for this information, ensuring that parties are accurately and effectively transferring relevant information.				

Meter Operator (MOA) Market (cont.)

Issue Title	Ongoing problem with the quality of D0268s	First Raised	2002		
Status	Open	Issue Number	3773	Legacy Issue Number	1639
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP514 Section 2.4.1 'Information to Data Collectors' states that 'upon any change of Meter Technical Details or any change of Associated Data Collector or upon the MOA's appointment in respect of a SVA Metering System, the MOA shall give Meter Technical Details, commissioning details and access details of the SVA Metering System and its energisation status at feeder level to its Associated Data Collector.' Furthermore the HHDC Agent is required by section 3.2.1.3 of BSCP502 to update its systems with the MTDs provided by the MOA.				
Description	<p>Work in the prior audit period identified a number of metering systems for which there were differences in the level of consumption between runs. On investigation, many of these movements related to the processing of multiple D0268s, many of which contained erroneous MTD data, provided by several MOAs. The main issues identified from the sample were as follows:</p> <ul style="list-style-type: none"> · incorrect pulse multipliers and meter constants; · incorrect set up of number of meters or number of registers; · erroneous identification of main and check meters; and · incorrect mapping of channels/registers. <p>The responsibility for providing accurate MTDs lies with the MOAs. During the audit year ended 31 March 2009 a paper was presented to the Supplier Volume Allocation Group (SVG) to request guidance on how this issue should be resolved. The view of the SVG was that as the D0268 flow is populated by HHMOA the responsibility for reducing the incidence of this anomaly lies with them. The SVG requested therefore that ELEXON write to all HHMOAs asking them to confirm what measures are in place to ensure correct population of.</p> <p>In addition the following actions have been undertaken by ELEXON in previous years:</p> <ul style="list-style-type: none"> · CP1214 (Removal of PSL130 'Half Hourly Data Collection' following the creation of a generic non functional PSL via CP1182) was included in the Feb 2008 release; · CP1243 (Mandating HHDC checks on quality of Meter Technical Details) raised in April 2008 but rejected by the SVG in June 2008; and · CP1248 'Early release of Meter Technical Details by Non Half Hourly Meter Operator Agent' was included in the November 2009 release. being introduced. 				

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Meter Operator (MOA) Market (cont.)

Issue Title	Ongoing problem with the quality of D0268s (cont.)	First Raised	2002		
Status	Open	Issue Number	3773	Legacy Issue Number	1639
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	No Change		
2015/16 Audit Year Findings	<p>Our work during the 2015/16 BSC audit period has provided further evidence to support the continued development of the market towards adding in additional controls around data quality checks. During the previous year, KPMG noted that a number of MOA agents had implemented checks on data accuracy. During the current audit year, similar observations were also noted; there are however still some agents who suffer from issues around data accuracy and completeness particularly around the quality of password information.</p> <p>As per pervious year, our work continues to demonstrated that the area of greatest risk lies in those D0268 flows received via the "Change of meter Operator Agent" process where only basis validation checks can be performed over the completeness, with accuracy only substantiated through the performance of a site visit. While generally there seems to be a better understanding of the D0268 flow, some agents still indicate their lack of awareness of the impact of poor data quality within these flows, indicating there is still a potential issue here.</p> <p>Despite the observed improvements at some agents, there are still agents within the market without sufficient controls around D0268 data quality. As such the quality of D0268 flows is still being reported as an issue across the market and due to high risk nature of the issue and impact of P272, this is of significant concern in the market. It is noted that at PAB's request, controls around producing D0268s will be added to BSC Audit Scope for 2016/2017. ELEXON are also including discussion on this issue within the BSC Audit Issue Working Group.</p>				
BSC Auditor's Recommendation	It is recommended that review of the data quality controls is investigated and further support provided to the remaining agents without enhanced data validation checks as required.				

Meter Operator (MOA) Market (cont.)

Issue Title	Inconsistent action taken in response to D0001 flow	First Raised	2007		
Status	Closed	Issue Number	3777	Legacy Issue Number	2051
Impact Rating	High	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	<p>BSCP514 includes details of the actions required by the Meter Operator Agent in respect of their actions upon receipt of a D0001 'Request Metering System Investigation' flow, and the required responses.</p> <p>BSCP514 Section 5.4.1.3 states that within 5 working days ('WD') of receiving a D0001 flow from a Supplier or HHDC, the HHMOA should investigate the metering system and resolve the problem if possible.</p> <p>BSCP514 Section 5.4.1.5 states that if the fault remains unresolved 5 WD after receipt of the D0001, the HHMOA should send notification that the fault cannot be resolved within 5 WD, and send a corresponding fault resolution plan (if required) detailing the actions that need to be taken to resolve the fault and the proposed timescales. If appropriate the HHMOA should request decision on further action if appropriate using a D0005. If the HHMOA is able to resolve the fault within 5 WD they should send a fault resolution report on a D0002, as per Section 5.4.1.12.</p> <p>BSCP514 Section 6.4.1.2 states that within 2 WD of receiving a D0001 flow from a Supplier or NHHDC, the NHHMOA should investigate the metering system and resolve the problem if possible.</p> <p>BSCP514 Section 6.4.1.4 states that within 5 WD of 6.4.1.2 if the NHHMOA is unable to resolve the problem they should send a send request for decision on further action on a D0002 Request for Decision on Further Action to the Supplier. If they can resolve the problem within 5 WD of 6.4.1.2 they should send a Fault Resolution Report to the Supplier and the NHHDC on a D0002, as per Section 6.4.1.7.</p>				
Description	<p>Audit testing performed by the BSC Auditor at an MOA in the previous audit periods identified that the Agent was not taking any action to investigate faults reported to it by the Data Collector (HH or NHH). Based on information received from a number of other MOAs BSC Auditor noted that the approach taken to resolving D0001s from NHHDCs does vary for NHHMOAs, with some taking action and others only working those received from the Supplier. In all instances the HHMOA Agents process D0001s irrespective of whether they are received from the Supplier or the HHDC.</p> <p>In June 2011 ELEXON implemented MRA Change DTC CP 3314 'Improvements to D0002'. This change added new Site Visit Check codes and amended flow to allow it to be sent when no meter was found. An ongoing issue with the use and application of D0002 flows upon the resolution or non-resolution of the fault has also been noted. A number of MOAs have indicated that they consider there to be a lack of clarity in respect of the use of the D0002 flow and this has contributed to inconsistent actions being taken in response to the D0001 flow. One MOA stated that D0001s were being received as requests to obtain a meter reading rather than to investigate an inconsistency. A number of Suppliers have indicated that they are unable to differentiate between those D0002s that are required to be actioned and those D0002s that are simply sent for information purposes (i.e., where resolution by the MOA has been obtained). Consequently this is creating a bottleneck in the resolution of D0001s as some flows may continue to be sent despite a resolution having already been sought and provided. We noted the following Agents have been impacted; this is a slight improvement on prior year.</p> <p>The findings of the 2012/13 Technical Assurance of Performance Assurance Parties report, which analyses the fault initiation and resolution processes were noted; the outcome of the report suggested that the BSCP requirement for timescales resulted in agents not thoroughly investigating faults in order to meet the BSC timescale requirements. The report also suggested that the BSCP guidance was vague which may give rise to inconsistencies in adherence to the process and that there is a lack of consistency over the data that is included across the D0001 and D0002 flows.</p>				

Meter Operator (MOA) Market (cont.)

Issue Title	Inconsistent action taken in response to D0001 flow (cont.)	First Raised	2007		
Status	Closed	Issue Number	3777	Legacy Issue Number	2051
Impact Rating	High	Has the non compliance improved over the last 12 months?	Yes		
2015/16 Audit Year Findings	<p>KPMG has seen a significant improvement in this issue during the audit period, resulting in this issue being closed during the 2015/16 audit processes.</p> <p>While KPMG were informed by some agents there are still a few issues experienced with D0001 flows from other agents, this has fallen significantly over the past 12 months. Also they are now generally able to resolve the majority of these issues without significant further effort; in previous years it had been noted that issues could last a long time and not be resolved for months leading to potentially settlement impacting errors.</p> <p>KPMG has also seen a reduction of the individual issues raised around D0001 flows as part of the field work testing, another indicator that Fault Investigation Process group held by ELEXON during the year has allowed significant process improvements.</p>				
BSC Auditor's Recommendation	KPMG have seen a significant improvement as such this issue has been closed in 2015/16 audit period.				

Meter Operator (MOA) Market (cont.)

Issue Title	Completion of proving tests and relevant documentation in CVA market	First Raised	March 2015		
Status	Open	Issue Number	4517	Legacy Issue Number	N/A
Impact Rating	Low	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	<p>BSCP02 5. (Table of Testing Requirements and Methods of Assurance of Settlement Data) outlines various requirements on completing commissioning and proving tests.</p> <p>BSCP02 3.2.6, 3.3.5, 3.4.6 and 3.6.6 requires the CVA MOA to send a BSCP024.3 (Metering System Proving Test Record to CDCA) within one working day of completion of proving test.</p>				
Description	<p>A) There is a lack of clarity in BSCP02 when Proving Tests have to be completed and the relevant documentation (BSCP02 4.2 (a), (b) and BSCP02 4.3) have to be filled.</p> <p>For a permanent meter change on duplicated systems, BSCP02 5.2.6 (Table of Testing Requirements and Methods of Assurance of Settlement Data) requires CDCA Comparison test assisted by MOA to be completed. At the same time BSCP02 3.4 (Proving Test Requirements where a Meter has been Replaced with a Different Meter) requires the CVA MOA to conduct Proving Test and fill the required documentation. It is therefore not clear from BSCP02 what the exact requirements are.</p> <p>B) In addition to this, BSCP02 3.2.6, 3.3.5, 3.4.6 and 3.6.6 requires the CVA MOA to send a BSCP02/4.3: Metering System Proving Test Record to CDCA within one working day of completion of proving test. The same requirement applies after commissioning tests are completed (3.2.2, 3.4.2, 3.6.2). The timeliness of the requirement may not be viable to meet in some circumstances.</p> <p>C) Forms provided in BSCP02 may not always be compatible with the newest type of CVA meters.</p>				
2015/16 Audit Year Findings	<p>Issues continued to be identified at market participants around compliance with proving test requirements.</p> <p>Our audit fieldwork noted again the lack of clarity over actions required for proving tests. Specifically raised again was the concern that the BSCP02 timeliness requirements to send relevant documentation of the Proving Test within 1 working day is not always viable due to logistical challenges. This related specifically to cases where agents perform work on stations with no internet access. For example, where work is performed in areas of no signal, such as on off-shore platforms at sea, it is impossible for agents to meet the BSCP02 timeliness requirements.</p> <p>It is noted that ELEXON are currently working to propose changes which will update the timelines of proving tests and the relevant documentation.</p>				
BSC Auditor's Recommendation	<p>A proposed change is currently under consideration around proving test timescales, with the potential of its submission within the 2016/17 audit period. It is recommended that wider BSC guidance around CVA proving tests is reviewed as part of this process to ensure clear requirements are defined for the specific proving test scenarios.</p>				

Meter Operator (MOA) Market (cont.)

Issue Title	Lack of clarification over proving tests in SVA market	First Raised	March 2015		
Status	Open	Issue Number	4518	Legacy Issue Number	N/A
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	<p>BSCP514 5.5 BSCP 515 8.3 The timescale for carrying out the proving test shall vary depending on the Code of Practice that the MS is assigned to. It is not necessary that all the steps of the relevant processes are carried out on the same day; the requirement is that the proving test in its entirety is completed by the timescale specified below and subject to the exceptions listed below. The maximum timescale between the initiation of a proving test as a result of the circumstances in 8.3.1 and the successful completion of the proving test by the HHMOA (by sending the D0214 Confirmation of Proving Tests) to the HHDC is listed below for each CoP.</p>				
Description	<p>Testing in the audit period has identified that there is confusion in the market over responsibility for ensuring the completion of proving tests. When there is a delay or failure to respond by the HHDC, market agents are not clear on where the obligation sits in regards to chasing of outstanding information, which inhibits completion of the proving tests. Testing in the current BSC year has highlighted the failure to the respond by the HHDC has been a contributor to the proving test exceptions noted.</p> <p>Our testing has also identified that there are a significant number of instances where the MOA has failed to determine that the proving test is required, in these instances it appeared that no chasing by the supplier agents had occurred to ensure that the proving tests had been completed.</p> <p>It was also noted that on a Change of Supplier, there is no process for the proving test status to be communicated to the new MOA. This may result in proving tests not being completed at all for those meters where the proving had yet to be initiated.</p> <p>Our audit testing identified a lack of consistent guidance in the BSC over whether meters can be proved on a zero read, this has resulted in inconsistent action by agents over whether to pass or fail the proving tests.</p>				
2015/16 Audit Year Findings	<p>KPMG noted that significant action is currently been taken by Elexon around this issue, having held three working group meetings to date.</p> <p>The working groups focused around discussion over the effectiveness of proving tests, the value of the tests to Settlement accuracy and the wider process requirements. A finalised decision has yet to be made regarding this change, however there is potential for the requirement to be removed where the pulse multiplier and Meter constant are both set to 1. However will still remain a requirement where</p> <ul style="list-style-type: none"> • Where the multiplier is not 1; • If the outstation code is not on the type code list (list is to be updated by the working group members); • Complex mapping sites (currently required, but proving the Aggregation Rule is not – it is being suggested that the Aggregation Rule is checked now too). <p>The groups also discussed change to the fault investigation flow; “Proving test” will be added to the list of codes to be added into the D0001 flow which will facilitate the HHMOA in identifying when a D0001 flow relates to a proving test which has failed.</p> <p>Testing as part of the 2015/16 BSC Audit continued to identify issues within the proving test processes at HHMOA and HHDC, specifically within the monitoring of completion and meeting required timeframes set out within BSC. exceptions were also identified as part of the CoMC process testing, which is impacted by P272.</p>				
BSC Auditor’s Recommendation	<p>It was noted that ELEXON are currently in the process of assessing the proving test requirements as part of BSC, with a view to making changes to existing processes.</p>				

Meter Operator (MOA) Market (cont.)

Issue Title	Use and Accuracy of Information within D0215	First Raised	March 2016		
Status	Open	Issue Number	5177	Legacy Issue Number	N/A
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	N/A		
BSC Requirement	<p>BSCP 514 / 515 The MOA is required to request D0215 flow from the LDSO in the event of a CoMC, Change of MOA or New Connection, the LDSO is required to provide the information within 5WDs of the MOA's request.</p> <p>If required, and at any time after the effective date of the MOA's appointment (and only for MSIDs first registered after 6 November 2008), the MOA may request Site Technical Details by sending a D0170 'Request for Metering System Related Details' to the LDSO. The LDSO shall respond within 5 WD of such requests by sending a D0215 'Provision of Site Technical Details' either by electronic means or by another method, as agreed with the MOA. The MOA shall determine any appropriate course of action within 2 WD of receiving this information.</p> <p>In the event of any subsequent changes to Site Technical Details, the LDSO shall send an updated D0215 'Provision of Site Technical Details' to the MOA within 1WD of updating their systems. The MOA shall determine any appropriate course of action within 2 WD of receiving this information.</p>				
Description	<p>As part of the Audit fieldwork and through discussion with MOAs, it was noted that there is an issue over quality of data held within the D0215 flows provided by LDSOs.</p> <p>MOAs often choose not to rely on the data within these flows, using them only for reference if required.</p> <p>It was noted that MOAs do not always request the D0215 using a D0170, which was noted as a non-compliance to BSC requirements at a number of MOAs. Furthermore, even where requests have been made, a number of LDSOs were observed as not consistently responding to the requests.</p>				
2015/16 Audit Year Findings	<p>As part of the 2015/16 Audit, issues were noted over the quality and provision of flows by the LDSO and also the lack of requests made by the MOAs.</p> <p>As part of the audit fieldwork, the non compliances were discussed with the relevant agents and it was noted that the Industry largely does not place reliance upon the flows. It was also noted that there is contradiction over the use of the flows, as BSC mandates that the MOA must request the information however it does not require the MOA to process the flow.</p>				
BSC Auditor's Recommendation	<p>It is recommended that the usage of the D0215 flow is reviewed (potentially through DTN analysis), to determine the extent of the non compliances at Industry level. It is also recommended that MOAs are contacted to discuss how the D0215 is used and whether improvements could be made that would enable MOAs to rely on the information provided.</p>				

Meter Operator (CVA MOA) Market

Issue Title	Lack of documented processes at small CVAMOs	First Raised	March 2016		
Status	Open	Issue Number	5176	Legacy Issue Number	N/A
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	N/A		
BSC Requirement	CVAMOs are required to perform activities in line with BSCP02 and BSCP06.				
Description	<p>Whilst documented processes are not a specific requirement of BSC, there was a concern identified as part of the Audit testing that CVAMOs did not have clear defined processes in place to manage CVA activities.</p> <p>Since many of the actions are performed rarely by the CVAMOA, particularly where few sites are managed, there are few clear processes in place to manage BSC compliance for these actions. In a number of cases, this resulted in either late actions being taken or requirements being missed.</p>				
2015/16 Audit Year Findings	<p>Across several of the smaller CVAMOs, it was identified that clear processes had not been defined by the agents. As a result, agents were sometimes unaware of precise requirements set out within BSCPs.</p> <p>A number of non-compliances were noted across the CVAMOs relating to missing forms and failure to meet required timescales.</p>				
BSC Auditor's Recommendation	It is recommended that ELEXON consider holding a workshop for all smaller CVAMOs to ensure they are clear on requirements, or make contact directly with each CVAMOA to discuss processes and controls in place around the manual activities.				

Non Half Hourly Data Collector (NHHDC) Market

Issue Title	Delays are being experienced in receiving the D0086 flow from NHHDC agents	First Raised	2004		
Status	Open	Issue Number	3771	Legacy Issue Number	1621
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	<p>BSCP504 3.2.6 Change of Supplier for an existing SVA Metering System outlines several scenarios where a D0086 flow has to be provided from the new NHHDC to new Supplier, LDSO and old NHHDC. For example, BSCP 504 3.2.6.12 states that a D0086 Invalid Data Report has to be provided for these agents, where no valid read is obtained within +5 working days from SSD, otherwise BSCP 504 3.2.6.15 requires a D0086 Valid Data Report to be provided. Then, following the chain of events, once old NHHDC receives the D0086 flows, it has to forward it to the old Supplier, as required by BSCP 504 3.2.6.17.</p> <p>A separate scenario is listed under BSCP 504 3.3.1. Coincident Change of Supplier and Measurement Class from a Non-Half Hourly to a Half Hourly SVA Metering System. In this case the current NHHDC is required to send either a Valid Data Report on a D0086 flows (3.3.1.4) or send a deemed meter reading (3.3.1.7), also on D0086 flow.</p>				
Description	There are delays in the market to send D0086 flows by NHHDC agents.				
2015/16 Audit Year Findings	<p>As with the previous year, our work in the audit period identified the following problems causing issues with timely delivery of D0086 flows.</p> <ul style="list-style-type: none"> - Lack of Meter Technical Details will cause D0086 flows with deemed reads to be delivered. This is caused by NHHMOA agents not processing the flows correctly, due to system or training issues and accumulated backlogs. Without Meter Technical Details new NHHDC agents are unable to provide accurate D0086 flows. - Meter exchanges on or around Change of Supplier date can cause difficulties when only the new NHHDC receives the updated meter technical details and the old NHHDC is not aware of a meter change. This will lead to market agents having different Meter Technical Details and manual intervention would be required in these cases. - Lack of cooperation between NHHDC agents. At times, for example, where Meter Technical Details are missing, cooperation between agents will be necessary to solve the issue. This is not always taking place as there are no BSCP obligations or contracts in place; <p>In all cases this could then in turn cause the disputes process to be triggered, exchanging D0300 flows, which would prolong the Change of Supplier process further and may result in long delayed read withdrawals.</p> <p>When KPMG enquired of agents we were informed that agents do find the process of change of supplier a complicated one, which could be streamlined. Through market participant responses, it was noted that some of the problems associated with this process were caused by lack of MTDs (which would be the responsibility of the MOA). KPMG are aware that CP1456 is being issued in June 2016, which will align the MOA obligations with the NHHDCs so that MTDs should be sent following a D0170 flow, regardless of where the MOA has been de-appointed via a D0151 flow.</p> <p>Compared to previous year, the majority of agents did note a slight improvement in the quality and timeliness of D0086 flows, however there is still a significant number of late D0086 flows affecting their ability to comply with BSCP fully. It was noted that the amount of time where the losing Supplier is unaware of the Change of Supply taking place has reduced, as a result of faster switching processes.</p>				
BSC Auditor's Recommendation	<p>KPMG recommends that further investigation around the process of change of supplier, specifically from a loss supply perspective, is reviewed to ensure it is as streamlined as possible. This should be done in collaboration with market agents to ensure common issues and bottlenecks are identified.</p> <p>Furthermore, continued improvements to the BSCP requirements around D0086 flows should be undertaken to ensure agents are fully aware of the best practice process.</p>				

Non Half Hourly Data Collector (NHHDC) Market (cont.)

Issue Title	Lack of notifications of the rejection of standing data flows	First Raised	2004		
Status	Open	Issue Number	3772	Legacy Issue Number	1622
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	BSCP504 NHHDC does not include a requirement for NHHDC Agents to notify the sender of a flow that the flow has failed to be updated in the NHHDC system. The requirement is however implied.				
Description	<p>A number of NHHDC Agents do not have any formalised mechanism in place for reporting to the sender (Supplier and Meter Operator Agent ('MOA')) the failure to process standing data flows received from them. This failure is caused by in built system validation (including flow sequencing). We also note that some Agents do report failures in some circumstances but not all. Our work noted that this is in part caused by the lack of rejection flows available for use, particularly with reference to when they are sent the flows despite not being an appointed party. Suppliers specifically commented that there is no rejection flows for the following incoming flows:</p> <ul style="list-style-type: none"> · D0139 "confirmation or rejection of energisation status change;" · D0149 "notification of mapping details;" and · D0150 "Non Half-hourly meter technical details." 				
2015/16 Audit Year Findings	<p>KPMG were informed that agent have a process for dealing with rejected data flows, however only if they are expecting or require the data flow in the first place.</p> <p>If agents were not expecting the flow in the first place they would not inform the agent sending the flow that it has been rejected by them. In this scenario the majority of agents informed KPMG that if they noticed this they would inform the sending agent however because this is not a BSCP requirement they have no formal process for checking for failed flows.</p> <p>The majority of agents reported that they have experienced this issue either as the sender of a rejected flow, or as the receiver of an invalid flow.</p>				
BSC Auditor's Recommendation	<p>We recommend ELEXON consider changes in BSCPs to reflect the drive from the market to have a more formalized process in rejecting standing data flows, which would cover all parts of the process of rejecting standing data flows. This would allow market participants to have better clarity over what sort of processes they should have in place and would manage expectations during cooperation in the market. It was noted that ELEXON are reviewing whether a working group would facilitate the ongoing discussion around this market issue.</p> <p>Best practice guidance could be issued over handling of rejection flows to ensure consistent approaches are taken across the market.</p>				

Non Half Hourly Data Collector (NHHDC) Market (cont.)

Issue Title	Data fixes required to resolve Post-RF D0023 rejection records	First Raised	2014		
Status	Open	Issue Number	3437	Legacy Issue Number	3437
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	<p>BSCP 504 4.14.1 Once a Settlement Date has been subject to the Final Reconciliation Volume Allocation Run (RF), data for that day shall not be amended unless supported by an upheld Trading Dispute. If an error in demand exists on a Settlement Date for which RF has taken place, this error can be compensated in Settlements Days for which RF is still to take place. The process of compensating this error is Gross Volume Correction (GVC). This process results in the correct total volume of energy being allocated to the Supplier; however this energy will be allocated to different Settlement Periods.</p> <p>BSCP 504 3.5.5 requires NHHDC to resolve D0023 inconsistencies reported by NHHDA. BSCP 504 also outlines requirement to process D0052 flows in various sections of the code.</p>				
Description	D0023 rejects are received by the NHHDC with effective dates that span RF. As a result, the NHHDC are in receipt of a D0023 that they are obliged to action, but to do so must perform a data fix that amends crystalized data which will result in contravention of BSCP 504. The same issue can also relate to other type of DTN flows, such as D0052, as identified in 2014/15 audit period.				
2015/16 Audit Year Findings	<p>For the period ended 31 March 2016, KPMG inquired of NHHDC agents around D0023 and D0052 processing; it was noted that a large number of agents are affected by this market issue. The general message coming from agents during the 2015/16 audit period was that guidance has improved slightly, however further improvements are still required. As per the previous year audit, it was again noted that where problems relate to long settlement periods, the expectation to rebuild all EAC/AAs within short periods of time may not be reasonable.</p> <p>With regards to issues around the D0052 flows being backdated, the market has indicated an improvement in this issue, however there are still some scenarios whereby backdated D0052 flows cause processing issues. The issue noted from the previous year was that agents did not receive guidance via BSCPs or other methods for dealing with D0052 flows that result in potential changes dated within a crystalized period. This leads to agents having a choice to non-comply with either BSCP 504 4.14.1 for affecting post-RF data or other numerous sections in BSCP504 for not processing the D0052 flow. In some cases agents have a choice only between not processing a D0052 flow at all or processing incorrect information. Where D0052 related to key metering information, such as Meter effective from date, agents reported having to change post-RF data, as otherwise this will cause on-going settlement issues due to information mismatch between different market participants.</p> <p>All agents, which believe the issue affects their operations, agree that this Market Issue should remain open.</p> <p>Further to this from KPMGs testing of D0023 backlog values; the backlog has increased slightly on the previous year at a number of agents, however a few agents have seen a reduction in these backlogs due to specific targeted effort.</p> <p>As such the issue still remains open.</p>				
BSC Auditor's Recommendation	As per previous year, ELEXON should consider reviewing guidance for these cases to determine whether further guidance could be provided to help market participants to have a consistent auditable approach over D0023 (and D0052) flows, specifically where they affect the crystallized period.				

Supplier Market

Issue Title	Issues surrounding revenue protection amendments	First Raised	2007		
Status	Open	Issue Number	3776	Legacy Issue Number	2044
Impact Rating	High	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	<p>Suppliers have an overall responsibility for the quality of data applied to Settlement by all of its Agents. In particular, Balancing and Settlement Code ('BSC') section S2.1.2 states that each Supplier shall ensure compliance by each of its Supplier Agents, with the relevant BSCPs. This includes BSCP504 Non Half Hourly Data Collector ('NHHDC') section 3.3.11.5 that requires the NHHDC Agents to send Estimated Annualised Consumption ('EAC') and Annualised Advance ('AA') data to Suppliers, and sections 3.4.1 4 and 5 that require the NHHDC Agents to send valid and invalid meter readings to Suppliers.</p> <p>Also, BSCP504 section 3.4.2.1 requires the Supplier to send notification of inconsistencies to the NHHDC Agent as necessary. In addition Section U, 1.2.1 of the code confirms that "Without prejudice to any specific provisions of the Code relating to the accuracy and completeness of data, each Party shall ensure that and undertakes that all information and data submitted or otherwise provided by or on behalf of such Party to the Panel, any Panel Committee, BSCCo, the BSC Clearer or any BSC Agent pursuant to any provision of the Code or any Code Subsidiary Document will as far as reasonably possible be accurate and complete in all material respects.</p>				
Description	<p>During the course of our work in the previous audit year, we were notified of a number of concerns around the processing of revenue protection amendments into Settlement, these included:</p> <ul style="list-style-type: none"> • Lack of clarity surrounding existing BSCP requirements in place surrounding revenue protection, as at present the only requirements are outlined in BSCP504 and require the NHHDC to update its system with a revised meter advance and calculate a new EAC/AA, • Lack of guidance on who is responsible for notifying the NHHDC / HHDC of these revenue protection amendments. • Lack of guidance on process that should be followed in determining the revised meter advance based on revenue protection amendments e.g. append to last valid meter reading or final meter reading • Where revenue protection amendments have been made to settlement there is currently no mechanism to ensure that these values remain in settlement and are not removed by exception management processes e.g. High EAC/AA monitoring. • Uncertainty regarding activities performed by the Revenue Protection Service ('RPS') and the methods used for calculating unrecorded units as well as processes in place to notify the relevant parties. Previous sample testing performed identified a number of instances where revenue protection amendments were sent to the incorrect Supplier. <p>ELEXON proposed that the PAB should wait for further Ofgem guidance on this issue and noted that currently Ofgem are asking Suppliers to raise a change to incentivise the detection of theft. ELEXON proposed that the Market Issues Working Group continue to monitor the issue on a monthly basis.</p> <p>A central body is to be established to administer Supplier incentive schemes, which will need settlement data. Incentive schemes would need to be in place before a change is raised, so it is more evident what data is needed by the central body.</p>				

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Supplier Market

Issue Title	Issues surrounding revenue protection amendments	First Raised	2007		
Status	Open	Issue Number	3776	Legacy Issue Number	2044
Impact Rating	High	Has the non compliance improved over the last 12 months?	No Change		
2015/16 Audit Year Findings	<p>Participants echoed the sentiments from previous year audits, that there is a lack of guidance in this area, notably in respect of consumption calculation (accuracy of theft assessments). BSC parties are required to process revenue protection reads within BSCP 504, however detailed guidance to ensure consistent action across the market is not provided.</p> <p>Several suppliers mentioned how the Gas market has very good guidance on revenue protection, and that the energy company should move towards this style of guidance.</p> <p>Additionally to previous years, it was raised by parties that smart meters do not generally experience the same number of Revenue Protection issues as traditional NHH meters. As such with the move towards smart metering it is anticipated there will be a reduction in the number of scenarios impacting suppliers.</p>				
BSC Auditor's Recommendation	ELEXON are currently investigating the impact of the lack of consistency around processing of revenue protection reads. It is recommended that additional guidance should be issued to all parties to address common concerns around the process and provide clear instructions for how Suppliers should deal with specific scenarios.				

Supplier Market (cont.)

Issue Title	Lack of BSCP defined timescales within the Supplier Disputed Reading process	First Raised	2012		
Status	Open	Issue Number	3779	Legacy Issue Number	2552
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP504 Section 3.2.6 details the requirements involved in the Change of Supply process. Sections 3.2.6.25 through 3.2.6.29 outlines the activities to be followed when processing a Supplier Agreed Reading (SAR) via a D0300 'Disputed Readings or Missing Readings on Change of Supplier', for example after a dispute being raised. Further details of the activities involved within the process are outlined within MRA Agreed Procedure 08 'The Procedure for Agreement of Change of Supplier Readings and Resolution of Disputed Change of Supplier Readings'.				
Description	<p>As part of the Change of Supplier process it is the responsibility for the new NHHDC Agent to obtain or calculate an appropriate Change of Supplier reading which is then passed to the new Supplier and old NHHDC, who in turn passes this to the outgoing Supplier. This reading is received on a D0086 'Change of Supplier Readings' flow. As this reading is a 'key' reading to enable the CoS to process it will typically not undergo any specific validation by the NHHDC prior to processing. As a result a large volume of reported erroneous EAC/AA values are highlighted by Suppliers as having been generated as a result of erroneous CoS readings. To combat this D0300 'Disputed Readings or Missing Readings on Change of Supplier' flows were introduced to enable Suppliers to challenge the CoS readings they have been provided. However, during the course of our work we noted a number of concerns around the management of MPANs that were going through this process, primarily the lack of defined timescales within BSCP504, which parties are required to adhere to in agreeing to and responding to a D0300 flow. This has resulted in an inconsistent level of responsiveness from Suppliers in dealing with D0300 flows. As a result Suppliers have noted erroneous EAC/AA values in Settlement which they are not able to resolve until the other Supplier provides them with the required D0300 flow. MRA Agreed Procedure 08 'The Procedure for Agreement of Change of Supplier Readings and Resolution of Disputed Change of Supplier Readings', which is referenced in a footnote within BSCP504, does include details of the expected timescales that should be followed. Although not within the scope of the work performed our audit has determined that Suppliers are not meeting the timescales required of them per the agreed procedure.</p> <p>Supplier Groups have confirmed that they have been impacted by part or all of this issue in the audit period. However, by not enforcing a time limit onto Suppliers to process these items consumption identified as erroneous will remain within Settlement.</p>				
2015/16 Audit Year Findings	<p>Suppliers have highlighted that they process dispute flows in line with MAP08 guidance as the BSCP does not provide clear timeframes. Whilst several Suppliers suggested guidance in respect of timeframes would be beneficial, some Suppliers noted that additional timeframes would risk contradicting current requirements specified as part of MAP08 (unless consistent). Several Suppliers noted that other parties do not always follow the timelines set out within MAP08, which causes significant disruption to the Change of Supplier process as it impacts on the overall ability to comply with BSC requirements.</p> <p>Suppliers have highlighted that the Supplier to Supplier relationship is not clearly defined within current documentation, which can lead to confusion and delays in the processes.</p>				
BSC Auditor's Recommendation	While we acknowledge that there is existing guidance under MAP08 process, it is recommended that ELEXON review current BSC documentation to ensure that all relevant market participants are consistently carrying out their responsibilities. Further consultation with Suppliers and DCs is recommended to determine whether guidance within the BSC should be amended to enforce timely resolution of the disputes/missing reads processes.				

Unmetered Supplier Operator (UMSO) Market

Issue Title	Inconsistencies with BSCP520 and supporting documents	First Raised	2013		
Status	Open	Issue Number	3781	Legacy Issue Number	2606
Impact Rating	Low	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP 520 and supporting documents (Party Service Line 100 (“PSL100” and the Operational Information Document “OID”) specify the responsibilities, both for the UMSO and MA, with regards to the operation and execution of an unmetered supply.				
Description	<p>Inventory Submissions</p> <p>Section 3.2.3 notes that “if HH following 3.2.2 (customer submits inventory to UMSO) . . . send revised summary inventory details to MA.” There is currently no requirement for the UMSO to validate the accuracy of the inventory against the OID prior to sending it on to the Meter Administrator. As a result this can cause an elongated process, as the MA under section 3.2.4 will compare the charge codes and switch regimes against those that are permitted in line with the OID. Where any charge codes are deemed to be incorrect the MA will reject and return the inventory to the UMSO, who in turn will liaise with the customer. Moreover, there are no requirements currently within the BSCP520 to confirm the validity of NHH equipment (e.g. equipment circuit wattage etc.).</p> <p>Section 3.2.3 notes that “if HH following 3.2.2 (customer submits inventory to UMSO) that when UMSO has agreed amendment to summary inventory with customer, then within 5WD send revised summary inventory details to MA.” Accordingly, this is causing processing delays for the MA, as whilst the UMSO may receive data in month 1, how they obtain that agreement from the customer (and the timescales to obtain said agreement) is not stipulated within the BSCP520. Therefore we have seen examples of where data is receipted by the UMSO, not processed for 3 months (at which point they then seek customer agreement). Subsequently this data is sent to the MA with the 5WD timeline. This subsequently results in the MA having to perform numerous retrospective calculations and delays in the data moving into settlement.</p> <p>Audit Trails</p> <p>A number of UMSOs and MAs have noted that Party Service Line 100 (“PSL100”) should be combined with the BSCP520 in order to provide clarity with regards to the level of audit trail required within the market. For example there are currently only 3 specific requirements under the BSCP520 in relation to audit trails;</p> <ul style="list-style-type: none"> • Section 1.2.4.2 EM Audit requirements, which notes that data in relation to energisation and de-energisation must be retained alongside data which would enable the incoming MA (on change of MA) to perform their job. • Section 1.3.4 states that “evidence to support the calculation shall be retained;” and • Section 4.5.2 denotes that “the system [in reference to a passive meter] shall provide an audit trail of changes to data held.” <p>Due to the nature of market communications between the various parties (i.e. non usage of the DTN) the BSC Auditor noted inconsistencies with regards to the retention of data and the audit trail supporting said data. The relevant Agents have noted that by embedding the audit trail requirements within the BSCP520 this would help provide clarity over the level of audit trail required, especially with regards to those processes which the BSCP520 allows for “electronic or other means as agreed.”</p> <p>Market Domain Data</p> <p>Section 3.10.3 notes that “within 4 working hours of receipt of MDD [which can take the form of D0269, D0270 and MDD circular] the UMSO and MA must send a P0024 acknowledgement to the MDDM.” UMSOs and MAs question the validity of this section, as it is currently unclear as to what MDD constitutes within the unmetered market. Moreover, in the majority of cases most parties believe they do not receive any of the aforementioned information. Accordingly this is deemed to be redundant.</p> <p>P317 was implemented in June 2015, which sought to remove outdated wording from BSC Section S and better align the BSC with current working practice.</p>				

Unmetered Supplier Operator (UMSO) Market (cont.)

Issue Title	Inconsistencies with BSCP520 and supporting documents (cont.)	First Raised	2013		
Status	Open	Issue Number	3781	Legacy Issue Number	2606
Impact Rating	Low	Has the non compliance improved over the last 12 months?	No Change		
2015/16 Audit Year Findings	<p>Inventory Submissions - Concerns have been raised by market participants over the formats and quality of the data received, which can result in significant manual review and changes required. It was noted that MA's will validate the inventories as they arrive, however regularly find issues with the information provided, for example invalid charge code/switch regimes were noted. - Participants noted a lack of timeframe for the UMSO to agree the revised inventory with the customer can cause delays in overall processes.</p> <p>Audit Trails For all parties tested, there were no concerns identified over knowledge of the requirement to retain an audit trail. It was noted however that the BSC is not considered to be explicit enough over which data should be retained, the default by most parties was to retain all data and communications at present.</p> <p>Market Domain Data Agents agreed that the acknowledgement of MDD data is redundant as this is acquired by the MA / UMSO.</p>				
BSC Auditor's Recommendation	<p>Inventory Submissions: In line with the previous year, it is recommended that the BSC requirements are reviewed to ensure that appropriate timeframes and validation requirements are detailed for UMSOs in order to align with industry best practice.</p> <p>Audit Trails: We recommend Elexon considers updating BSCPs to have prescriptive audit trail requirements.</p> <p>Market Domain Data: It is recommended that the wording is reviewed to determine whether an amendment should be made to ensure clarity.</p>				

Unmetered Supplier Operator (UMSO) Market (cont.)

Issue Title	Failure to appoint a supplier / or a supplier to accept a registration	First Raised	2014		
Status	Open	Issue Number	3768	Legacy Issue Number	N/A
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	<p>BSCP 520 3.1.1 - Agree that the application for UMS meets the requirements of Section 1.1. Validate all Charge Codes and Switch Regimes against the Operational Information Document (OID) and associated spreadsheets and the Valid Dimming Combination spreadsheet. Agree the inventory of Apparatus with the Customer.</p> <p>BSCP 520 3.1.9 - Send Supplier and registration details to SMRA.</p>				
Description	<p>Some suppliers will not supply UMS customers where the EAC is less than 100,000 kWh. As UMS customers often have metered contracts with these suppliers they are reluctant to open a contract with a different supplier who will supply UMS customers with EACs lower than 100,000 kWh. A supplier may not be appointed (and therefore there is no Data Collector) but the inventory may be connected by the customer in any case, resulting in EACs not entering settlement and customers not being billed for consumption.</p> <p>CP1414 was raised relating to this issue with the intention of combining LDSO and embedded LDSO's UMS inventories onto a single LDSO MSID. This was, however, rejected by SVG at its March 2015 meeting.</p>				
2015/16 Audit Year Findings	<p>As per previous year it is recognised by the UMSO participants that this is a relevant issue for the industry, however through discussion with the participants it was noted that UMSOs have identified some improvement in overall cases noted.</p> <p>UMSO agents informed KPMG that there is still a lack of incentive, with the increased potential workloads compared to the lower profit opportunities which are associated with Unmetered supply sites.</p> <p>The issue that all agents should have a choice which customers they taken on was raised several times, however they also agreed that leaving UMSO without a supplier can impact the whole market.</p> <p>As noted in the previous year, CP1414 was proposed however rejected on 3rd March 2015.</p> <p>Elxon have noted that this issue should be dealt with by Ofgem.</p>				
BSC Auditor's Recommendation	<p>It is recommended that ELEXON liaise with Ofgem to ensure a solution can be found to reduce the risk of a Supplier not being appointed. The associated risk to Settlement arising from the lack of Supplier is a concern for market participants, it is recommended that guidance is issued to UMSOs over escalation procedures where a Supplier is not appointed to ensure a consistent approach across the market and appropriate follow up actions.</p>				

Meter Registrants Market

Issue Title	Calculation and submission of aggregation rules.	First Raised	March 2015		
Status	Open	Issue Number	4516	Legacy Issue Number	N/A
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	BSCP 75 3.1 (Registration of Aggregation Rules) requires that BSC Parties submit Aggregation Rules for Volume Allocation Units to the CDCA 20 working days prior to the effective date of registration on Form BSCP75/4.2. The CDCA will then acknowledge receipt and validate the submitted Aggregation Rules.				
Description	<p>MOAs and registrants are required to calculate and submit CDCA aggregation rules to the Central Services team using BSCP75/4.2 forms.</p> <p>In 2014/15 the Central Services team at IMServ have represented that aggregation rules submitted by BSC CDCA parties are often incorrect or that aggregation rules have not been provided by registrants requiring a member of the BSC Central Services team to (re)calculate the aggregation rules and enter them into the CDCA system. Following (re) calculation by the Central Services team the form will be sent back to the registrant to accept the proposed aggregation rules.</p>				
2015/16 Audit Year Findings	As part of enquiry in 2015/16 audit cycle, Central Systems have informed us that major improvements were noted. As a result of this KPMG closed a BSC Audit issue and reduced the impact rating of this market issue. KPMG will continue to monitor its status and provided that the improvements in compliance continue into 2016/17 audit period issue may be proposed for closure in July 2017.				
BSC Auditor's Recommendation	We recommend that ELEXON maintains focus of oversight over this area to ensure agents continue to comply with calculation and submission of aggregation rules.				



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