

**BSC Auditor's Issue Document for the Non Half Hourly Data Collector Market as at 31 March 2011**

<b>Issue Title:</b> Delays are being experienced in receiving the D0086 flow from NHHDC Agents	<b>Issue number:</b> 1621 <b>Old associated Issue:</b> N/A	<b>BU:</b> N/A	<b>BSC Report Reference:</b> N/A	<b>First raised:</b> September 2004	<b>Status:</b> Open Closed Rectified in Period	<b>Impact Rating:</b> Medium	<b>Confirmation of Issue Status:</b> Agreed Not Agreed
<p><b>BSC Requirement:</b> Balancing and Settlement Code Procedure 504 ('BSCP504') Non Half Hourly Data Collection ('NHHDC') section 3.2.6.11 states that the outgoing NHHDC Agent should send a valid data report to the outgoing Supplier via a D0086 ('Notification of Change of Supplier Readings') flow.</p> <p>The NHHDC Agent should send the D0086 flow to the Supplier with an actual read if the read is obtained within five Standard Settlement Days ('SSD') and recorded on the NHHDC database within eight SSDs. If a read is obtained outside the five SSD window (even if it is recorded within eight SSDs) an actual read should be deemed and sent to the Supplier on the D0086 flow.</p>							
<p><b>How the organisation is in breach:</b></p> <p>For the period ended 31 March 2011, discussions with Suppliers identified that they are continuing to experience problems with delays in receiving D0086 data flows from NHHDC Agents. We understand that within the audit year ELEXON have pushed through a couple of initiatives with regards to erroneously large EAC / AAs (e.g. 'Analysis of delays in processing revised change of Supplier reading: SVG122/12'). However, no change proposals were recommended. Accordingly, five out of seventeen NHHDC Agents visited confirmed that they were still impacted by delays in sending D0086 flows.</p> <p>The delays in the receipt of a D0086 data flow could potentially impact Suppliers' customer billing and may lead to increased resources being devoted to chase missing data flows. The delay may also have a knock on effect on the identification and resolution of potentially large and erroneous Estimated Annual Consumption (EAC) and Annualised Advances (AA). BSCP504 does not state any timescales for sending D0086 flows with either actual consumption or deemed consumption. A number of Suppliers have noted that the length of time it takes for them to facilitate the agreed read process as described in BSCP504 (3.2.6.25) is excessive. This process should assist in the reduction of the number of missing/late D0086s and should therefore be as efficient as possible.</p>							
<b>Total Population</b>	N/A	<b>Sample size</b>	N/A	<b>Number of Exceptions</b>	N/A	<b>Assessed Materiality (MWh)</b>	N/A
<b>Has the Audit Issue improved over the last 12 months?</b>				Yes	No	Stayed the same	N/A
<p><b>BSC Auditor's recommendation:</b> Whilst we recognise the significant action ELEXON has taken in rectifying the above, the number of Suppliers and NHHDC Agents reporting as being affected is still significant. Consequently we reiterate our prior year recommendation that ELEXON discuss with the impacted parties what further actions they need to take to resolve this issue and act accordingly.</p>							
<p><b>ELEXON Use Only</b>                      <b>EFR Complete:</b></p> <p align="center">Yes <input type="checkbox"/>    No <input type="checkbox"/></p>							

This issue has been identified during the course of the BSC Audit. The scope of the BSC Audit is focused on considering whether Settlement Processes are operating satisfactorily within the agreed materiality level (currently 1,650,000MWh), and hence (a) may not identify all weaknesses at a specific Audited Entity, and (b) is focused only on areas of non-compliance with the BSC and does not consider the operational effectiveness of the systems and processes in place at individual Audited Entities. This issue is confidential and is intended solely for the use of ELEXON Limited ('ELEXON'), Trading Parties to the BSC and the Panel. The information contained in this document may not be relied upon by any other party.

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<b>Issue Title:</b> Lack of notifications of the rejection of standing data flows	<b>Issue number:</b> 1622	<b>BU:</b> N/A	<b>BSC Report Reference:</b> SSM 23 & SSM 24	<b>First raised:</b> September 2004	<b>Status:</b> Open Closed Rectified in Period	<b>Impact Rating:</b> Medium	<b>Confirmation of Issue Status:</b> Agreed Not Agreed
	<b>Old associated Issue:</b> N/A						

**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.

**How the organisation is in breach:**

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:

- D0139 "confirmation or rejection of energisation status change;"
- D0149 "notification of mapping details;" and
- D0150 "Non Half-hourly meter technical details."

In general this issue was noted by larger Suppliers, receiving a greater volume of flows. This year NHHDC Agents whose procedures are not sufficient (or are not operating effectively) increased on the number of MPIDs impacted in 2010. The 11 MPIDs impacted are spread across 7 different Agents.

<b>Total Population</b>	N/A	<b>Sample size</b>	N/A	<b>Number of Exceptions</b>	N/A	<b>Assessed Materiality (MWh)</b>	N/A
<b>Has the Audit Issue improved over the last 12 months?</b>				Yes	No	Stayed the same	N/A

**BSC Auditor's recommendation:**

We appreciate that various changes proposals have been implemented to address this issue. We reiterate our recommendation from prior year that ELEXON should facilitate a review of all the relevant NHHDC flows to ascertain what action should be taken upon receipt of an invalid flow with the objective to draw up new guidelines and procedures as a direct result in order to combat the aforementioned issue.

**ELEXON Use Only****EFR Complete:**Yes  No 

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<b>Issue Title:</b> Issues relating to Change of Agent	<b>Issue number:</b> 1623	<b>BU:</b> N/A	<b>BSC Report Reference:</b> N/A	<b>First raised:</b> September 2004	<b>Status:</b> Open Closed Rectified in Period	<b>Impact Rating:</b> N/A	<b>Confirmation of Issue Status:</b> Agreed Not Agreed
	<b>Old associated Issue:</b> N/A						
<b>BSC Requirement:</b> BSCP504 NHHDC and BSCP505 for Non Half Hourly Data Aggregation ('NHHDA') set out the sequence of data flows and requirements relating to the provision of historic consumption information following a change of NHHDC or NHHDA Agent respectively.							
<b>How the organisation is in breach:</b> A large number of issues have been noted previously with both Suppliers and their Agents in respect of the provision of data flows and historic consumption following a Change of Agent event. Specifically a large number of D0095 ('Non Half Hourly Data Aggregation Exception Report') and D0023 ('Failed Instructions') flow exceptions have been historically noted, as have large backlogs in standing data flows and missing meter readings. A large proportion of these are associated with the Change of Agent process. (Note. Market issue 1631 refers to the specific detail on "overlapping EACs creating E03 and E04 exceptions on the D0095 report" responsible for some of this large backlog). The problems relating to Change of Agent are exacerbated when there is a concurrent Change of Agent and Change of Supplier event. ELEXON have produced the following guidance in previous years to address the aforementioned issues;							
<ul style="list-style-type: none"> <li>• CP1205 'D0095 reporting of immaterial superfluous consumption'</li> <li>• CP1206 'D0095 reporting of immaterial Supplier inconsistencies'</li> <li>• CP1207 'D0095 reporting in respect of past NHHDC's'</li> <li>• CP1320 'Replacement of erroneous change of Supplier readings'</li> </ul>							
Discussions in the current audit year ended 31 March 2011 with NHHDC Agents noted that 10 Agents believe they are still impacted by the aforementioned D0095 issue. However, our work for the year has noted no specific Agent issues.							
The BSC Auditor recognises the significant action ELEXON has taken in implementing the above CPs and the number of Suppliers and NHHDC Agents reported has improved as a result. Specifically no Agent issues have been raised concerning D0095s. Accordingly we believe that ELEXON have provided appropriate guidance to resolve the market issue.							
<b>Total Population</b>	N/A	<b>Sample size</b>	N/A	<b>Number of Exceptions</b>	N/A	<b>Assessed Materiality (MWh)</b>	N/A
<b>Has the Audit Issue improved over the last 12 months?</b>			Yes	No		Stayed the same	N/A
<b>BSC Auditor's recommendation:</b> We recommend that this issue be closed.							
<b>ELEXON Use Only</b> <b>EFR Complete:</b>							
Yes <input type="checkbox"/> No <input type="checkbox"/>							

This issue has been identified during the course of the BSC Audit. The scope of the BSC Audit is focused on considering whether Settlement Processes are operating satisfactorily within the agreed materiality level (currently 1,650,000MWh), and hence (a) may not identify all weaknesses at a specific Audited Entity, and (b) is focused only on areas of non-compliance with the BSC and does not consider the operational effectiveness of the systems and processes in place at individual Audited Entities. This issue is confidential and is intended solely for the use of ELEXON Limited ('ELEXON'), Trading Parties to the BSC and the Panel. The information contained in this document may not be relied upon by any other party.

**BSC Auditor's Issue Document for the Non Half Hourly Data Collector Market as at 31 March 2011**

<b>Issue Title:</b> Unmetered Supplies – Accuracy of EAC values in Settlement	<b>Issue number:</b> 1628	<b>BU:</b> N/A	<b>BSC Report Reference:</b> N/A	<b>First raised:</b> September 2004	<b>Status:</b> Open Closed Rectified in Period	<b>Impact Rating:</b> N/A	<b>Confirmation of Issue Status:</b> Agreed Not Agreed
	<b>Old associated Issue:</b> 2011						

**BSC Requirement:**

BSC section S, 8.2.11 states that for each Profiled Unmetered Supply ('UMS') in its Distribution System or Associated Distribution System (if any), the Licensed Distribution System Operator ('LDSO') shall calculate an EAC value and shall notify the relevant Supplier or its Supplier Agent of this value.

BSC, section S, 8.3.1(b) states each Supplier shall ensure that the EAC (or summary inventory of Apparatus) associated with an Unmetered Supply Certificate is properly submitted for use in Settlement.

BSCP 520 states that upon the receipt of new inventory (section 3.1.6) or revisions to inventory (section 3.2.9), the UMISO should Issue an EAC Certificate to both the Customer and Supplier. Furthermore, upon the receipt of new inventory (section 3.1.22) or revisions to inventory (section 3.2.13), the UMISO should send a revised split EAC calculation, profile class and SSC details for each MSID to the Supplier and NHHDC Agent on a D0052 flow.

BSCP 504 section 3.2.1.5 states that if the D0052 flow is invalid it should send a D0310 flow (Notification of Failure to Load or Receive Metering System Settlement Details) to the Supplier. The equivalent reference in BSCP 520 (section 3.1.24) however, states that the NHHDC should be sending the D0310 flow to the UMISO and Supplier.

**How the organisation is in breach:**

Investigations of UMS mismatches by ELEXON and the BSC Auditor has previously identified a high level of exceptions on both the EAC value held, and also the 'effective from and to' dates of the EAC value.

ELEXON has been undertaking various actions to aid the industry with the resolution of this issue including providing guidance, progressing change proposals to both BSCP504 and BCSP520 and running a market monitoring process with reporting to assist Supplier and UMISOs.

The BSC Auditor recognises the significant action ELEXON has taken in implementing the above CPs and the number of NHHDC Agents reporting problems regarding the accuracy of EAC values in Settlement has reduced. As a result we believe this issue to be closed.

<b>Total Population</b>	N/A	<b>Sample size</b>	N/A	<b>Number of Exceptions</b>	N/A	<b>Assessed Materiality (MWh)</b>	N/A
<b>Has the Audit Issue improved over the last 12 months?</b>				Yes	No	Stayed the same	N/A

**BSC Auditor's recommendation:**

We recommend that this issue be closed

**ELEXON Use Only****EFR Complete:**Yes  No 

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<b>Issue Title:</b> Overlapping EACs creating E03 & E04 exceptions on the D0095 Exception Report	<b>Issue number:</b> 1631	<b>BU:</b> N/A	<b>BSC Report Reference:</b> N/A	<b>First raised:</b> September 2004	<b>Status:</b> Observation Open Closed Rectified in Period	<b>Impact Rating:</b> N/A	<b>Confirmation of Issue Status:</b> Agreed Not Agreed
	<b>Old associated Issue:</b> N/A						

**BSC Requirement:**

BSCP504 section 3.3.11.3 requires the NHHDC Agent to calculate the EAC and AA for the MAP based on the valid meter data.

BSCP505 section 3.3 details requirements of NHHDA Agents in respect of aggregation activities. This requires NHHDA Agents to check their databases for data exceptions and to send a D0095 ('Non Half Hourly Data Aggregation Exception Report') flow to Suppliers.

**How the organisation is in breach:**

Our work noted for in prior Audit Years that there is an ongoing issue regarding significant numbers of exceptions on the D0095 flow for error codes. This continues in respect of the E03 and E04 error codes.

The BSC Auditor recognises that actions undertaken by ELEXON to update the D0095 User Guide in addition to implementing:

- CP913 ("Clarification of AA / EAC data to be sent by the NHH Data Collector when a meter advance spans a change of NHH Data Aggregator")
- CP1089 ("Inappropriate "dual reporting" of E03/E04 exceptions on the Non Half Hourly Data Aggregation Exception Report (D0095)"); and
- CP1205 'D0095 Reporting of Immaterial Superfluous Consumption' to address superfluous 03 and 04 error codes.

Moreover, in prior years Suppliers indicated that one of the key causes for these exceptions is when, on loss of supply, the NHHDC Agent has created an EAC/AA value for a Meter Advance Period that extends beyond the effective date of the appointment. A data quality exception is therefore identified for this period of 'overlap'.

The service provider has updated the NHHDA software to reduce the number of reported instances of immaterial E03 and E04 exceptions. Consequently we believe that ELEXON have provided sufficient guidance to resolve the aforementioned issue.

<b>Total Population</b>	N/A	<b>Sample size</b>	N/A	<b>Number of Exceptions</b>	N/A	<b>Assessed Materiality (MWh)</b>	N/A
<b>Has the Audit Issue improved over the last 12 months?</b>	Yes			No		Stayed the same	N/A

**BSC Auditor's recommendation:**

ELEXON should continue to monitor the resolution of D0095 exceptions and provide assistance to impacted Suppliers/Agents although we consider this specific issue closed.

**ELEXON Use Only****EFR Complete:**Yes  No 

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<b>Issue Title:</b> Failure to resolve D0023 exceptions	<b>Issue number:</b> 2289	<b>BU:</b> N/A	<b>BSC Report Reference:</b> SSM 25	<b>First raised:</b> March 2009	<b>Status:</b> Open Closed Rectified in Period	<b>Impact Rating:</b> Higher	<b>Confirmation of Issue Status:</b> Agreed Not Agreed
	<b>Old associated Issue:</b> N/A						
<p><b>BSC Requirement:</b> Balancing and Settlement Code Procedure ('BSCP') 504 Section 3.5 requires Non Half hourly data collectors ('NHHDC') to resolve all issues that result in the failure of instructions sent to Non Half Hourly Data Aggregators ('NHHDA').</p> <p>Furthermore Balancing and Settlement Code Procedure ('BSCP') 504 1.2.5 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.</p>							
<p><b>How the organisation is in breach:</b> Our work in the audit year noted that there has been a significant increase in the number of D0023 flows from 655,266 as at 31 March 2010 to 1,013,698 for the current year ended 31 March 2011. Of further concern is the disparity between the numbers of failed instructions reported by the NHHDC compared with the NHHDA. Subsequent investigation with each of the Agents confirmed that they believe that these figures are not reflective of what their correct backlog is.</p> <p>We understand that in order to clarify the D0023 figures and the discrepancies between the NHHDC and DA specification was developed for a script that would separately report; all failed instructions; material exceptions; and higher risk instructions. However, we understand that following a cost benefit analysis the script will not be developed. Taking into account the increase of failed instructions in the year we believe that further work is required by ELEXON to resolve the aforementioned issue.</p>							
<b>Total Population</b>	N/A	<b>Sample size</b>	N/A	<b>Number of Exceptions</b>	N/A	<b>Assessed Materiality (MWh)</b>	N/A
<b>Has the Audit Issue improved over the last 12 months?</b>				Yes	No	Stayed the same	N/A
<p><b>BSC Auditor's recommendation:</b> We recommend that ELEXON work with the respective NHHDA and NHHDC Agents in the coming year to obtain an accurate reflection of D0023 failed instructions across the market and thus be able to provide further guidance as to how to review and action D0023 exceptions reported by NHHDA's.</p>							
<p><b><u>ELEXON Use Only</u></b>      <b>EFR Complete:</b> Yes <input type="checkbox"/>    No <input type="checkbox"/></p>							

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