

BSC Auditor's Issue Document for the Unmetered Supplies Market as at 31 March 2011

Issue Title: Maintenance of connection agreements for all customers	Issue number: 1916	BU: N/A	BSC Report Reference: N/A	First raised: March 2006	Status: Open Closed Rectified in Period	Impact Rating: Lower	Confirmation of Issue Status: Agreed Not Agreed
	Old associated Issue: N/A						

BSC Requirement:

BSCP 520 section 1.1.1 states the provision of an UMS, at an exit point, is dependent upon the UMISO having information of sufficient quality to enable the annual energy consumed (by all of the apparatus connected to the exit point to be determined and maintained to the level of accuracy required by the Code. It is the responsibility of the UMISO to establish appropriate arrangements with the Customer for the procuring and maintenance of such information. It is expected that this will normally be done through a UMS Connection Agreement, which among other things, should contain clauses covering

- a) the periodic submission by the Customer of a detailed inventory, the frequency of the submission and its format;
- b) the right of the LDSO to audit the Customer's Unmetered equipment;
- c) the right of the LDSO to install metering and/or data loggers on the Customer's Unmetered equipment; and
- d) a provision that the Customer shall not permit any third party to connect equipment to the Customer's Unmetered installation without the agreement of the LDSO.

In addition, BSCP 520 section 3.3.2.1 states that for new NHH customers, the Supplier is required to establish with the UMISO that the UMS Certificate is appropriate and that the UMS meets the requirements of Section 1.1.

How the organisation is in breach:

For the prior period ended 31 March 2009, the BSC Auditor noted the failure of the UMISO to establish a connection agreement with its customers subsequently means that the UMISO fails to initiate appropriate arrangements with the customer to cover recommended clauses (a – d) above. This is considered to exacerbate some of the issues identified in relation to UMISO responsibilities. The key issue is as follows:

Issue	Issue background	Total UMISOs impacted 03/11 [comparative figure 03/10]
Agreements not in place	All UMISOs do not have full coverage of connection agreements for their customers. All HH customers are now covered by connection agreements.	1 out of 14 UMISOs visited [1]

Note: Our work in the audit year ended 31 March 2011 again noted an improvement of connection agreements with regards customer coverage (from a take perspective) for existing NHH customers. For the majority of UMISOs this is now in excess of 95%, with only one UMISO being unable to quantify the extent of their load covered by a connection agreement. Furthermore, all UMISOs continue to state that they believe that there is no positive correlation between having a connection agreement in place and the frequency of inventory updates. UMISOs have also stated that going forward the national terms of connection will cover all new connection agreements; however, this has yet to be considered within the BSCP 520. Accordingly all connection agreements considered to be outstanding will relate to historic connections only.

Total Population	N/A	Total Sample	N/A	No. of Exceptions	N/A	Assessed Materiality (KwH)	N/A
Has the Audit Issue improved over the last 12 months?				Yes	No	Stayed the same	N/A

BSC Auditor's recommendation:

We recognise that it may not be pragmatic for 100% of all an UMISOs portfolio to be covered by a connection agreement due to the historic nature of some of these connections and the difficulty in obtaining these, as with the prior year we recommend that ELEXON consider updating the BSCP 520 to clarify the acceptable level of connection agreement coverage for historic connections (e.g. over 95% of the take is covered by a connection agreement). Additionally the BSCP 520 should be further updated to include the usage of connection agreements concerning the national terms of connection.

ELEXON Use Only**EFR Complete:**

Yes No

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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Issue Title: Consistency over inter-Agent / participant operation	Issue number: 1918	BU: N/A	BSC Report Reference: N/A	First raised: March 2006	Status: Observation Open Closed Rectified in Period	Impact Rating: Medium	Confirmation of Issue Status: Agreed Not Agreed
	Old associated Issue: N/A						
BSC Requirement:							
BSCP 520 makes wide and varied reference to the requirements on UMISO and other parties to interact for the provision of the UMISO service, for example:							
<ul style="list-style-type: none"> ▪ Section 3.7 states that on a change of Energisation status the UMISO should receive a request from the Supplier via D0134 flow and: ▪ for HH MPANs they should action and confirm to the Supplier and MA on a D0139 flow; and ▪ for NHH MPANs they should action and confirm to the Supplier and the NHHDC Agent on a D0139 flow. ▪ Section 3.3 Half Hourly Trading Change of Supplier requires the Supplier to send a P0170 HH Unmetered Supply Certificate to establish with the UMISO that the UMS Certificate is appropriate and that the UMS meets the requirements of BSCP 520 Section 1.1. ▪ Section 3.8.2 requires the UMISO to send a D0125 (Confirmation of disconnection of supply) flow to Supplier upon disconnection. ▪ Section 3.5 Change of Data Collector for an existing MSID requires the Suppliers to send notification of the change to the UMISO via internal processes. 							
Note: the above listing is not an exhaustive listing of all the circumstances in which the UMISO will interact with other audited entities but has been provided to give a high level overview.							
How the organisation is in breach:							
The UMISO is required to interact with a number of different Agents and Suppliers for various reasons (examples provided above). During in previous audit periods, our work included specific audit testing at the UMISOs in addition to discussion with each of the UMISOs to ascertain specific problematic areas. A number of issues were identified in relation to the interaction with other audited entities specifically in relation to the energisation and disconnection process. CP1272 "use of appointment and termination flows in unmetered supplies (UMS)" was implemented in June 2009 to help clarify inter-Agent communication between the Supplier and the UMISO. The CP however, only covered the D0155, D0148 and D0151 flows and as a result failed to capture the disconnection and de-energisation / energisation process. Furthermore the change did not capture the provision of the Equivalent meter technical details "EMTDs" to the supplier upon the establishment of a new HH inventory (i.e. a new connection). As a result we continue to notice an ongoing issue in relation to Supplier / UMISO interaction across the market.							
For the current period ended 31 March 2011, we have noted that this continues to be an issue in the market. However, due to the irregularity of occurrence we have been unable to quantify the exact impact.							
Total Population	N/A	Total Sample	N/A	No. of Exceptions	N/A	Assessed Materiality (KwH)	N/A
Has the Audit Issue improved over the last 12 months?				Yes	No	Stayed the same	N/A
BSC Auditor's recommendation:							
We recommend that ELEXON look to use the UMS forums available to them to facilitate discussions regarding the interaction between Supplier and UMISO in order to ascertain how an improved level of communication can be established between the two parties. Subsequently the BSCP 520 should be updated to reflect actual practice.							
ELEXON Use Only							
EFR Complete:							
Yes <input type="checkbox"/> No <input type="checkbox"/>							

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Issue Title: PECU array citing factors	Issue number: 2435	BU: N/A	BSC Report Reference: N/A	First raised: March 2011	Status: Observation Open Closed Rectified in Period	Impact Rating: Lower	Confirmation of Issue Status: Agreed Not Agreed
	Old associated Issue: N/A						

BSC Requirement:

BSCP 520 section 4.5.11 notes that the MA shall maintain and operate the PECU array or, as the case maybe, arrays used for a particular SVA Metering System. The location of the PECU arrays will be agreed between the UMSO and the MA and be located in an area with a high density of apparatus unless otherwise agreed between the UMSO and the Supplier. The factors to be considered when determining the location and number of PECU arrays are:

- a) Centres of population and hence concentrations of load;
- b) Distance from another PECU array;
- c) Topography;
- d) Customer boundaries;
- e) GSP Group boundaries;
- f) Total load controlled;
- g) Access; and
- h) Security.

How the organisation is in breach:

In January 2010 DECC issued guidance regarding unmetered supplies, specifically how unmetered supplies are accounted for. Under CRCEES dynamic meters are classed as a core source which means it must be included within an authority's carbon footprint; accordingly the authority will have to purchase carbon allowances to cover these emissions. NHH and passive meters are not deemed to be a core source, as a result the authority will not need to account for, or subsequently account for them.

With respects to the aforementioned guidance issued by DECC we have witnessed an increased move in the UMS HH market from dynamic to passive meters. In accordance there is an increased need to update the BSCP 520 to include specific guidance as to the location of the PECU array to avoid potential location conflicts. We understand that ELEXON submitted an SVG paper 123/02 on 3rd May 2011 to consider updating the BSCP 520 to include additional guidance with regards to the location of the PECU array and potential research which could be carried out in order to validate the appropriateness of the PECU arrays location.

We further noted that there continue to be processes within the BSCP regarding the location of the PECU arrays which are continually not adhered to as they do not reflect industry practice.

Total Population	N/A	Total Sample	N/A	No. of Exceptions	N/A	Assessed Materiality (KwH)	N/A
Has the Audit Issue improved over the last 12 months?				Yes	No	Stayed the same	N/A

BSC Auditor's recommendation:

We recommend that any findings / recommendations made on the back of the SVG paper be reflected within the BSCP, and that it be updated accordingly.

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

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