

Report Phase Consultation Responses

P391 'Introducing Desktop Audits'



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

This Report Phase Consultation was issued on 16 August 2019, with responses invited by 27 September 2019.

Consultation Respondents

Respondent	Role(s) Represented
Northern Powergrid	Distributor
IMServ Europe Ltd	Supplier Agent
ScottishPower	Supplier
E.ON	Supplier, Supplier Agent
SSE Electricity Limited	Supplier, Supplier Agent
Stark	Supplier Agent
Scottish Power	Supplier Agent
SP Distribution SP Manweb	Distributor
SMS Energy Services Ltd	Supplier Agent
Western Power Distribution	Distributor

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Responses

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Version 1.0

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Question 1: Do you agree with the Panel's initial unanimous recommendation that P391 better facilitates Objective (d) and so should be approved?

Summary

Yes	No	Neutral/No Comment	Other
10	0	0	0

Responses

Respondent	Response	Rationale
Northern Powergrid	Yes	Through TAMEG representation we are well aware of the access issues of on-site auditing and the resultant wasted time, effort and money. We think that the introduction of desk-top audits, in addition, will allow the audit sample percentage of HH sites to be increased and, therefore, help identify where targeted on-site audits are required to more likely identify issues. It is important that a desk-top audit is not a replacement for an on-site audit (which we acknowledge it isn't) as a desk-top audit does have restrictions.
IMServ Europe Ltd	Yes	Desktop points are an efficient way to bring suitable technical assurance to parts of the market that inspection visits currently does not reach, giving BSC parties further assurance as to the accuracy of settlement.
ScottishPower	Yes	No rationale provided
E.ON	Yes	We agree with the panels recommendation that P391 should be approved.
SSE Electricity Limited	Yes	We agree that this modification enables a wider overview of installed Metering Systems.
Stark	Yes	No rationale provided
Scottish Power	Yes	Yes, we agree P391 should be approved
SP Distribution SP Manweb	Yes	Whilst we agree in principle with the Panels view we have a number of concerns which we have outlined below in our response.
SMS Energy Services Ltd	Yes	No rationale provided
Western Power Distribution	Yes	We agree that the proposed modification would positively impact Applicable BSC Objective (d).

Question 2: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P391?

Summary

Yes	No	Neutral/No Comment	Other
10	0	0	0

Responses

Respondent	Response	Rationale
Northern Powergrid	Yes	No rationale provided
IMServ Europe Ltd	Yes	They appear accurately made.
ScottishPower		No rationale provided
E.ON	Yes	We feel the redline changes will facilitate the introduction of desktop audits
SSE Electricity Limited	Yes	We agree with the redlined changes, but would suggest additional wording could be added to make it clear that both MOA and HHDC are able to provide relevant auditable information, i.e. that where a communication device is installed both agents can provide HH data for an agreed date and time interval (similar to the BSC process for proving test method 4), thereby both confirming accurate data is entering Settlements.
Stark	Yes	No rationale provided
Scottish Power	Yes	Yes, we agree
SP Distribution SP Manweb	Yes	No rationale provided
SMS Energy Services Ltd	Yes	No rationale provided
Western Power Distribution	Yes	We believe that the red-lined changes to the BSC deliver the intention of P391

Question 3: Do you agree with the Panel that the redlined changes to the Code Subsidiary Documents deliver the intention of P391?

Summary

Yes	No	Neutral/No Comment	Other
10	0	0	0

Responses

Respondent	Response	Rationale
Northern Powergrid	Yes	No rationale provided
IMServ Europe Ltd	Yes	They appear accurately made.
ScottishPower	Yes	No rationale provided
E.ON	Yes	<p>In principle we support the CSD changes, however we would recommend that the TAA ensures that there is consistency in the volumes of desktop audit requests raised over the course of the audit year to allow suppliers & agents to plan the additional administration work that we expect because of desktop audits.</p> <p>We feel that this should be viable and somewhat necessary given that the desktop audit requirements are proposed to operate to shortened timeframe in comparison to traditional site visit audits.</p>
SSE Electricity Limited	Yes	No rationale provided
Stark	Yes	No rationale provided
Scottish Power	Yes	Yes, we agree
SP Distribution SP Manweb	Yes	No rationale provided
SMS Energy Services Ltd	Yes	No rationale provided
Western Power Distribution	Yes	We believe that the red-lined changes to the Code Subsidiary Documents deliver the intention of P391

Question 4: Do you agree with the Panel's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
10	0	0	0

Responses

Respondent	Response	Rationale
Northern Powergrid	Yes	No rationale provided
IMServ Europe Ltd	Yes	The year of 20-21 is a suitable date to implement. See our comments on implementation below in question 8.
ScottishPower	Yes	No rationale provided
E.ON	Yes	No rationale provided
SSE Electricity Limited	Yes	The implementation of desktop audits should coincide with start of next audit period.
Stark	Yes	No rationale provided
Scottish Power	Yes Yes	Yes, we agree
SP Distribution SP Manweb	Yes	No rationale provided
SMS Energy Services Ltd	Yes	No rationale provided
Western Power Distribution	Yes	The proposed implementation date appears reasonable.

Question 5: Do you agree with the Panel's initial view that P391 should be treated as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
10	0	0	0

Responses

Respondent	Response	Rationale
Northern Powergrid	Yes	No rationale provided
IMServ Europe Ltd	Yes	It meets the criteria for self-governance
ScottishPower	Yes	No rationale provided
E.ON	Yes	No rationale provided
SSE Electricity Limited	Yes	No rationale provided
Stark	Yes	No rationale provided
Scottish Power	Yes	Yes, we agree
SP Distribution SP Manweb	Yes	No rationale provided
SMS Energy Services Ltd	Yes	No rationale provided
Western Power Distribution	Yes	We agree that P391 meets the criteria to be treated as a Self-Governance Modification.

Question 6: Will P391 impact your organisation?

Summary

Yes	No	Neutral/No Comment	Other
10	0	0	0

Responses

Respondent	Response	Rationale
Northern Powergrid	Yes	As the additional desktop audits will require evidence of metering equipment commission/calibration documentation it will require more of our administrative time in extracting and providing the documents to the auditor.
IMServ Europe Ltd	Yes	The desktop audit process requires Supplier Agents to provide data to support the audits.
ScottishPower	Yes	As registrant we will need to ensure that required documents are received, which will require a new process to monitor & manage
E.ON	Yes	We expect that this will increase the administrative activity associated to HHDC/HHMOA & supply businesses.
SSE Electricity Limited	Yes	Introducing desktop audits will potentially promote more site visits, and therefore require more resource/ increased head count, however it's difficult to estimate how much of an increase could be expected.
Stark	Yes	Impact will be minor code adjustment to HHDC system to facilitate the TAA process to fulfil the timeline. Would like to understand how will the older metering be handled (e.g Post P283 or < Nov 2018)? Will they be added on the top of the current sample and will it require extra resources to deal? Currently the TAM tool doesn't facilitate EXP MPANs which may have bigger impact in settlements, would there be enhancements to improve such area?
Scottish Power	Yes	Yes, this will have a positive impact due to minimising the number of site visits.
SP Distribution SP Manweb	Yes	We will have to manage new internal processes including training and preparation for such audits. There will also be resource requirements that would

Respondent	Response	Rationale
		be needed to perform the initial desktop audit which will presumably run the risk of corrective action plans with the additional resources required to administer these. It should be noted that the proposed overall timescales for site visits are challenging and could impact on normal operational requirements that would have been planned well in advance of any such audit visits.
Western Power Distribution		We currently use TAAMT so are familiar with it, from both an LDSO and MOA perspective. Changes will be required to our internal processes therefore there may be a medium impact in the short term.

Question 7: Will your organisation incur any costs in implementing P391?

Summary

Yes	No	Neutral/No Comment	Other
7	2	1	0

Responses

Respondent	Response	Rationale
Northern Powergrid	No comment	No rationale provided
IMServ Europe Ltd	Yes	Administrative costs to support the desktop process as a Supplier Agent.
ScottishPower	No	No rationale provided
E.ON	Yes	We expect these costs to be small as these costs will relate to some internal administrative processes & updated training to cover the expected changes the TAAMT.
SSE Electricity Limited	Yes	Introducing desktop audits will potentially promote more site visits, therefore some probable increased cost in terms of additional resource requirement. However, it is not possible to quantify this at this point.
Stark	Yes	Resource costs involved with testing and implementing the required coding changes for Question 6.
Scottish Power	No	No. We do not foresee this change incurring any additional cost.
SP Distribution SP Manweb	Yes	While costs at this time are unquantifiable, costs incurred will involve training staff to manage the desk top audit, in addition costs will be incurred in the preparation for such an audit. We also believe that Parties may incur the cost of an additional resource to manage the audits given that at this time the modification does not outline the frequency and detail required for such audits. In addition there will additional costs should a desk top audit trigger an onsite visit with the resultant preparatory work to be carried out within potentially short timescales.
SMS Energy Services Ltd	Yes	Additional resources will be required to provide responses to these desktop audits. SMS accept

Respondent	Response	Rationale
		<p>reasonable costs as part of conforming to the audit process.</p> <p>There will be a development cost to provide system changes/automation if the number and scale of these desktop audits are large enough to require it.</p>
Western Power Distribution	Yes	Costs to implement this change will be limited to internal process changes.

Question 8: Do you have any further comments on P391?

Summary

Yes	No	Neutral/No Comment	Other
8	2	0	0

Responses

Respondent	Resp	Rationale
Northern Powergrid	No	No rationale provided
IMServ Europe Ltd	Yes	Whilst IMServ fully agree in principle with the introduction of and use of desktop audits, we would like to suggest that caution is exercised during implementation to monitor the benefits vs the extra administrative costs on industry. The scenarios in which these are used should be carefully considered and we would recommend, trialled in low volume initially. If the outcome of desktop audits raises multitudes of non-conformities for missing meter accuracy certificates, then this is not adding value. Applied intelligently, desktop audits could be a useful and cost-effective tool for technical assurance.
ScottishPower	Yes	We are expecting this not to reduce the number of visits or limit the Performance Assurance Techniques, rather it enhances these by introducing additional ways to monitor compliance.
E.ON	Yes	<p>The additional desktop audit items appear to be associated to some of the TAA non-compliances that impact PARMS serial HM13, for example for failing to provide documentation ahead of the desktop audit.</p> <p>we believe PARM's serials may be under review as part of the issue 69 working group, so we would like to understand if any consideration has been given to what we suspect will be an increase in additional TAA non-compliances as a consequence of the addition of desktop audits as to whether or not a 5% non-compliance tolerance remains adequate vs increase auditing activity.</p>
SSE Electricity Limited	Yes	It may be worth considering whether there is a risk of an increase in incidents of non-compliance in terms of lack of available test certificates (where no serial number is available at the point of desktop audit). If non-compliance is discovered, will it be issued to the MOA or to the LDSO to resolve? It would be helpful to answer this question within the modification solution, so that the process is clear and complete.

Respondent	Response	Rationale
Stark	Yes	Currently the "LDSO questions" aren't mandatory in the TAM system. Would it be challenging to fulfil overall accuracy especially when it involved site visit with LDSO? Should it be made mandatory in the BSC ?
Scottish Power	No	No further comments
SP Distribution SP Manweb	Yes	As referred to in our response to Q7, the scope of any desk top audit has not been defined and as such we view this modification as an enabler rather than a definition of an enduring process, especially given the scope of the audit can change from year to year and as such it would have been beneficial if more detail had been provided. We note that one of the key recommendations is to introduce lower intensity desktop audits to supplement or replace onsite inspections, while we welcome the aim of reducing onsite visits we do not welcome the fact that a desk top audit could be the catalyst for an onsite visit thereby creating additional work within an organisation. Indeed, the consultation document states that 'The introduction of Desktop Audits as a pragmatic and cost effective alternative to onsite inspections has the benefit of reducing costs for certain audited Parties, as onsite inspections are resource intensive to centrally deliver and for participants to support.' Yet the Modification is also advocating that these audits could also supplement a site visit, which appears to be a contradiction as to why the Modification has been raised and could have the impact of increasing costs not reducing them.
Western Power Distribution	Yes	We are happy to accept P391 but it is unclear on the number and schedule of when these audits take place. This does have an impact on our operational resources and availability.
Western Power Distribution	Yes	There has been a recent review of the MRA Agreed Procedures where concerns have been raised around the security of exchanging personal data between parties to be compliant with GDPR. This has resulted in a Secure Data Exchange Platform being created to enable parties to exchange data through a web-portal. Does the BSC need to consider using a similar (or the same) platform to ensure that any request from the TAA to provide metering system information can be provided by a secure method?

