
LINE LOSS FACTOR AUDIT REPORT 2023/24

Imbalance Settlement Group (ISG)

Date of meeting **7 March 2023**

Paper number **263/03**

Owner/author **Freya Gardner**

Purpose of paper **Decision**

Classification **Public**

Document version **V1.0**

Summary **This paper reports the results of Elexon's annual audit of Line Loss Factor (LLF) values for the 2023/2024 BSC Year, performed in accordance with BSCP128. We invite the Imbalance Settlement Group (ISG) to approve the Central Volume Allocation (CVA) LLF values for all Licensed Distribution System Operators (LDSOs). Elexon will invite the Supplier Volume Allocation Group (SVG) to approve the Supplier Volume Allocation (SVA) LLF values for all LDSOs on 7 March 2023.**

1. Background

- 1.1 [BSCP128 'Production, Submission, Audit and Approval of Line Loss Factors'](#) details a set of principles by which Licensed Distribution System Operators (LDSOs) must calculate their Line Loss Factors (LLFs). Elexon is required to conduct an annual audit on the calculation of the LLFs, ahead of the implementation of new annual LLF values on 1 April 2023.
- 1.2 Elexon performed the annual review of the LLF methodologies submitted by each LDSO in September 2022 ([ISG257/06](#)). All methodologies were compliant with BSCP128.

2. Host LDSO audit results for 2023/2024

- 2.1 All Host LDSOs achieved a final audit result of 'compliant'.
- 2.2 Following the methodology audit, Elexon audited the Supplier Volume Allocation (SVA) and Central Volume Allocation (CVA) LLF values in accordance with BSCP128. There are no outstanding non-compliances.
- 2.3 Attachment A summarises the total number of non-compliances for all LDSOs found during the audit process.
- 2.4 All Host LDSOs met the BSCP128 deadlines.
- 2.5 Four out of six Host LDSOs had to resubmit documents to resolve non-compliances. This corrected issues such as incorrect voltage information recorded in the Calculation Self-Assessment Document (CSAD), incorrect LLF values in D0265 and I022 files, invalid Line Loss Factor Classes (LLFCs) and invalid dates within the I022.

3. Embedded LDSO audit results for 2023/2024

- 3.1 Fourteen Embedded LDSOs, plus two embedded networks owned by one of the Host LDSOs, were subject to the Embedded LDSO audit. All Embedded LDSOs chose to mirror LLFs of Host LDSOs; the LDSO-owned embedded Party chose a combination of Mirroring LLFCs and Self LLF Calculation.
- 3.2 Four out of the 15 Embedded LDSOs were initially found to be non-compliant and resubmissions were required to resolve the issues. This corrected issues such as missing LLFCs, invalid LLFCs and formatting issues, such as spaces in the Request Template. All non-compliances were resolved within the BSCP128 timeframes.

- 3.3 Elexon will conduct a session with LDSO's to go through the 2023/24 remote LLF audit performance, which will focus on any LLF audit issues that need to be addressed. Elexon noted a significant reduction in audit issues compared to last year.

4. Recommendations

- 4.1 We invite you to:
- a) **NOTE** that all CVA non-compliances have been resolved;
 - b) **APPROVE** the CVA LLFs for use in Settlement from 1 April 2023 to 31 March 2024; and
 - c) **NOTE** that Elexon will seek the SVG's approval of the SVA LLFs at its meeting on 7 March 2023.

Attachments

Attachment A – LDSO LLF Audit Report Aggregated Summary

For more information, please contact:

Freya.Gardner@elexon.co.uk, Product Analyst

020 7380 4343