

PAB211/07 – MISSING MTD TAPAP SCOPE

MEETING NAME	Performance Assurance Board
Date of meeting	30 August 2018
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Purpose of paper	For Decision
Classification	Public
Summary	The PAB discussed the deployment of this TAPAP audit during ELEXON's Smart MTD Report, PAB209/04 . This TAPAP audit will aim to validate the non-compliances highlighted by this report and quantify the material impact of late and missing MTDs. Its findings will inform the review of Smart Metering Settlement Risk (SMSR) 0006.

1. Background

- 1.1 The Interim Smart Risk Register denotes **SMSR0006** as the risk Meter Technical Details are inaccurate or missing as a result of MOA processes resulting in estimated or erroneous data entering Settlement.
- 1.1 The performance of eight MOAs in respect of sending late MTDs was highlighted as a concern through ELEXON's Smart MTDs Report at its May 2018 PAB meeting [PAB208/04](#).
- 1.2 ELEXON notes that as the smart rollout continues to ramp up the impact of poor performance will become more significant. ELEXON proposes to conduct a TAPAP audit of the worst performing MOAs highlighted by this report with a view to:
 - i) Validating the exceptions highlighted by the Smart MTDs report;
 - ii) Identifying the root causes for the validated non-compliances;
 - iii) Quantifying the material impact of late and missing MTDs; and
 - iv) Determining next steps in order to address non-compliances, such as through Error and Failure Resolution (EFR).
- 1.3 ELEXON notes that late or missing MTDs have the potential to impact Settlement accuracy, for example DCs not holding valid MTDs required to process readings for Settlement or new MOAs not having MTDs to send to the new DC on a change of DC.
- 1.4 ELEXON also notes that MTD corrections (also tracked by the smart MTD report) can be an indicator of the risk that MTDs being processed for these Meter Exchange events may not be accurate. This introduces the risk that Settlement data processed by DCs may be inaccurate or attributed to the incorrect Metering System ID (MSID).

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2. TAPAP scope

What will the audit cover?

2.1 The TAPAP will investigate:

- i) The root causes of late and missing smart MTDs;
- ii) The root causes of corrections which have been made to key fields within MTDs which were previously sent (this will be for information only with no expectation of corrective action being pursued in respect of corrections); and
- iii) The materiality of the non-compliances validated through this audit.

Who will we audit?

2.2 The table below provides an anonymised view of the worst performing MOAs highlighted by the smart MTD report. ELEXON proposes to audit the five worst performing MOAs (based on the volume of late MTDs they are responsible for as well as the percentage of their total installs for which MTDs have been issued late). The identity of these MOAs along with a breakdown of the worst performing MOAs' performance (by Settlement Run) is presented in Attachment A.

MPID	Total Meter Exchanges	Total Late MTDs	Percentage Late of Totals	Key
A	4,871	3,525	72.4%	Selected for audit
B	15,212	6,578	43.2%	Flagged as a concern
C	46,549	13,461	28.9%	Improved in past 12 months
D	141,974	25,665	18.1%	
E	6	1	16.7%	
F	118,653	18,827	15.9%	
G	8,622	1,339	15.5%	
H	30,498	3,179	10.4%	
I	2,396	237	9.9%	
J	67,892	5,538	8.2%	
K	893	55	6.2%	
L	102,792	5,855	5.7%	
M	405,450	20,222	5.0%	
N	29,961	1,359	4.5%	
O	103,263	4,310	4.2%	
...	
Z	705,203	2,390	0.3%	

How will the audit be conducted?

2.3 ELEXON will conduct the TAPAP audit in accordance with BSCP535¹.

2.4 ELEXON will inform each MOA of the planned audit at least 10 WDs prior to the audit as per BSCP535.

¹ [BSCP535 'Technical Assurance'](#)

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- 2.5 ELEXON will select a random sample of 20 MSIDs identified as late/missing against each MOA along with a random sample of 10 MSIDs identified as having been corrected. The audit MSID sample will be provided along with the audit notification.
- 2.6 ELEXON will conduct the audits at the respective MOAs' offices. ELEXON will work through the registration of each MSID in line with BSCP514² in order to identify non-compliances. ELEXON will also seek to assess whether good industry practice is being adhered to and whether robust controls are in place around the relevant processes.
- 2.7 ELEXON will also contact each of the DCs appointed to MSIDs within the audit sample, requesting:
- i) Evidence that readings are being processed for these MSIDs;
 - ii) Evidence supporting that the DC believes these readings to be valid; and
 - iii) Information regarding MTDs received including the source and any changes.

When will the audits take place?

- 2.8 ELEXON proposes that these audits are undertaken between October 2018 and January 2019 to take into account ELEXON's resourcing as well as impacts of the BSC Audit on staff availability with each MOA.

Potential outcomes of the audit

- 2.9 Following the TAPAP audit, ELEXON will:
- Determine whether EFR is required for any of the selected MOAs;
 - Determine whether further analysis and TAPAP audits should take place;
 - Reassess the net significance of SMSR0006; and
 - Review individual MOAs' TAPAP findings against their BSC Audit Issues to check alignment and review the ratings provided by the BSC Auditor.

3. Next steps

- 3.1 If the PAB approves the scope of this TAPAP audit, the audit site work will be undertaken between October 2018 and January 2019. ELEXON will present the TAPAP findings report at the February 2019 PAB meeting.

4. Recommendations

- 4.1 We invite you to:
- a) **APPROVE** the TAPAP audit described in this paper of the MOAs highlighted within Confidential Attachment A, to identify underlying causes of missing smart MTDs; and
 - b) **NOTE** the provisional schedule for next steps.

Attachments

Attachment A – 'Breakdown of MOA Performance' (Confidential)

For more information, please contact:

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² [BSCP514 'SVA Meter Operations for Metering System Registered in SMRS'](#)