CVA METERING SYSTEM TECHNICAL DETAILS QUALITY

This document outlines the methodology used to assess the Settlement Risk related to CVA Meter Technical Details being created incorrectly. We are not seeking to exhaustively outline all aspects considered during this assessment; our aim is to draw out the main data items considered and any key assumptions when estimating a future impact range.

The risk that... CVA Metering System technical details are created incorrectly **resulting in...** erroneous or estimated data in Settlement.

Category: Metering

Sub category: Technical details quality

Covers: The initial creation and any amendments to MTD for a CVA Metering Systems. The transfer of MTD to the CDCA by the on-site engineer. The processing of MTD by the CDCA into the CDCA system.

Estimated impact in 2019/20

Market	Lower	Middle	Upper
CVA MTD	£150k	£1.1m	£4.0m

At risk population

As part of this assessment, we seek to understand the population at risk in the upcoming period, i.e. how many times will the underlying process occur where the risk can manifest.

The at risk population for this risk is any event that results in the production of a MTD. This will be installations and any reconfigurations that impact data items within MTDs.

Data point considered

The number of faults identified by the CDCA.

Market	2015/16	2016/17	2017/18
CVA Metering faults	814	683	257

Forecast

Below are the key considerations and assumptions when forecasting the at risk population in the 2019/20 period:

- The estimated lower, average, and upper number of CVA faults was used. The 2017/18 value was not considered in the forecast as the data was only for a partial year. The forecast was based on the figures from 2015/16 and 2016/17.

Failure rate

From the population at risk, we need to estimate the proportion where the risk will manifest, i.e. the failure rate. To do this, we assess historical performance in the area and consider any upcoming changes that have the potential to impact future performance.

Data points considered

When assessing historical performance in the area, we considered:

- Faults reported by the Central Data Collection Agent (CDCA) which were caused by incorrect MTD.

Market	2015/16	2016/17	2017/18
CVA Metering faults	7.0%	7.0%	7.0%

Forecast

Below are the key consideration and assumptions when forecasting failure rates in the 2019/20 period:

- An average of 7.0% of all CVA faults identified were due to incorrect MTD between 2015 and 2018.
- The forecast has estimated 5.25% as the lower failure rate, 7.0% as the middle failure rate, and 8.75% as the upper failure rate.

Impact

To estimate the impact of a risk we need to understand the days impacted and error volume on average per instance.

Average days impacted

The number of impacted days was forecast based on the average duration of each CVA fault identified by the CDCA between 2015 and 2018. The lower and upper quartile values were taken for the lower and upper estimates.

Market	2015/16	2016/17	2017/18
CVA Metering faults	91	91	91

Average error per day

When estimating the error per day, we used the metered volume at a BM Unit level for a sample period.

Market	Lower	Middle	Upper
CVA Metering faults (MWh)	2.026	4.267	6.507

We convert the error volume into a monetary value by the forecast system buy and sell price for the upcoming period.