



# BSC Auditor's Summary of Market Issues

For the year ended 31 March 2019

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August 2019



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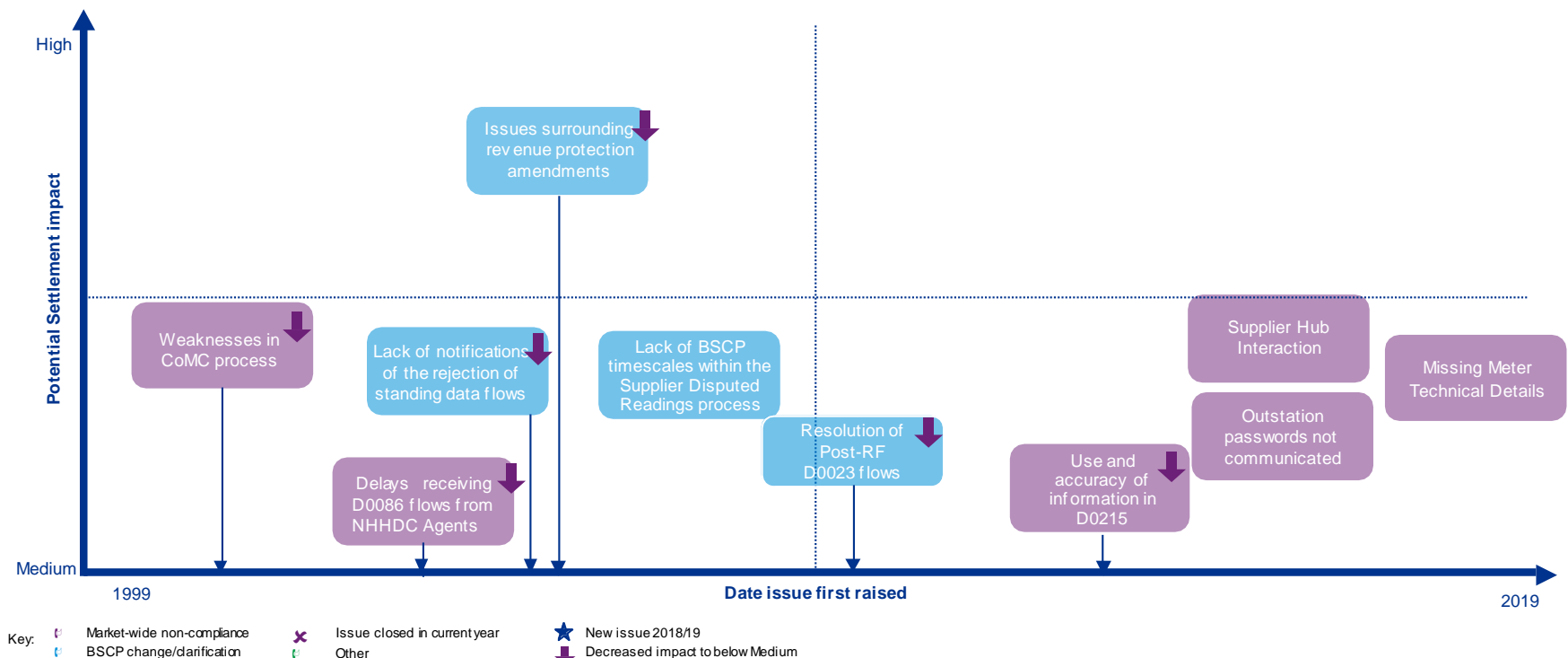
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# Executive summary

We have noted improvements in some of the Market Issues which is testament to the focused effort by ELEXON, market participants and the PAB to address these areas. We have seen a reduction in severity of several issues. Despite these improvements, one new Market Issue (Elective Half Hourly) has been raised this year. A further comment has been made regarding the focus of the BSC Audit on import rather than export volumes, as this relates specifically to the BSC Audit rather than a Market Issue, this will be taken into account, however a new Market Issue has not been raised. The 'heat map' below illustrates the High and Medium rated issues, classified into each of the following categories:

**Market wide non-compliance (Purple):** Where we have observed consistent non-compliance for several entities across the market

**BSCP change/clarification (Blue):** Where we have observed that a change or clarification to the BSCP would be appropriate.



# Meter Operator (MOA) Market

Issue Title	Lack of clarification regarding MOABSCP requirements - CoMC	First Raised	2002		
Status	Open	Issue Number	8404	Legacy Issue Number	1640
Impact Rating	Low (PY: Medium)	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	BSCP514 details the actions required from MOAs over Half Hourly and Non Half Hourly Metering Systems.				
Description	BSCP514 sections 7.1 to 7.8 provide guidance over Change of Measurement Class (CoMC) from Non Half Hourly to Half Hourly and vice-versa. In prior years we have noted that both NHHMOA and HHMOA Agents experience difficulties meeting the requirements of the CoMC process. Some of the issues noted are: 1. It can be difficult for the incoming Meter Operator to identify a CoMC from any other appointment as there is no flag or code in the D0155 flow nor a role code. Although there is one (albeit rarely used) in the D0151, if the NHHMOA is not the appointed HHMOA then it would not have visibility of the CoMC activity. 2. Often the D0142 flow is the point at which they are identified but only via the free text entered by the Supplier, which is extremely variable in its extent and quality. 3. The process requires the sharing of Meter Technical Details but often MOA systems are not configured to accept those flows which can then hamper the process, for example a HHMOA will send a D0268 to a NHHMOA or a NHHMOA will send a D0150 to a HHMOA.				
2018/19 Audit Year Findings	<p>KPMG have found there has been an improvement in the CoMC process, with the number of issues raised against agents for CoMC non-compliance decreasing. This, in addition to the fact that P272 has now passed and that CoMCs are less frequent has caused the Impact Rating to reduce to 'Low'.</p> <p>Despite the improvement, testing performed during the 2018/19 audit period has highlighted multiple problems still remain with the CoMC process which drives the continued confusion in regards to the interpretation and implementation of MOA BSCP requirements. Below are the commonly identified issues:</p> <ul style="list-style-type: none"><li>— D0148 flows are not always sent promptly to the MOA, which causes a delay in the sending of the flows. Suppliers sometimes appoint the incorrect MOA (or want to change the CoMC date) and then try to reverse the appointment. This can lead to delays in sending Meter Technical Details out due to the waiting time for the HH D0155 and D0148 to arrive.</li><li>— Suppliers sometime appoint the incorrect MOA (or want to change the CoMC date) and then try to reverse the appointment. This can lead to delays in sending MTDS out due to having to wait for the D0155 and D0148.</li><li>— MOA systems are not configured to accept Meter Technical Details flows (i.e. HHMOA cannot process D0150 and/or NHHMOA cannot process D0268) which can then hamper the CoMC process. For example, a HHMOA will send a D0268 to a NHHMOA or a NHHMOA will send a D0150 to a HHMOA.</li></ul>				
BSC Auditor's Recommendation	It is recommended that ELEXON review the D0155 and D0142 flow to allow Agents to identify and process CoMC requests easier.				

# Meter Operator (MOA) Market

Issue Title	Lack of clarification regarding MOABSCP requirements– Token Meters	First Raised	2002		
Status	Open	Issue Number	8403	Legacy Issue Number	3769
Impact Rating	Low (PY: Low)	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP514 detailsthe actionsrequiredfrom MOAsover Half Hourly and Non Half Hourly Metering Systems.				
Description	<p>BSCP514 providesthe requirementsunder which MOAsmust perform their responsibilities. Review of the BSCP and our workat MOAs previously identified a number of areaswhere details of the Meter operationsdetailswere considered not to be clear enough.</p> <p>In particular, it wasnoted that MOAsuse Data Transfer Network (DTN) data flowsfor dealing withprepaymentMeters, such as the D0192 flow (Readingsand Settingsfrom a Token or Key Meter) and the D0216 flow (Request Installation of Token Meter). However, BSCP514 doesnot include guidance on the use of these flows.</p>				
2018/19 Audit Year Findings	<p>Thisissue was split from Issue ID 1640. In particular, it wasnoted that MOAsuse Data Transfer Network (DTN) data flowsfor dealing with prepayment Meters, such as the D0192 flow (Readingsand Settingsfrom a Token or Key Meter) and the D0216 flow (Request Installation of Token Meter). However, BSCP514 does not include guidance on the use of these flows.</p> <p>Agentsinformed us that Token or Key Meter flowsare not widely used across the industry, as these types of Metersare less common. Where they are used, agents did admit there islimitedBSCP guidance available compared to other processes and data flows.</p> <p>The communication of Meter readsafter a site visit to inspect a faulty Token Meter washighlighted asone of the scenarios where there is a lack of clarity in the BSCP requirements. KPMG noted that some agentscommunicate Token or Key Meter'sreadings to Suppliers via e-mail or occasionally by calls, instead of using the D0192 flow. A risk was noted that inconsistent and potentially inappropriate actions could be taken as a result of the lack of guidance.</p>				
BSC Auditor's Recommendation	<p>It is recommended thatthe BSCP is updated to reflect the actions that should be taken for Token or Key Metersto ensure that partiesare accurately and effectively transferring relevant information.</p> <p>In addition, education daysand workshops for Agentswould assist in communicating the requirements.</p>				



# Meter Operator (MOA) Market

Issue Title	Use and Accuracy of Information within D0215	First Raised	March 2016		
Status	Open	Issue Number	8411	Legacy Issue Number	5177
Impact Rating	Low (PY: Medium)	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	<p>BSCP514 states that the MOA is required to request the Site Technical Details from the LDSO through a D0170 flow 'Request for Metering System Related Details' in the event of a CoMC or New Connection. The LDSO is required to provide D0215 flow information within 5 working days of the MOA's request as per BSCP515.</p> <p>According to BSCP514 sections 5.2.1.8, 5.2.1.9, 6.2.1.9 and 6.2.4.8 if required, and at any time after the effective date of the MOA's appointment (and only for MSIDs first registered after 6 November 2008), the MOA may request Site Technical Details by sending a D0170 flow to the LDSO. The LDSO shall respond within 5 WD of such requests by sending a D0215 'Provision of Site Technical Details' either by electronic means or by another method, as agreed with the MOA. The MOA shall determine any appropriate course of action within 2 working days of receiving this information.</p> <p>BSCP515 states that in the event of any subsequent changes to Site Technical Details, the LDSO shall send an updated D0215 'Provision of Site Technical Details' to the MOA within 1 working day of updating their systems.</p>				
Description	<p>As part of the Audit fieldwork in prior years and through discussion with MOAs, it was noted that there are concerns over the quality of data held within the D0215 flows provided by LDSOs. MOAs commented that even if certain fields such as CT ratio were made mandatory, this would affect very little of the market and there would still be no guarantee over the quality of the data.</p> <p>As a result of the inconsistent quality and the perceived value of the mandatory fields in the flows, MOAs often choose not to rely on the data within D0215 flows, using them only for reference if required.</p> <p>Market participants raised that MOAs do not always request the D0215, which was noted as a non-compliance to BSC requirements at a number of MOAs. Furthermore, even where requests have been made, a number of LDSOs were observed as not consistently responding to the requests. MOAs commented that in their current format, the D0215 does not contain any useful information for the MOA and therefore, the requirement to send a D0170 for them is viewed as obsolete.</p>				
2018/19 Audit Year Findings	<p>It was noted that there is contradiction over the use of the D0215 flow, as the BSC mandates that the MOA must request the information, however it does not require the MOA to process the flow. Further to this, MOAs reported that the LDSOs do not always reply to their requests.</p> <p>A review should be performed to assess the quality of D0215 flows and determine if there is an Industry level issue with the completeness and accuracy of the flows. Additionally, it is recommended that a requirement is introduced for the MOP to inform the LDSO where information on the received D0215 is not correct so that the LDSO can update their information.</p>				
BSC Auditor's Recommendation	It is recommended that a review of the D0215 flow is performed to ensure that it is fit for purpose or a specific rejection flow is introduced to allow the MOA to provide feedback on the quality of a received D0215 to the LDSO.				

# Meter Operator (MOA) Market

Issue Title	Outstation passwords not communicated	First Raised	March 2017		
Status	Open	Issue Number	8412	Legacy Issue Number	5750
Impact Rating	Medium (PY : Medium)	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP514 appendix 9.3 states that where the Meter Type is RCAMR, NCAMR or RCAMY, the NHH Meter Operator Agent (MOA) shall maintain a set of Auxiliary Meter Technical Details (MTDs). This will be in the form of a D0313 'Auxiliary Meter Technical Details' flow, which should be sent and processed alongside of the D0150 'Non Half-hourly Meter Technical Details' flow, with the exception of Meter removals.				
Description	<p>Automatic Meter Reading (AMR) Meters are Non-Half Hourly (NHH) Meters that are Half Hourly (HH) capable and configured for remote reading. The D0313 flow contains all relevant information (communication, security and channel/outstation details) required by the NHH Data Collector (DC) to retrieve data from the Meter remotely. This information is also required by the MOA to configure the Metering System remotely.</p> <p>Testing performed during the 2018/19 audit period has highlighted multiple problems still remain with regards to missing information in Meter Technical Details. Below are the commonly identified issues:</p> <ul style="list-style-type: none"><li>— D0313 flows are not always sent alongside the MTDs.</li><li>— D0313s are not regularly received from previous MOAs resulting in the replacement of the meter being necessary.</li><li>— Difficulty in tracing agent that holds meter details due to several changes of agents.</li><li>— Several MOAs have indicated that they do not feel the TAA is effective in addressing this issue.</li><li>— In general, it was noted that agents are not aware of the escalation process implemented in November 2018 to formally escalate missing D0313 flows.</li></ul> <p>-</p>				
2018/19 Audit Year Findings	<p>There is Key data currently not being communicated in all instances during a Change of Agent scenario (level 3 Meter passwords within the D0313 flow). Where this Change of Agent is in conjunction with P272 requirements, the lack of completed D0313, or missing D0313 altogether, will mean that the Meter cannot be re-configured to HH as required. Agents specifically commented that D0313s are regularly not received from previous MOPs and do not contain passwords or have incorrect passwords. This means that at times the MOP must then perform a meter exchange.</p> <p>In some instances, it was noted that the D0313 contains passwords with invalid characters such as asterisks.</p> <p>Agents reported that where there have been several changes of agents, it might be difficult to trace the agent who holds the details of the Meter.</p>				
BSC Auditor's Recommendation	<p>ELEXON should continue carrying out technical Audits to assess the impact of the missing and incomplete D0313 flows and implementing corrective actions, such as initiating Error and Failure Resolution (EFR).</p> <p>In addition, ELEXON should communicate the formalised escalation process so that agents are aware of the steps they should take.</p>				

# Meter Operator (MOA) Market

Issue Title	Missing Meter Technical Details	First Raised	March 2018		
Status	Open	Issue Number	8414	Legacy Issue Number	7847
Impact Rating	Medium (PY : Medium)	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP514 Section 6.2 states that where Meter Technical Details (MTDs) are requested through a D0170 flow during a Change of NHHMOA event, the old Meter Operator Agent (MOA) should provide the MTDs to the new NHHMOA through D0149/D0150 flows (including D0313 for remotely read meters) within 5WDs of the request (2 WDs when Coincident with a Change of Supply).				
Description	DTN Testing carried out in previous audits showed delays in sending MTDs or missing MTDs by old NHHMOAs in response to D0170 requests during a Change of Agent event. Our audit work noted the following reasons:  — Technical issues that resulted in the outgoing MTD flows not being processed.  — The previous MOA does not hold any MTDs as they did not receive them from the previous MOA or the site is meter-less.				
2018/19 Audit Year Findings	During the audit field work carried out during the year ended 31 March 2019, KPMG inquired with the agents on the root causes for not sharing Meter Technical Details when requested.  It was noted that for most agents, their systems are configured to automatically send any meter technical details when requested except in the circumstances below:  — Technical issues preventing the flows from being automatically released..  — Missing MTDs/ delay in sending MTDs due to the previous MOA not providing this or the site being de-energised.  — Lack of guidance around steps to be taken where MTDs are not available to be forwarded to the new MOA.  It was noted that in general, agents are familiar with the process and requirements, however, when bulk Change of Agent or Change of Supply events happen, it is challenging to monitor the process effectively.				
BSC Auditor's Recommendation	It is recommended that ELEXON considers what guidance could be provided to market participants on what steps could be taken where MTDs are not available to be forwarded to the new MOA. Introduction of a D0170 rejection flow for MOA to other agents where D0149/D0150/D0313 is expected could be beneficial advising the reason for rejection.				



# Meter Operator (CVMOA) Market

Issue Title	Completion of Proving Tests and relevant documentation in CVA market	First Raised	March 2015		
Status	Open	Issue Number	8410	Legacy Issue Number	4517
Impact Rating	Low (PY: Low)	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP02 Section 5 (Table of Testing Requirements and Methods of Assurance of Settlement Data) outlines various requirements on completing Commissioning and Proving Tests. BSCP02 3.1.6, 3.2.6, 3.3.4, 3.4.6, 3.6.6 and 3.7.5 require the CVA MOA to send a BSCP02/4.3 (Metering System Proving Test Record to CDCA) within one working day of completion of Proving Test.				
Description	<p>Agents feel there is a general lack of clarity in BSCP02 when Proving Tests have to be completed and the relevant documentation has to be filled in (BSCP02/4.2 (a), (b) and BSCP02/4.3).</p> <p>One example of this mentioned in prior years is that for a permanent Meter change on duplicated systems, BSCP02 5.2.6 (Table of Testing Requirements and Methods of Assurance of Settlement Data) requires CDCA Comparison test assisted by MOA to be completed. At the same time BSCP 02 3.4 (Proving Test Requirements where a Meter has been Replaced with a Different Meter) requires the CVA MOA to conduct Proving Test and fill the required documentation. It is therefore not clear from BSCP02 what the exact requirements are.</p> <p>In addition to this, BSCP02 3.1.6, 3.2.6, 3.3.4, 3.4.6, 3.6.6 and 3.7.5 require the CVA MOA to send a BSCP02/4.3 Metering System Proving Test Record to CDCA within one working day of completion of Proving Test. The same one working day requirement applies after Commissioning tests are completed (3.2.2, 3.4.2, 3.6.2) to propose a date for the Proving Test. The timeliness of these requirements may not be viable to meet in some circumstances.</p> <p>Finally, forms provided in BSCP02 may not always be compatible with the newest type of CVA Meters.</p>				
2018/19 Audit Year Findings	<p>Issues continued to be identified at market participants around compliance with Proving Test requirements. However, our audit fieldwork noted fewer issues with meeting Proving Tests requirements and timescales.</p> <p>It is noted that ELEXON released a Change Proposal (CP1491) as of February 2018, which updated the timelines of Proving Tests so that relevant documentation can be sent within 3 WDs. This is viewed by agents as a more realistic timescale.</p> <p>In addition, agents noted the following regarding the BSCP02 forms which are used to complete proving. These are causing agent issues due to the following reasons:</p> <ul style="list-style-type: none"><li>- The forms provided in BSCP02 are incompatible with the newest type of CVA Meters.</li><li>- The proving test process is a very 'form' based process making things difficult to track.</li><li>- There are certain scenarios where the requirements are not specifically defined.</li></ul>				
BSC Auditor's Recommendation	It is recommended that forms within BSCP02 are reviewed with CVAMOAs to ensure they are fit for purpose.				

# Non Half Hourly Data Collector (NHHDC) Market

Issue Title	Delays are being experienced in receiving the D0086 flow from NHHDC agents	First Raised	2004		
Status	Open	Issue Number	8402	Legacy Issue Number	1621
Impact Rating	Low (PY: Medium)	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	<p>BSCP504 3.2.6 Change of Supplier for an existing SVA Metering System outlines several scenarios where a D0086 flow (Notification of Change of Supplier Readings) has to be provided from the new NHHDC to new Supplier, LDSO and old NHHDC. For example, BSCP504 3.2.6.12 states that an Invalid Data Report has to be provided through the D0086 flow to these agents, if an invalid read is obtained within the SSD-5 and SSD+5 SSD window, whereas BSCP504 3.2.6.15 requires a D0086 Valid Data Report to be provided if a valid read was received within the window. Likewise, BSCP504 3.2.6 details several scenarios where a D0086 flow has to be sent by the old NHHDC to the old Supplier, for instance BSCP504 3.2.6.17 requires the old NHHDC to send a D0086 with the deemed change of Supplier reading once received from the new NHHDC.</p> <p>A separate scenario is listed under BSCP504 3.3.1. Coincident Change of Supplier and Measurement Class from a Non -Half Hourly to a Half Hourly SVA Metering System. The current NHHDC is required to send either a Valid Data Report (3.3.1.4) or send a deemed Meter reading (3.3.1.7) on a D0086 flow.</p>				
Description	Testing in previous audit periods has identified that delays are being experienced in receiving the D0086 flow from NHHDC Agents.				
2018/19 Audit Year Findings	<p>Agents informed that the Change of Supplier (CoS) is a complex process that can be streamlined. They noted that there is an increased pressure on this process as a result of the faster energy switching rules introduced by Ofgem in 2014, rise of Suppliers switching levels and increased volume of Meter exchanges due to the Smart Meter roll out.</p> <p>Testing performed in the 2018/19 audit period indicates there are still issues with entity processes causing delays or missing flows/ information which in turn will delay the issuing of a D0086. However, in general, this has improved upon comparison to previous years and as such, the impact rating has been changed to 'Low'.</p>				
BSC Auditor's Recommendation	<p>It is recommended that further investigation around the process of Change of Supplier is carried out in conjunction with the involved market agents to identify the issues, bottlenecks and challenges that the affected parties are facing. It is further recommended that strict timescales are introduced so that there is a clear expectation of when the D0086 should be issued</p> <p>The implementation of monitoring controls to detect failure to send the D0086 flows at entity level could be beneficial to the Industry as a whole</p>				

# Non Half Hourly Data Collector (NHHDC) Market

Issue Title	Lack of notifications of the rejection of standing data flows	First Raised	2004		
Status	Open	Issue Number	8405	Legacy Issue Number	1622
Impact Rating	Low (PY: Medium)	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	BSCP504 NHHDC does not include a requirement for NHHDC Agents to notify the sender of a flow that the flow has failed to be updated in the NHHDC system. The requirement is however implied.				
Description	<p>A number of NHHDC Agents do not have any formalised mechanism in place for reporting to the sender (Supplier and Meter Operator Agent) the failure to process standing data flows received from them. This failure is caused by in-built system validation (including flow sequencing). We also note that some Agents do report failures in some circumstances but not all. Our work noted that this is in part caused by the lack of rejection flows available for use, particularly with reference to when they are sent the flows despite not being an appointed party. Agents specifically commented that there are no rejection flows for the following incoming flows:</p> <ul style="list-style-type: none"><li>— D0139 "Confirmation or rejection of energisation status change;"</li><li>— D0149 "Notification of mapping details;" and</li><li>— D0150 "Non Half-hourly Meter Technical Details."</li></ul>				
2018/19 Audit Year Findings	<p>KPMG were informed that most agents have a process for dealing with rejected data flows, however only if they are expecting or require the data flow in the first place.</p> <p>If agents were not expecting the flow in the first place they would not inform the agent sending the flow that it has been rejected by them. In this scenario, agents informed KPMG that if they noticed this they could inform the sending agent. However, as this is not a BSCP requirement, agents do not have a formal process in place to report all failed flows and this is rather an ad-hoc activity which takes place.</p> <p>The majority of agents report that as there is no formalised process for rejecting standing data flows, this is causing a lack of clarity over what sort of processes NHHDCs should have in place, resulting in inconsistencies across the market.</p> <p>Agents in general do not feel as though specific flows are needed per se, but a formalised process would help. However, it is noted that agents feel the new commissioning rejection flows are effective. As a result this issue is now categorised as "Low".</p>				
BSC Auditor's Recommendation	<p>We recommend ELEXON consider changes in BSCPs to reflect the drive from the market to have a more formalised process in rejecting standing data flows, which would cover all parts of the process of rejecting standing data flows. This would allow market participants to have better clarity over what sort of processes they should have in place and would manage expectations during cooperation in the market. It was noted that ELEXON are reviewing whether a working group would facilitate the ongoing discussion around this market issue.</p> <p>Best practice guidance should be issued over handling of rejection flows to ensure consistent approaches are taken across the market.</p>				

# Non Half Hourly Data Collector (NHHDC) Market

Issue Title	Data fixes required to resolve Post-RF D0023 rejection records	First Raised	2014		
Status	Open	Issue Number	8409	Legacy Issue Number	3437
Impact Rating	Low (PY: Medium)	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	<p>BSCP504 4.14.1 Once a Settlement Date has been subject to the Final Reconciliation Volume Allocation Run (RF), data for that day shall not be amended unless supported by an upheld Trading Dispute. If an error in demand exists on a Settlement Date for which RF has taken place, this error can be compensated in Settlements Days for which RF is still to take place. The process of compensating this error is Gross Volume Correction (GVC). This process results in the correct total volume of energy being allocated to the Supplier; however this energy will be allocated to different Settlement Periods.</p> <p>BSCP504 3.5. requires NHHDC to resolve D0023 inconsistencies reported by NHHDA. BSCP504 also outlines requirement to process D0052 flows in various sections of the code.</p>				
Description	<p>D0023 rejection records are received by the NHHDC with effective dates that span RF. As a result, the NHHDC are in receipt of a D0023 that they are obliged to action, but to do so must perform a data fix that amends crystalized data which will result in contravention of BSCP504.</p> <p>The same issue can also relate to other type of DTN flows, such as D0052, as identified in 2014/15 audit period.</p>				
2018/19 Audit Year Findings	<p>For the period ended 31 March 2019, KPMG inquired of NHHDC agents around D0023 and D0052 processing. The general message coming from agents during the audit period was that there is a lack of clarity within the BSC guidance over what to do in the event that a D0023 is received for a crystalized period; actioning the D0023 would mean a data fix has to be performed which amends crystalized data, resulting in contravention of BSCP504; to not action the D0023 would attribute to non-compliance and an increase in backlog figures.</p> <p>The issue noted from the previous year was that agents did not receive guidance via BSCPs or other methods for dealing with D0052 flows that result in potential changes dated within a crystalized period. This leads to agents having a choice to non-comply with either BSCP504 4.14.1 for affecting post-RF data or other numerous sections in BSCP504 for not processing the D0052 flow. In some cases agents have a choice only between not processing a D0052 flow at all or processing incorrect information. Where a D0052 relates to key Metering information, such as Meter effective from date, agents reported having to change post-RF data, as otherwise this will cause on-going Settlement issues due to information mismatch between different market participants.</p> <p>Further to this from KPMG testing of D0023 backlog values; the backlog has in general reduced when compared to the previous audit period and as such, the impact rating for this issue has been changed to "Low".</p>				
BSC Auditor's Recommendation	As per previous year, ELEXON should consider reviewing guidance for these cases to determine whether further guidance could be provided to help market participants to have a consistent auditable approach over D0023 (and D0052) flows, specifically where they affect the crystal ized period.				

Continued on next slide

# Non Half Hourly Data Collector (NHHDC) Market

Issue Title	Supplier Hub interaction	First Raised	March 2018		
Status	Open	Issue Number	8415	Legacy Issue Number	5751
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	N/A		
BSC Requirement	Annex S-2: Supplier Volume Allocation Rules, Section 2.1.1 states that “Each Supplier shall ensure that, in respect of each of the Metering Systems for which it is responsible, data is supplied to the SMRA pursuant to this paragraph 2 by itself and/or its agents which is complete and accurate in all material respects, valid and timely”.				
Description	<p>The Supplier hub principle means that ultimate responsibility of BSC compliance for agents working on behalf of the Supplier, sits with the Supplier. As such, the Supplier is required to manage their agents to ensure that obligations within the BSC are met.</p> <p>For this purpose, commercial agreements are established between Supplier, agents and customer. However, ineffective management of these agreements could result in BSC non-compliance.</p> <p>KPMG have identified cases where DCs are contracted to perform activities such as Meter read collection or visits to Long Term Vacant sites at terms not in line to the BSC requirements.</p>				
2018/19 Audit Year Findings	<p>We have identified several instances where Suppliers are not ensuring DC Agents are performing activities in line with the BSC. In particular, responsibilities between Data Retrievers and Data Collectors around visits to de-energised sites have not been clearly defined, which often impacts processes such as Long Term Vacant.</p> <p>Whilst non-compliance was raised against the DCs, a root cause analysis showed that the DCs had not been instructed by the Supplier to perform these activities to meet obligations. We were informed this was due to the fact that in some instances contract obligations conflicted with the BSCPs. We note that, however, that DC agents are accepting appointments knowing they might not be compliant with the BSCP. As a result, there is a risk of potentially inaccurate data being used in Settlement.</p>				
BSC Auditor’s Recommendation	We recommend that ELEXON considers conducting a further review of the issue and determines the next steps.				

# Supplier Market

Issue Title	Issues surrounding revenue protection amendments	First Raised	2007		
Status	Open	Issue Number	8406	Legacy Issue Number	2044
Impact Rating	Low (PY: High)	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	Suppliers have an overall responsibility for the quality of data applied to Settlement by all of its Agents. In particular, Balancing and Settlement Code (BSC) section S2.1.2 states that each Supplier shall ensure compliance by each of its Supplier Agents, with the relevant BSCPs. This includes BSCP504 Non Half Hourly Data Collector (NHHDC) section 3.3.11.5 that requires the NHHDC Agents to send Estimated Annualised Consumption (EAC) and Annualised Advance (AA) data to Suppliers, and sections 3.4.1 4 and 5 that require the NHHDC Agents to send valid and invalid Meter readings to Suppliers.  Also, BSCP504 section 3.4.2.1 requires the Supplier to send notification of inconsistencies to the NHHDC Agent as necessary. In addition Section U, 1.2.1 of the code confirms that "Without prejudice to any specific provisions of the Code relating to the accuracy and completeness of data, each Party shall ensure that and undertakes that all information and data submitted or otherwise provided by or on behalf of such Party to the Panel, any Panel Committee, BSCCo, the BSC Clearer or any BSC Agent pursuant to any provision of the Code or any Code Subsidiary Document will as far as reasonably possible be accurate and complete in all material respects.				
Description	During previous year enquiries, we were told of a number of concerns around the processing of revenue protection amendments into Settlement, these included: <ul style="list-style-type: none"><li>— Lack of clarity surrounding existing BSCP requirements in place surrounding revenue protection, as at present the only requirements are outlined in BSCP504 and require the NHHDC to update its system with a revised Meter advance and calculate a new EAC/AA.</li><li>— Lack of guidance on who is responsible for notifying the NHHDC / HHDC of these revenue protection amendments.</li><li>— Lack of guidance on process that should be followed in determining the revised Meter advance based on revenue protection amendments e.g. append to last valid Meter reading or final Meter reading.</li><li>— Where revenue protection amendments have been made to Settlement there is currently no mechanism to ensure that these values remain in Settlement and are not removed by exception management processes e.g. High EAC/AA monitoring.</li><li>— Uncertainty regarding activities performed by the Revenue Protection Service (RPS) and the methods used for calculating unrecorded units as well as processes in place to notify the relevant parties.</li></ul> ELEXON proposed that the PAB should wait for further Ofgem guidance on this issue and noted that currently Ofgem are asking Suppliers to raise a change to incentivise the detection of theft. ELEXON proposed that the Market Issues Working Group continue to monitor the issue on a monthly basis.  A central body is to be established to administer Supplier incentive schemes, which will need Settlement data. Incentive schemes would need to be in place before a change is raised, so it is more evident what data is needed by the central body.				

Continued on next slide



# Supplier Market

Issue Title	Issues surrounding revenue protection amendments	First Raised	2007		
Status	Open	Issue Number	8406	Legacy Issue Number	2044
Impact Rating	Low (PY: High)	Has the non compliance improved over the last 12 months?	Yes		
2018/19 Audit Year Findings	<p>Participants echoed the sentiments from previous year audits, that there is a lack of guidance in this area, notably in respect of consumption calculation (accuracy of theft assessments). BSC parties are required to process revenue protection reads within BSCP504, however detailed guidance to ensure consistent action across the market is not provided.</p> <p>It was further noted by Participants that although there is still somewhat a lack of understanding of the code and responsibilities, this issue is not as prevalent as it has been in previous years and as such, the impact rating has changed to "Low".</p>				
BSC Auditor's Recommendation	<p>ELEXON are currently investigating the impact of the lack of consistency around processing of revenue protection reads. It is recommended that all Suppliers are contacted to discuss how they approach revenue protection reads.</p> <p>It is recommended that additional guidance should be issued to all parties to address common concerns around the process and provide clear instructions for how Suppliers should manage revenue protection amendments.</p>				

# Supplier Market

Issue Title	Lack of BSCP defined timescaleswithin the Supplier Disputed Reading process	First Raised	2012		
Status	Open	Issue Number	8407	Legacy Issue Number	2552
Impact Rating	Medium (PY: Medium)	Has the non compliance improved over the last 12 months?	No change		
BSC Requirement	BSCP504 Section 3.2.6 detailsthe requirementsinvolved in the Change of Supply process. Sections3.2.6.25 through 3.2.6.29 outlinesthe activities to be followed when processing a Supplier Agreed Reading (SAR) via a D0300 'Disputed Readingsor Missing Readingson Change of Supplier', for example after a dispute being raised. Further details of the activitiesinvolved within the processare outlined within MRA Agreed Procedure 08 'The Procedure for Agreement of Change of Supplier Readingsand Resolution of Disputed Change of Supplier Readings'.				
Description	<p>As part of the Change of Supplier process it is the responsibility of the new NHHDC Agent to obtain or calculate an appropriate Change of Supplier reading, which is then passed to the new Supplier and old NHHDC. The old NHHDC in turn passes this to the outgoing Supplier. This reading is received on a D0086 'Change of Supplier Readings' flow. As this reading is a key reading to enable the CoS to process it will typically not undergo any specific validation by the NHHDC prior to processing.</p> <p>As a result, a large volume of reported erroneous EAC/AA values are highlighted by Suppliers as having been generated as a result of erroneous CoS readings. To combat this D0300 'Disputed Readings or Missing Readings on Change of Supplier' flows were introduced to enable Suppliers to challenge the CoS readings they have been provided. However, during the course of our work we noted a number of concerns around the management of MPANs that were going through this process, primarily the lack of defined timescales within BSCP504, which parties are required to adhere to in agreeing to and responding to a D0300 flow. This has resulted in an inconsistent level of responsiveness from Suppliers in dealing with D0300 flows. As a result Suppliers have noted erroneous EAC/AA values in Settlement which they are not able to resolve until the other Supplier provides them with the required D0300 flow. MRA Agreed Procedure 08 'The Procedure for Agreement of Change of Supplier Readings and Resolution of Disputed Change of Supplier Readings'(MAP08), which is referenced in a footnote within BSCP504, does include details of the expected timescales that should be followed. Although not within the scope of the work performed our audit has determined that Suppliers are not meeting the timescales required of them per the agreed procedure.</p>				
2018/19 Audit Year Findings	<p>Lack of defined timescales within BSCP504, which parties are required to adhere to in agreeing to and responding to a D0300 flow.</p> <p>A lack of specific timescales around the Disputed Reads process on Change of Supply, which is causing delays, confusion and backlogs on the Change of Supply Process.</p> <p>Our fieldwork confirmed the Suppliers comments. Testing performed over the investigation and resolution of Erroneous Large Estimated Annual Consumption (EAC) and Annualised Advances (AA) noted that erroneous consumption entered into Settlement due to delays in agreeing the reads between Suppliers and the issuing of the D0086 flow by the new NHHDC.</p>				
BSC Auditor's Recommendation	While we acknowledge that there is existing guidance under MAP08 process, it is recommended that ELEXON review and update current BSC documentation regarding the Supplier Disputed Reading process to ensure that clear guidance around timescales is provided to all relevant market participants.				

# Supplier Market

Issue Title	Supplier Hub interaction	First Raised	March 2017		
Status	Open	Issue Number	8413	Legacy Issue Number	5751
Impact Rating	Low (PY : Medium)	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	Annex S-2: Supplier Volume Allocation Rules, Section 2.1.1 states that “Each Supplier shall ensure that, in respect of each of the Metering Systems for which it is responsible, data is supplied to the SMRA pursuant to this paragraph 2 by itself and/or its agents which is complete and accurate in all material respects, valid and timely”.				
Description	<p>The Supplier hub principle means that ultimate responsibility of BSC compliance for agents working on behalf of the Supplier, sits with the Supplier. As such, the Supplier is required to manage their agents to ensure that obligations within the BSC are met.</p> <p>For this purpose, commercial agreements are established between Supplier, agents and customer. However, ineffective management of these agreements could result in BSC non-compliance.</p> <p>KPMG have identified cases where DCs are contracted to perform activities such as Meter read collection or visits to Long Term Vacant sites at terms not in line to the BSC requirements.</p>				
2018/19 Audit Year Findings	<p>We have identified several instances where Suppliers are not ensuring DC Agents are performing activities in line with the BSC. In particular, responsibilities between Data Retrievers and Data Collectors around visits to de-energised sites have not been clearly defined impacting processes such as Long Term Vacant.</p> <p>Whilst non-compliance was raised against the DCs, a root cause analysis showed that the DCs had not been instructed by the Supplier to perform these activities to meet obligations. This was due to the fact that in some instances, DCs were not able to meet contractual obligations with the supplier if they were to adhere to the BSCP.</p> <p>Feedback received during this period indicated that agents feel that this is not necessarily due to Supplier hub interactions, but more so due to contracts being in place between the customer and Agents rather than between Suppliers and Agents. As such, the impact rating of this issue has been changed to 'Low'.</p>				
BSC Auditor's Recommendation	We recommend that ELEXON considers conducting a further review of the issue and determines the next steps.				

# Supplier Market

Issue Title	Elective Half Hourly	First Raised	March 2019		
Status	Open	Issue Number	8416	Legacy Issue Number	N/A
Impact Rating	Low	Has the non compliance improved over the last 12 months?	N/A		
BSC Requirement	Undefined.				
Description	<p>P346 was raised on 23 June 2016 as agreed at stakeholder group following direction from Ofgem review of Half Hourly (HH) Settlement.</p> <p>The Modification aimed to reduce BSC costs to Suppliers for entering domestic and small non-domestic customers into elective Half Hourly (HH) Settlement and encourage Suppliers to promote such Settlement on a larger scale.</p> <p>P346 was implemented on 1 April 2017, however no specific guidance was issued to Agents outlined the requirements of elective HH MPANs to comply with the BSCP.</p>				
2018/19 Audit Year Findings	<p>Participants commented that there is a rise in issues around Elective HH settlement and Change of Supply.</p> <p>A lack of consistency was noted throughout the industry on how to handle certain scenarios and at present there is no obvious indicator in terms of appointment flows to differentiate between the different types of gain that are now possible.</p> <p>In addition, fieldwork performed noted that Suppliers are unsure on the BSC regulations that should be followed with regards to elective HH meters.</p>				
BSC Auditor's Recommendation	ELEXON should look to update the BSCPs specifically with regards to elective HH meters and offer specific guidance to Suppliers with elective HH portfolios				

# Unmetered Supplier Operator (UMSO) Market

Issue Title	Inconsistencies with BSCP520 and supporting documents	First Raised	2013		
Status	Open	Issue Number	8408	Legacy Issue Number	2606
Impact Rating	Low (PY: Low)	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP520 and supporting documents(Party Service Line 100 ("PSL100" and the Operational Information Document "OID") specify the responsibilities, both for the UMSO and MA, with regardsto the operation and execution of an unmetered supply.				
Description	<p>Inventory Submissions</p> <p>Section 3.2.3 notes that after the customer submitsthe inventory to the UMSO, it should be sent to the Meter Administrator (MA). There iscurrently no requirement for the UMSO to validate the accuracy of the inventory against the OID prior to sending it on to the MA. As a result this can cause an elongated process, as the MA under section 3.2.4 will compare the charge codesand switch regimesagainst those that are permitted in line with the OID. Where any charge codesare deemed to be incorrect the MA will reject and return the inventory to the UMSO, who in turn will liaise with the customer. Moreover, there are no requirementscurrently within the BSCP520 to confirm the validity of NHH equipment (e.g. equipment circuitwattage etc.).</p> <p>Section 3.2.3 notes that "if HH, following 3.2.2 (customer submits inventory to UMSO) that when UMSO has agreed amendment to summary inventory with customer, then within 5WD send revised summary inventory details to MA." Accordingly, this is causing processing delays for the MA, as whilst the UMSO may receive data in month 1, how they obtain that agreement from the customer (and the timescale to obtain said agreement) is not stipulated within the BSCP520. Therefore we have seen examples of where data is receipted by the UMSO, not processed for 3 months(at which point they then seek customer agreement). Subsequently this data is sent to the MA with the 5WD timeline. This subsequently results in the MA having to perform numerous retrospective calculations and delays in the data moving into Settlement.</p> <p>Audit Trails</p> <p>A number of UMSOs and MAs have noted that Party Service Line 100 ("PSL100") should be combined with the BSCP520 in order to provide clarity with regards to the level of audit trail required within the market. For example there are currently only 3 specific requirements under the BSCP520 in relation to audit trails;</p> <ul style="list-style-type: none"><li>— Section 1.2.4.2 EM Audit requirements, which notes that data in relation to energisation and de-energisation must be retained alongside data which would enable the incoming MA (on change of MA) to perform their job.</li><li>— Section 1.3.4 states that "evidence to support the calculation shall be retained;" and</li><li>— Section 4.5.2 denotes that "the system [in reference to a passive Meter] shall provide an audit trail of changes to data held."</li></ul> <p>Due to the nature of market communications between the various parties (i.e. non usage of the DTN) the BSC Auditor noted inconsistencies with regards to the retention of data and the audit trail supporting said data. Agents have noted that by embedding the audit trail requirements within the BSCP520 this would help provide clarity over the level of audit trail required, especially with regards to those processes which the BSCP520 allows for "electronic or other means as agreed."</p> <p>Market Domain Data</p> <p>Section 3.10.3 notes that "within 4 working hours of receipt of MDD [which can take the form of D0269, D0270 and MDD circular] the UMSO and MA must send a P0024 acknowledgement to the MDDM." UMSOs and MAs question the validity of this section, as it is currently unclear as to what MDD constitutes within the unmetered market. Moreover, in the majority of cases most parties believe they do not receive any of the aforementioned information. Accordingly this is deemed to be redundant.</p> <p>P317 was implemented in June 2015, which sought to remove outdated wording from BSC Section S and better align the BSC with current working practice.</p>				

# Unmetered Supplier Operator (UMSO) Market

Issue Title	Inconsistencies with BSCP520 and supporting documents (cont.)	First Raised	2013		
Status	Open	Issue Number	8408	Legacy Issue Number	2606
Impact Rating	Low (PY: Low)	Has the non compliance improved over the last 12 months?	No Change		
2018/19 Audit Year Findings	It is noted that although participants feel CP1507 has updated the BSC to reflect the current working practices, it is felt that the BSC should be more explicit over the specific data that should be retained. As such, this issue remains open.				
BSC Auditor's Recommendation	ELEXON should provide explicit guidance regarding the level of data that should be retained.				





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