

PAB224/06 MISSING MTDS UNDER REPORTING ISSUE

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| MEETING NAME | The Performance Assurance Board (PAB) |
| Date of meeting | 27 September 2019 |
| Paper number | PAB224/06 |
| Owner/author | Jason Jackson, Ryan Dale, Kat Higby, Chris Day |
| Purpose of paper | Decision |
| Classification | Public |
| Summary | We have identified a reporting error against Risk 006 and Risk 014 . This error has resulted in under-reported volumes of exceptions and percentages of late/missing flows associated with Error and Failure Resolution (EFR) Plans. This paper has been drafted to notify the PAB of this error, its impact and the steps ELEXON will be taking in response to this error. |

1. Background

- 1.1 ELEXON undertook a number of Technical Assurance of Performance Assurance Parties (TAPAP) checks of Suppliers and Meter Operator Agents (MOAs) in order to investigate late and missing Meter Technical Details (MTDs). The findings of these checks were presented at the [May 2018 PAB meeting](#) with the EFR recommendations being deferred until the [July 2018 PAB meeting](#) when the 2017/18 BSC Audit findings had been assessed in the context of these checks.
- 1.2 Two Non-Half Hourly (NHH) Suppliers, five NHH MOAs and one Half Hourly (HH) MOA had EFR deployed in July 2018 to remedy the non-compliances identified through their respective TAPAP checks. In order to assess the performance of these Performance Assurance Parties (PAPs) against their respective EFR plans, ELEXON provided monthly reporting against the relevant performance metric for each PAP.
- 1.3 Through the course of the EFR period, four NHHMOAs and one HHMOA have exited EFR, leaving two NHH Suppliers and one NHHMOA in EFR against these risks.

2. Risks

- 2.1 These EFR plans related to the following risks:
- 2.2 Risk 006 – Metering – The risk that on a change of agent, Meter Technical Details are not transferred or processed correctly or at all, such that parties do not use the latest Meter Technical Details.
- 2.3 Risk 014 – Registration and Appointments – The risk that Agents are not appointed or de-appointed correctly, such that SMRS is not complete or up to date, members of the Supplier Hub do not hold the correct MPID of other Hub members or the appropriate agents are not appointed.
- 2.4 Further detail on these risks is available within the [2019/20 Risk Evaluation Register](#) (RER).

3. The Issue

- 3.1 On review of the EFR reporting, ELEXON identified a reporting error. This error has resulted in under reporting volumes of exceptions and percentages of late/missing flows in respect of these EFR Plans. This issue impacted all NHH Suppliers, NHHMOAs and HHMOAs which had EFR turned on against these risks.
- 3.2 The error occurred as a result of a timing issue not considered at the point when this routine reporting was put in place. The reporting against the data for the most recent calendar month does not allow time for any potential exceptions for events after the ~10th day of each month to be flagged. This is because exceptions are only flagged when they are 20 days late or more. Thereby the majority of exceptions we have been

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reporting against are those which occurred within the first 10 days of each reporting month. The total volumes of events in each month relating to Risks 006 and 014 however, have been calculated correctly. This has resulted in the percentages also being under-reported for late/missing flows.

4. Resolution & Next Steps

- 4.1 ELEXON has reassessed the data of all PAPs, which are still in EFR against both Risk 006 and 014, and those which have exited EFR in respect of this reporting. This paper is being presented to inform the PAB of the error and to evidence that the material impact in respect of EFR has been minimal.
- 4.2 All PAPs which exited EFR had achieved performance within the agreed thresholds for three consecutive months during the EFR period based on the corrected data. In addition one PAP which exited EFR saw a subsequent material decline in performance which had not been picked up due to the under reporting error. However in respect of the EFR process this PAP would have exited EFR prior to this decline in performance as even on the basis of the corrected reporting it had achieved three consecutive months where performance was within the thresholds set.
- 4.3 PAPs' revised positions are provided within the confidential "Attachment A" along with the values for the difference between their performance erroneously reported in period and their actual performance based on the corrected data.
- 4.4 ELEXON also proposes that the PAB reconsider the thresholds in place for the ongoing Risk 006/014 EFR plans. While the revised view of average industry performance is consistent with that assessed when the EFR plan thresholds were set; ELEXON proposes that the thresholds are revised in order to ensure that expectations for performance are set based on the material impact of underperformance.
- 4.5 A lessons learnt exercise will be undertaken to ensure that such errors do not re-occur. The relevant Risk Owners have discussed these issues and are currently devising controls and validation to be put in place in order to ensure the accuracy of reporting going forward.
- 4.6 ELEXON will continue to report month on month performance for PAPs which remain in EFR but with a month's lag to ensure all exceptions are captured. Consequently, each month we will look at performance for the month prior to the most recent calendar month so that sufficient time has passed for all exceptions within that month to be flagged by our reporting.

5. Materiality

- 5.1 ELEXON has calculated the material impact of the performance achieved by those PAPs which remain in EFR as well as the market wide material impact of the current level of industry wide performance.
- 5.2 The aggregate volume in respect of the under reporting for missing MTDS across all NHHMOAs which were in EFR (for the period 1 July 2018 to 1 July 2019) was **3,481 (53.99%** error based on a corrected total of **6,447**). The single HHMOA which was in EFR saw a total of **30** instances reported (for the period 1 July 2018 to 1 July 2019), which when corrected reflects that now only **1** instance of missing MTDS remains for the same period.
- 5.3 The aggregate volume in respect of the under reporting for missing D0148s¹ across all NHH Suppliers which were in EFR (for the period 1 July 2018 to 1 July 2019) was **11,872 (69.09%** error based on a corrected total of **17,184**).
- 5.4 ELEXON has seen high volumes of missing D0148s in respect of the two Suppliers which remain in EFR (see confidential Attachment A).

¹ [D0148](#) Notification of Change to Other Parties

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6. Revised Thresholds

- 6.1 Based on our view of the materiality of the observed performance against [Risk 006 and Risk 014](#) ELEXON proposes the following revised performance thresholds are put in place in respect of those PAPs which remain in EFR against which they will be assessed in order to exit EFR:
- NHH Suppliers – Less than 0.8% or less than 100 exceptions (Estimated materiality of 100 exceptions where MTDS remain missing for 100 days each = £2,676.51)
 - NHHMOAs – Less than 1% or less than 100 exceptions (Estimated materiality of 100 exceptions where MTDS remain missing for 100 days each = £2,676.51)

7. Recommendations

- 7.1 The PAB is invited to:
- a) **NOTE** the update provided;
 - b) **AGREE** the next steps proposed; and
 - c) **APPROVE** the revised EFR thresholds.

Attachments

Attachment A – Reported and Revised Performance Reported by MPID for EFR Period

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