

SVG217/02 – LLF AUDIT FINAL REPORT

MEETING NAME	SVG 217
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Date of meeting	5 March 2019
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Paper number	217/02
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Owner/author	Sarah Ross
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Purpose of paper	Decision
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Classification	Public
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Summary	This paper reports the results of ELEXON's annual audit of Line Loss Factor (LLF) values for the 2019/20 BSC Year performed in accordance with BSC Procedure (BSCP) 128. We invite the Supplier Volume Allocation Group (SVG) to approve the Supplier Volume Allocation (SVA) LLF values for all of the Licensed Distribution System Operators (LDSOs).
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1. Introduction

- 1.1 [BSCP128 'Production, Submission, Audit and Approval of Line Loss Factors'](#) details a set of principles by which LDSOs must calculate their LLFs. This requires ELEXON to conduct an annual audit on the calculation of the LLFs created using the approved methodology ahead of the implementation of new annual LLF values on 1 April 2019.
- 1.2 ELEXON performed the annual review of the LLF methodologies submitted by each LDSO in September 2018 (SVG paper [211/02](#)). All methodologies were found to be compliant.

2. Audit process changes for 2019/20

- 2.1 There have been no changes to the LLF Audit process between audit years.
- 2.2 [CP1492 'Causes and treatment of large Line Loss Factors'](#) was implemented in February 2018, introducing a new principle. All Host LDSOs have updated their methodologies with Principle 17.

3. Host LDSO audit results for 2019/20

- 3.1 For the 2019/20 audit year, ELEXON performed site visit audits for all Host LDSOs. All were completed and the final audit reports were issued by 10 December 2018. All Host LDSOs achieved a final result of compliant.
- 3.2 Following the methodology audit, ELEXON has audited the SVA and Central Volume Allocation (CVA) LLF values in accordance with BSCP128. There are no outstanding non-compliances. We invite the SVG to approve the SVA LLF values for use in Settlement for the 2019/20 BSC Year. The Imbalance Settlement Group (ISG) approved the CVA LLF values at its meeting on 19 February 2019.
- 3.3 Attachment A summarises the total number of non-compliances for all LDSOs found during the audit process. Attachment B provides a confidential breakdown of the non-compliances for SVG Members.
- 3.4 All Host LDSOs met all BSCP128 deadlines.
- 3.5 One out of six Host LDSOs had to resubmit their documentation to resolve the outstanding non-compliances.

SVG217/02 – LLF AUDIT FINAL REPORT

4. Embedded LDSO audit results for 2019/20

- 4.1 Eleven Embedded LDSOs were subject to the audit plus an embedded network owned by one of the Host LDSOs. All Embedded LDSOs chose to Mirror LLF Classes (LLFCs) of Host LDSOs; the LDSO-owned embedded Party chose a combination of Mirroring and Calculation.
- 4.2 Nine out of thirteen Embedded LDSOs were found non-compliant and one was a late submission. Seven Embedded LDSOs with identified non-compliances resolved them with a single document re-submission. Two Embedded LDSOs resubmitted twice. There are no outstanding non-compliances.

5. Recommendations

- 5.1 We invite you to:
 - a) **NOTE** that all SVA non-compliances have been resolved;
 - b) **APPROVE** the SVA LLFs for use in Settlement from 1 April 2019 – 31 March 2020; and
 - c) **NOTE** that the ISG approved the CVA LLFs at its meeting on 19 February 2019.

Attachments

Attachment A – LDSO LLF Audit Report Aggregated Summary

Attachment B – (CONFIDENTIAL) LDSO LLF Audit Report Aggregated Summary

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