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## LINE LOSS FACTOR AUDIT FINAL REPORT

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### Supplier Volume Allocation Group (SVG)

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Purpose of paper **Decision**

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#### Summary

**This paper reports the results of Elexon's remote annual audit of Line Loss Factor (LLF) values for the 2021/2022 BSC Year, performed in accordance with BSCP128. We invite the SVG to approve the Supplier Volume Allocation (SVA) LLF values for all of the Licensed Distribution System Operators (LDSOs).**

## 1 Background

- 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 2021.
- 1.2 Elexon performed the annual review of the LLF methodologies submitted by each LDSO in September 2020 (SVG235). All methodologies were found to be compliant although some minor amendments were required.

## 2. Audit process changes for 2021/2022

- 2.1 The only change to the LLF Audit process between audit years was that, due to COVID-19, we have performed the Audit remotely this year for all LDSOs, instead of conducting in-person site visits.

## 3. Host LDSO audit results for 2021/2022

- 3.1 For the 2021/2022 audit year, all remote audits were completed and the final audit reports were issued by 10 December 2020. All Host LDSOs achieved a final result of compliant.
- 3.2 Following the methodology audit, Elexon audited the SVA and Central Volume Allocation (CVA) LLF values in accordance with BSCP128. There are no outstanding non-compliances.
- 3.3 Attachment A summarises the total number of non-compliances for all LDSOs found during audit process.
- 3.4 All Host LDSOs met all BSCP128 deadlines.
- 3.5 One out of six Host LDSOs had to resubmit their documentation to resolve outstanding non-compliances.
- 3.6 Three out of six Host LDSOs had to revise their documents to rectify typographical errors as well as incorrect entries such as invalid or end dated LLFCs, incorrect LLF Values assigned to a certain voltage level for specific STOD Period etc.

#### 4. **Embedded LDSO audit results for 2021/2022**

- 4.1 Fourteen Embedded LDSO, plus two embedded networks owned by one of the Host LDSOs, were subject to the Embedded LDSO audit. All Embedded LDSOs chose to mirror LLF Classes (LLFCs) of Host LDSOs; the LDSO-owned embedded Party chose a combination of 'Mirroring LLFCs and Self LLF Calculation'.
- 4.2 Twelve out of the 15 Embedded LDSOs were initially found non-compliant and one Embedded LDSO's submission was received late. Six out of the twelve Embedded LDSOs required multiple resubmissions in order to rectify the issues. All of the non-compliances were resolved.
- 4.3 Elexon will conduct an internal lessons learnt session in order to go through this year's remote LLF audit performance, progress on LLF Automation process, Site Specific Calculation by IDNOs, and any other subjects or specific topics that need to be addressed within April.

#### 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 2021 to 31 March 2022; and
  - c) **NOTE** that we will seek the ISG's approval of the CVA LLFs at its meeting on 02 March 2021.

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#### **Attachments**

Attachment A – LDSO LLF Audit Report Aggregated Summary

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

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#### **For more information, please contact:**

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