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Appendix C
CVA Targeted Inspection Visits - Annual Demand Ratio (ADR) Issues

Version/Status: 1.0 (Final)
Filename: Appendix C CVA Targeted Inspection Visits - Annual Demand Ratio (ADR) Issues NC
Document Classification: Commercial In-Confidence

Document Control

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Owner / Issuing Authority	Approved by	Date
C&C Group	Neil Mc Keown	17 June 2021

Change History

Version	Date	Author	Reason for new version	Sections Affected
1.0	17 June 2021	C&C Group	Final Copy	

Document name and location	G:\TAA_Gateshead_New TAA\Reports\Annual Reports\2020 - 2021\2020_2021 TAA Annual Report Final Copy and Appendices\Appendix C CVA Targeted Inspection Visits - Annual Demand Ratio (ADR) Issues.docx

References

No	Title

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1 Appendix C CVA Targeted Inspection Visits - Annual Demand Ratio (ADR) Issues

1.1 Targeted Inspections

Following detailed monitoring and analysis by Elexon , in December 2020, Elexon requested that the TAA complete several Target Inspections of Metering Systems at Grid Supply Points (GSP) as part of their ongoing investigations into the movement of the Annual Demand Ratio (ADR) outside normal tolerances in a particular GSP Group. the TAA were able to attend these sites very swiftly which allowed any suspected errors to be confirmed as actual errors. It is also perhaps worth noting that some suspected errors based on Elexon analysis turned out to be non-errors following a site visit.

The ADR is a measure of the variation between the total annual profiled Non-Half Hourly (NHH) consumption and the total annual metered NHH consumption, as deduced from GSP Group Takes and Half Hourly consumption.

1.2 Inspection Findings

Of the 32 circuits inspected we identified an extremely high Material Category 1 Non-compliance against a single circuit in GSP_A.

The Category 1 non-compliance was reported in relation to a CoP 1 circuit registered as active, but was not being Metered. Our examination revealed that though Meters had been installed, the secondary wiring had not been connected. Furthermore, the Metering System had not been Commissioned, which would have identified this issue.

The photograph below, Figure 15, shows that not only had the Metering Equipment not been Commissioned, but the install had not been fully completed with the Meter secondary wiring not terminated.

Figure 1 Onsite photograph showing the meter secondary wiring not terminated

Impact on Settlement

In the case of GSP_A, there were extremely high volumes of unmetered energy, resulting in a direct impact on Settlement. This particular error resulted in an approximate £29,500,000 Materiality, with a Trading Dispute value of £12,000,000.

Our findings also point to a failure in communication between industry Parties resulting in a loss in Metered data.

We are aware that Elexon are continuing with their investigations into this Metering incident, which the TAA will be supporting where appropriate.

1.3 High rate of Commissioning failures

The TAA performed 12 Inspection Visits, comprising 32 circuits.

81% of the 32 circuits were found to have Commissioning related failures. These are due to no Commissioning certificate provided, incomplete or incorrect. Commissioning provides confidence that the Metering Equipment setup is accurate for Settlement.

As identified at GSP_A, the potential Settlement impact that an incorrectly Commissioned Metering System has is enormous.

With only 19% of audited circuits found to be Commissioned correctly, this supports the view that MOAs are encountering issues when undertaking their operational and control activities.