Erroneous Large EAC/AA Workshop Notes

This document lists the various topics that were discussed at the erroneous large EAC/AA workshop and summarises the key points that were made at the meeting. The meeting was held at ELEXON's offices on 22 September 2011. Approximately 25 people involved with erroneous EAC/AAs, from around 15 organisations, attended the session.

The Root Causes of Erroneous Large EAC/AAs

During the first part of the session, attendees were asked their views on the root causes behind the creation of erroneous large EAC/AAs and how we might address these root causes.

General Discussion

It agreed by attendees that a significant proportion of erroneous large EAC/AAs relate to Change of Supplier (CoS) events. It was suggested that there are more CoS loss than CoS gain issues and that this may be related to the processes used by the new NHHDC.

It was queried whether some Suppliers were forcing through CoS gain reads and whether there was a potential non-compliance with BSCP504 here.

One attendee suggested that in addition to carrying out technical assurance checks of HH meters, ELEXON should also look at NHH meters as there could be a significant amount of error in Settlement going undetected here.

Meter Reading Validation Rules

ELEXON asked attendees whether they believe that introducing tighter NHH meter reading validation rules would reduce the number of erroneous large EAC/AAs in Settlement (the current meter reading validation rules defined by the BSC are an absolute minimum and NHHDCs can apply additional checks should they choose to do so).

Attendees did not have strong views on this either way. It was suggested that Suppliers have sufficient incentive to ensure that their NHHDCs have robust validation rules, therefore, it might be more appropriate to publish guidance on how to achieve robust validation rules rather than progress a change to the BSC rules. ELEXON noted that it recently published an algorithm which demonstrated how tighter meter reading rules could be applied. The algorithm is available here:
www.elexon.co.uk/ELEXON%20Documents/NHH%20Meter%20Reading%20Validation%20Algorithm.pdf

It was noted that ELEXON would feed attendees' views on NHH meter reading validation back to the Performance Assurance Board (PAB), to aid the PAB in deciding whether it would be worthwhile progressing a change to the validation rules.

Pre-Payment Meters

Attendees were asked whether a significant proportion of their erroneous large EAC/AAs related to prepayment meters. Some attendees agreed that this was a very large issue for them, whilst others suggested that they did not have any particular problems in this area. It was noted that this may be due to the differing customer bases between Suppliers, with some having more prepayment customers (in particular those with key meters) than others.

It was noted that a significant proportion of the erroneous large EAC/AAs in ELEXON's monitoring data for the previous month were related to pre-payment meters. Although, it was noted that the analysis related to a single month and more analysis would be needed to establish whether this was a long term trend.

Attendees were asked whether they had experienced any issues with the use of pre-payment key meters. Some attendees agreed that they were experiencing issues with these types of meters. For example, with some types of meter the register could be re-set to zero if the customer uses the wrong key, potentially resulting in erroneous large EAC/AAs entering Settlement.

It was noted that British Gas raised a Solution Pre-Assessment Form (SPF 0059) at the MRA Issue Resolution Expert Group (IREG) on key meter interoperability for tiered tariffs. It is seeking to introduce a Statement of Operation to provide other Parties with details about how British Gas would be using the Key Meter Transactions (D0188) flow, in particular using 'TO' to indicate the cumulative total register that should be used for Settlement. The D0188 would not formally be changed through this process, though British Gas are going to liaise with PPMIP ITRON with a view to raising a Change Proposal that would build the total register into the structure of the flow. Attendees noted that this proposal would only work for single rate meters, however, it was suggested that it might still be worth progressing, as it would at least reduce the number errors even if it does not eliminate them entirely.

Smart Metering

Attendees were asked their views on the roll out of smart metering and whether they expected it to lead to a short term increase in error levels. There was general agreement that the roll out might lead to an increase in the number of erroneous large EAC/AAs in Settlement.

One attendee noted that it had begun its smart roll out and had initial seen a jump in error levels but that this seemed to have settled down now.

One attendee questioned the best way to deal with a site that has not been accessed for many years and upon entry to fit a smart meter it is found that the legacy meter has been transposed for many years. It was suggested that entering the final legacy meter read as a transposed read would prevent a large EAC/AA being created. It was suggested that attendees should document the types of scenarios that they expected to encounter during the smart roll out and ELEXON could review these scenarios and provide guidance on how to address them.

Attendees were asked whether they were carrying out any data cleanse activities prior to smart roll out. One attendee noted that their organisation had carried out a data cleansing exercise. Another attendee suggested that identifying transposed reads was the only type of cleansing activity that might be beneficial, although it would be very expensive. It was noted that the sites with the most issues are likely to be ones which have not been accessed for some years and that to cleanse the data for these sites would not be possible, therefore, a cleansing activity would not really impact the problematic sites.

Some attendees suggested that a data cleanse would be only beneficial if it were carried out by the industry as a whole, rather than just by a few individual Suppliers. However, is it unclear what specific data cleansing activities would be beneficial.

Best Practice

During the second part of the session, attendees were invited to work in small groups to list their most common erroneously large EAC/AA related issues and discuss potential solutions. The following areas were listed by the groups:

Common Issues
- Pre-payment meters (register reset)   - Deemed D86s: - on loss find that there are regular reads in history but D86 is either much higher (creating large positive AA) or lower (creating large negative AA)   - on gain find that a poor history and accurate change of Supplier read creates large AA   - D300 creating erroneous EAC   - Short meter advance periods   - Transposed reads   - Variation on register digits (e.g. get a five digit read for three consecutive reads then get a six digit read)   - Customer reads that are not in line with meter history

Potential Solutions
• Data cleansing • Site visits • Better communication between Suppliers *(a central list of Change of Supplier issue contacts to be managed by ELEXON is discussed later in this document)* • Use PARMS data to highlight D152s send to new NHHDCs on Change of Supplier and ensure that disputes process is adhered to • Carry out target audits or Technical Assurance checks where there have been Change of Supplier issues • Use ELEXON's large EAC/AA reporting data in a pre-emptive way i.e. focus on errors that are about to reach RF • Ensure good contact between the Supplier and Data Collector • Arbitration for D300 Change of Supplier disputes

The groups were also asked to list their top tips for reducing the number of erroneous EAC/AAs in Settlement. The tips listed were:

- Have a good supplier read validation process;

- Aim to get actual reads on change of Supplier (and in general);

- Aim to get first read within two months of Change of Supplier, or place customer on a monthly read cycle for first three months; and

- Use the D19 report to highlight instances as required.

General

In the final part of the session, attendees were invited to voice their views on any aspect of the erroneously large EAC/AA processes.

ELEXON's Monitoring System

One attendee noted that he was concerned by a feature of ELEXON's erroneously large EAC/AA monitoring system that may result in erroneous EAC/AA instances incorrectly being flagged as 'genuine'.

This may occur because the monitoring system will mark a new EAC/AA instance as genuine if the Supplier has previously confirmed an erroneously large EAC/AA for that MPAN that as genuine and the new EAC/AA is within double the volume of the previously confirmed value. (An MPAN that is marked as genuine for this reason will be flagged as Process Indicator 5 in column P of the large EAC/AA Instance Reports.) This means that if the previously confirmed EAC/AA relates to unusual consumption or a corrective action, or if the Supplier incorrectly notified ELEXON that it was genuine, then subsequent EAC/AAs for that MPAN may incorrectly be flagged as genuine.

It was noted that to reduce the risk of this occurring, one solution would be to amend the Process Indicator 5 system rules such that:

- there must be **two** or more previous instances that have been confirmed as genuine by the Supplier for the same MPAN, rather than one; and

- the EAC/AA excessive consumption value must within twice the **average** excessive consumption across the previously confirmed EAC/AAs, where both values are of the same sign.

ELEXON

ELEXON has obtained a quote for making this change to the system but whether or not to proceed with the change has not been determined. It was noted that this is not the only desirable system change.

The ABU Data Cleanse

It was noted that the recent Annual Billed Unit (ABU) data cleanse activity has reduced the risk of EAC/AAs being incorrectly flagged as genuine. However, the aforementioned Process Indicator 5 system rule means that there is still a risk that EAC/AA will be incorrectly flagged as genuine.

As a result of the data cleanse, the number of MPANs that ELEXON's large EAC/AA monitoring systems holds ABU data for has reduced from 50,000 MPANs to 8,000 MPANs.

It was asked whether ELEXON had any plans to repeat the ABU data cleanse activity in the future. ELEXON confirmed that it is considering carrying out a partial data cleanse once a year, which would involve identifying where there has been a change of Supplier and deleting any ABU data submitted by the previous Supplier. This would reduce the risk of the system marking a Supplier's EAC/AAs as genuine based on ABU data submitted by a previous Supplier.

Communication across the Industry

It was suggested that good communication across the industry is very important in reducing the number of erroneous large EAC/AAs in the market.

Attendees were supportive of the idea of holding another erroneous large EAC/AA workshop in approximately six months' time. ELEXON will therefore look to organise another workshop around March 2012.

One attendee suggested that when trying to resolve Change of Supplier issues, some Suppliers are easier to deal with than others. It was noted that if a Supplier is having difficulties, they can contact ELEXON via their Operational Support Manager (OSM) and ask for assistance, for example, in finding the right contact.

It was suggested that ELEXON should compile a list of contacts that could be made available to those working with erroneous large EAC/AAs. A central contact list maintained by ELEXON is something that has also been suggested by the Issue 41 group (http://www.elexon.co.uk/Pages/Issue41.aspx). ELEXON confirmed that it would seek to establish a central contact list for erroneous large EAC/AA related Change of Supplier issues.

Lowering the NHHDA Thresholds

It was noted that the idea of lowering the NHHDA thresholds used in ELEXON's erroneously large EAC/AA monitoring is still under consideration. ELEXON has not yet quantified the volume of error below the current thresholds, making it difficult to measure the potential benefits of lowering the thresholds.

Some attendees noted that they had carried out analysis using lower NHHDA thresholds and agreed to share the results of this analysis with ELEXON.

It was also suggested that ELEXON could ask NHHDAs to provide all instances at lower threshold levels. ELEXON could then send out a random sample of these instances to Suppliers for investigation. If the information gathered from Market Participants that have already carried out analysis using lower thresholds is not sufficient to quantify the benefits of lowering the NHHDA thresholds, then ELEXON will look to carry out this activity.

Post Meeting

Following the meeting, an initial draft of the notes from the workshop was issued to all attendees and also to all of ELEXON's erroneously large EAC/AA contacts. Recipients were invited to make further comments on the topics discussed at the workshop should they wish to. This section provides an overview of the comments received.

Change of Supplier

Following the workshop, one attendee noted that that the majority of erroneous EAC/AAs encountered by his organisation relate to incorrect D0152 and D0010 flows being passed to their NHHDC on Change of Supplier. It was suggested that a process should be put in place to compare the TPRs on the D0149 and the EAC/AA for the Gain of Supply D0019s. For example, the TPRs state which register relates to the higher or lower rate. If the high consumption is going through the TPR associated with the low rate, then an exception should be raised to investigate this.

Another attendee suggested that if D0152 information could be collected for a look up to see if EAC/AA instances had a D0152 received by the gain NHHDC and we had the read data within the D0152 to compare to the D0086 value then it would be very useful.

It was also suggested that some agents do not appear to be validating D0086 readings against data (D0152/D0010) passed from the previous agent and that some closing reads are amended without use of the MAP08/D0300 process.

Pre-Payment Meters

One attendee stated that contrary to the impression given at the workshop, his organisation is in fact challenged by pre-payment resets. The reasons for stating otherwise was that this doesn't manifest on the Instance Report issued by ELEXON, as the issues are dealt with "upstream," but this does not mean they are not an important concern.

The attendee expressed further concerns around the British Gas solution, as settling on the total register will only work for single rate meters. Meters with two or more registers have different DUOS charges and need to be billed to the customer accurately, representing the correct volume consumed on the correct registers. It was suggested that asking Suppliers to settle on the total register would require Suppliers to bill and settle separately (Settlement would be on one rate and billing across two). This is not a viable solution for the attendee's organisation. It was suggested that any solution would need to be a robust one that caters for both single and multi-rate metering.

Added to this, the attendee believes that there will be difficulties every time one of these meters goes through a Change of Supplier. If British Gas is settling on the Total register but the D0149 has register 1 (or register 1 and 2) as the Settlement registers, then agreeing a D0086 may be impossible. British Gas's solution will not work for the industry, and if the company were to implement it internally it would to guarantee data issues for all other industry participants when the affected MPANs change supplier.

Failure of Parties to Meet their Obligations

One respondent who was not present at the workshop disagreed with some of the assertions and proposals that were made, believing that they do not reflect the correct root causes of erroneous consumption data or the actions required to address them. The respondent suggested that the nature of the term 'erroneous' implies that we are only talking about consumption data that has been created incorrectly, which as it sits within the control of NHHDCs and their associated Suppliers implies a lack of controls within the process.

As an example, the respondent does not believe that the current meter reading validation rules themselves would create any erroneous consumption data, it is how those rules are applied and the controls that organisations apply in their systems and process when validating readings. The respondent's organisation has issues with pre-payment meter resets but the issue is actually not getting a notification of the reset which causes readings to fail because

they are negative. If those reads are validated and create negative AAs then the failure is in the validation by a user/system of negative consumption data.

A further example given by the respondent relates to the suggestion that a process should be put in place to compare the TPRs on the D0149 and the EAC/AA for the Gain of Supply D0019s. The respondent disagreed with this suggestion, stating that not only does the proposed resolution make some assumptions about how customers with multi-rate metering use electricity, but if NHHDCs are processing incorrect data then this should be picked up by the Supplier/NHHDC while they are appointed, and if the D0152 is not reflective of the consumption settled by the old NHHDC then this should be picked up as a non-compliance. The respondent feels that this is another example of a failure of parties to meet their existing obligations around managing the quality of data into settlements rather than an issue with the obligations themselves.