

Meeting name	Performance Assurance Board
Date of meeting	27 June 2007
Paper title	Report on the technical Assurance Scope of Work for the period August 2006 to June 2007
Purpose of paper	For Information
Synopsis	On an annual basis, the PAB agrees the Technical Assurance scope of work to be performed on Suppliers and Supplier Agents. This paper sets out of the results of the checks that have been performed in the last eleven months and the next steps to be taken by ELEXON. The PAB is invited to note the information contained in this paper.

1 Introduction

- 1.1 Balancing and Settlement Code Procedure (BSCP) 535, Technical Assurance (TA), describes the process for checking the compliance of Suppliers and Supplier Agents with their applicable obligations under the Balancing and Settlement Code (the Code) and Code Subsidiary Documents (CSDs).
- 1.2 The scope of work for Technical Assurance for the period August 2006 to June 2007 was agreed at the August 2006 PAB meeting (PAB67/15). The scope covered a period of 11 months following the deferral of the publication of the BSC Auditors report from June 2006 to July 2006.
- 1.3 This paper provides information in relation to the checks that ELEXON has performed in the last eleven months. This includes the findings from each check and their status.
- 1.4 ELEXON performed checks on 39 Supplier and Party Agent ID's, which covered 12 organisations.
- 1.5 The PAB has received a number of progress updates throughout the year. For those checks where ELEXON has previously provided an update, this paper will set out the main findings from the check and where applicable the next steps ELEXON will take.

2 Summary of Checks that have been Performed

2.1 Energisation Status (ES) Checks

- 2.1.1 ELEXON had previously identified that the majority of Non-Half Hourly (NHH) Suppliers had processes and procedures in place to identify energisation status (ES) mismatches and triggers to investigate and correct these. However, the TA check that was performed under the previous scope of work (2005/06) had identified significant need for two NHH Suppliers to update documentation and training of staff around the ES processes. Monitoring through the Error and Failure Resolution (EFR) indicated for both Supplier organisations that the majority of rectification actions should now be complete. ELEXON carried out checks on these organisations to provide the PAB and industry with assurance that documentation and procedures are in place to address and resolve ES mismatches.
- 2.1.2 ELEXON also investigated a sample of Metering Systems with each Supplier to confirm that they followed their procedures and that the user was actioning all 'trigger events' in a timely manner.

- 2.1.3 One Supplier was found to be compliant and has now rectified all its non-compliances from the previous period (2005/06).
- 2.1.4 The remaining Supplier had previously had non-compliances raised in relation to missing formal documentation for clearing D0095¹ exceptions. These non-compliances were found to have been cleared in 2006/07. However, one non-compliance was identified where certain MSIDs that have an energisation status of 'E' at the SMRA but other parties hold 'D' were not be investigated. A number of non-compliances were also raised in relation to incomplete documentation. The Supplier has submitted a draft rectification plan and ELEXON will continue to monitor rectification through the EFR process.

2.2 Risk and Impact Assessment Procedures

- 2.2.1 The purpose of this check was to assess whether a Party Agent has a risk and impact procedure in place that meets the requirements of BSCP531 'Accreditation' to have appropriate triggers for re-Certification. Only those Party Agents that had not undergone re-Certification in the last 18 months were checked.
- 2.2.2 For this period, ELEXON identified 25 agent ID/role combinations that did not apply for re-Certification to the PAB. This covered seven Party Agent organisations. The check identified a number of non-compliances in relation to missing triggers for re-Certification and incomplete documentation but no changes that should have gone through re-Certification were identified during the TA checks.

2.3 Post Certification Checks

- 2.3.1 ELEXON is required to perform post Certification checks on all those Supplier Agents, following their Accreditation and Certification, once they have been operating in the market for a period of six months, depending on the role the agent is performing and performance data gathered by ELEXON.
- 2.3.2 During the period, ELEXON carried out the check on a NHH Data Aggregation (NHHDA) and NHH Data Collector (NHHDC) ID..
- 2.3.3 The non-compliances identified were broadly split between activities required under BSCPs (testing Disaster Recovery and Business Continuity plans and loading Market Domain Data (MDD) files) and incomplete documentation and controls over manual intervention. A rectification plan was received. It has been confirmed that all required updates have been actioned.
- 2.3.4 ELEXON also carried out the check on a NHH Meter Operator Agent (NHH MOA) ID. There were a number of observations made, but no non-compliances raised during the check, therefore the Agent was found to be compliant. For further information on this check.

2.4 Confirmation of an agent's compliance with its obligations under the BSC

- 2.4.1 The check facilitates Suppliers being made aware of their agents' performance and non-compliances (as identified by the BSC Auditor), through the Associated Supplier notification process as defined in BSCP535. Without this check, Suppliers would not have sight of their agents' performance or non-compliances. By providing an Associated Supplier with receipt of its agents' audit issues, the Supplier should be in a position to take responsibility for ensuring that their agents address their non-compliances.

¹ D0095 'Non Half Hourly Data Aggregation Exception Report'

- 2.4.2 Previously, the PAB requested ELEXON contact all Suppliers to obtain feedback regarding re-performance of the check for the Audit period ending March 2007. Responses were presented to the PAB at the June 2007 meeting. If it is agreed that the check should be performed for the year ending March 2007, the PAB will be notified of the check results at the next available meeting following completion of the check.

2.5 Accuracy of Data Provision to Performance Assurance Administrator

- 2.5.1 ELEXON chose three Supplier IDs and three Serials (HM01², HM03³ and NM03⁴) to confirm the validity of the data provided to the Performance Assurance Administrator (PAA).
- 2.5.2 The vast majority of non-compliances related to erroneous calculations of pending counts for NM03. A number of agents were including instances of D0148s that should have been excluded, which had the impact of reducing overall performance against this Serial.
- 2.5.3 All three Suppliers have submitted rectification plans. Good progress has been made in completing the rectification plan actions, with only one IT fix awaiting implementation by one of the Suppliers' associated agents. The outstanding IT fix is currently scheduled for release on the 15th July.
- 2.5.4 A number of observations were also raised in relation to the number of Working Days that should be counted from the receipt of the starting event to the sending of the end event. A number of agents are counting the number of Working Days as zero if the start event and end event are sent on the same day, whilst other agents will class this as one Working Day. ELEXON has requested legal confirmation and will issue guidance to Suppliers and Supplier Agents once this has been received as the specifications set out in the BSC can be interpreted in subtly different ways. In order to address this concern and to ensure that PARMS remains focused on key performance measures ELEXON proposes to undertake a review of the Serials and Standards in 2007/2008.
- 2.5.5 A paper will be presented to the July PAB setting out the proposed review more fully. It is anticipated that the review will draw upon the views and experiences of industry participants. This process will provide further insight into other potential areas of difference within PARMS data submissions made by Supplier Agents.

3 Technical Assurance checks that have not been performed

3.1 Review of Compliance Against Selected Change Proposals

- 3.1.1 ELEXON reviewed the SVA specific Change Proposals (CPs) that the industry implemented since the February 2005 release. ELEXON did not deem any of these to require a check on a sample of Suppliers and Supplier Agents.
- 3.1.2 ELEXON identified that a check should be performed on Modification proposal P196 'Treatment of Long Term Vacant Sites in Settlements'; however, as this was implemented 22 February 2007, ELEXON proposes that it would be more beneficial to perform this under the scope of work for period June 2007 to May 2008. The TA Scope of work for June 2007 to May 2008 will be presented to the PAB at the June meeting (PAB77/15).

² HM01 'HH Meter Faults: Time Taken to Resolve'

³ HM03 'Proving of a Metering System'

⁴ NM03 'Provision of NHH METD to NHHDC'

3.2 Trading Disputes Exit Checks

3.2.1 At the request of the Trading Dispute Committee (TDC), subject to approval by the PAB in accordance with BSCP535, ELEXON may undertake a TA check to assess whether the majority of NHHDCs in a GSP Group are meeting their obligations regarding the management of large Estimated Annual Consumption (EAC) and Annualised Advance (AA) values. The checks are used by the TDC to decide whether a GSP Group can exit the Trading Dispute process that is currently being performed for this issue. The Trading Disputes Committee (TDC) did not recommend that ELEXON perform a Trading Disputes exit check against any NHHDCs during the 2006/07 period.

4 Feedback on Scope of Work

4.1 In May 2007, a questionnaire was issued regarding the scope of works for 2006/07 and performance of the checks.

4.2 There were 4 respondents (1 Supplier and 2 Agent; 2 from the same company). This does not provide an extensive basis for analysis, however a summary of the results is as follows:

- The TA technique is understood;
- Respondents were happy with communications regarding the 2006/07 scope of work;
- All key areas worth further investigation are covered;
- The checks provide benefit;
- It's beneficial to receive the results of checks on associated agents; and
- No respondents wanted to discuss the content of future scopes of work.

5 Future Steps

5.1 ELEXON will publish a non-confidential version of this paper on the ELEXON (BSCCo) website.

6 Recommendations

6.1 The PAB is invited to:

- a) NOTE the information detailed in this paper; and
- b) NOTE that ELEXON will publish a non-confidential version of this paper on the ELEXON (BSCCo) website.

Simon Fox

Assurance Analyst