

UMSUG Paper 121/02 – BSC Audit Market Issues

1. Background

Each audit year the BSC Auditor identifies generic problems found through the audit period in a document called “Market Issues”. In the 2016/7 Market Issues¹ there are two unmetered related issues.

Issue 3768 has been closed. This is the issue associated with small unmetered supplies which are not registered. As it is closed there is no further action required.

Issue 3781 was first raised in 2013. Some aspects were resolved through earlier CPs & Modifications, although some aspects are still outstanding.

2. 2016/17 Audit findings

For Issue 3781, the reports states:

Inventory Submissions

- *Concerns have been raised by market participants over the formats and quality of the data received, which can result in significant manual review and changes required. It was noted that MAs will validate the inventories as they arrive, however regularly find issues with the information provided, for example invalid charge code/ switch regimes were noted.*
- *Participants noted a lack of timeframe for the UMSO to agree the revised inventory with the customer can cause delays in overall processes.*

Audit Trails

For all parties tested, there were no concerns identified over knowledge of the requirement to retain an audit trail. It was noted however that the BSC is not considered to be explicit enough over which data should be retained, the default by most parties was to retain all data and communications at present.

Market Domain Data

Agents agreed that the acknowledgement of MDD data is redundant as this is acquired by the MA / UMSO.

3. Discussion

The following comments are based on our understanding of the UMSO activities and our experience as an MA, considering each of the three issues.

3.1. Inventory submissions

3.1.1. Quality

The quality of inventories received from customers is very varied. The challenge for an UMSO is to obtain good and relevant up to date information against which to revise the EAC or generate a new summary inventory. UMSOs have systems with different level of capability to support their validation activity, and then differing operational criteria to accept, amend or reject the inventory submission.

¹ www.elexon.co.uk/wp-content/uploads/2017/09/PAB198_07B_BSC-Auditors-Summary-of-Market-Issues-2016-17.pdf

Dependent of the UMSO approach it may be that the quality of the customer submitted inventory causes poor quality data to be sent to the MA. In our role as an MA we see a broad range of quality of Summary Inventories and Control Files sent by the UMSO. Where the information received is poor, then it is rejected. The UMSO typically amends it and resends.

The BSCP defines the file formats and naming conventions to be used. The BSCP requires the UMSO to perform validation, which is further defined in the Operational Information Document (OID)².

It is proposed that the variances between the UMSO approaches be reviewed and a best practice established. There may not need to be any BSCP changes, although there may be some OID changes to make the expectation more explicit.

3.1.2. Timeframe

There is no timeframe defined in BSCP520³ section 3.2.2. for the UMSO to review and validate a detailed inventory before preparing a summary inventory to send to the MA, or using it to determine a new EAC. The BSCP indicates “agreement with the customer” although we do not believe this occurs in practice. We are aware of delays with this step, sometimes delays of many weeks. The consequence of the delay typically results in the receipt of a backdated summary inventory (or EAC), this has an impact including:

- Settlement error for the period of the delay
- Recalculation by the MA
- Reprocessing of HH data by the HHDC
- Reprocessing of customer bills (both HH & NHH) by the Supplier
- Frustration by the customer of not receiving accurate bills
- Frustration by the customer for receiving multiple supplier bills
- Frustration by the customer when the Supplier does not automatically revise the relevant bills, requiring the customer to chase the Supplier
- Frustration by the customer for not gaining prompt feedback about their updated inventory, which may require further correction further extending the settlement error

It is proposed that this BSCP step should have defined timescale, of say [5]WD, together with some rewording of the “agreement with customer” to achieve a pragmatic and timely approach.

3.2. Audit trails

Certain key steps in the process could be identified which define the data that should be retained to support settlement queries.

Potentially for the UMSO;

- Detailed inventory from customer
- Energisation and De-energisation flows
- Summary inventory & control file sent to MA
- D0052 to NHHDC/Supplier and D0310 rejections
- EAC certificate to customer

For the MA:

- Summary inventory and control file

² www.elexon.co.uk/wp-content/uploads/2017/03/Operational_Information_Document_v17.0.pdf

³ www.elexon.co.uk/wp-content/uploads/2016/06/BSCP520_v25.0.pdf

- HH data files sent to HHDC
- PECU & CMS faults

It is proposed that consideration be given to explicitly identifying some key process steps with the auditor, and the requirement for this information to be retained for inspection.

3.3. Market Domain Data

BSCP520 section 3.10 was amended in an earlier CP to try and make the obligation clearer. The footnote in the BSCP is seeking to highlight that the receipt of MDD (D00269 & D0270) is at the discretion of the UMSO & MA, so without that request the section does not apply. If the auditor is content with this interpretation then there is no further change required, if further change is required then this could form part of a change to the BSCP.

4. Next Steps

UMSUG is requested to:

- Note the Market Issues
- Consider the appropriate steps to address the Market Issues