



BSC Auditor's Summary of Market Issues

For the year ended 31 March 2018

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July 2018

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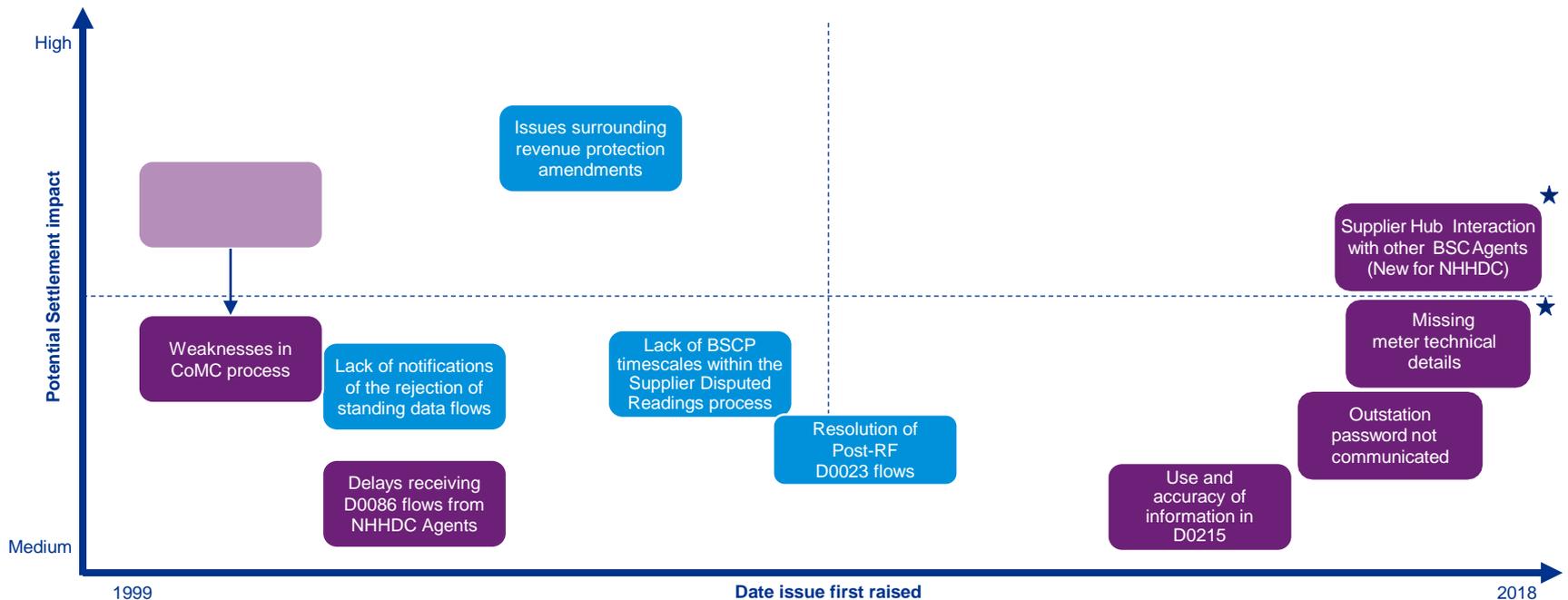
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Executive summary

We have noted improvements in some of the Market Issues which is testament to the focused effort by ELEXON, market participants and the PAB to address these areas. One outstanding issue has been closed during this audit period. Additionally, we have seen a reduction in severity of a separate issue. Despite these improvements, two new Market Issues have been raised this year.

The 'heat map' below illustrates the High and Medium rated issues, classified into each of the following categories:

- **Market wide non-compliance (Purple):** Where we have observed consistent non-compliance for several entities across the market.
- **BSCP change/clarification (Blue):** Where we have observed that a change or clarification to the BSCP would be appropriate.



Key: ● Market-wide non-compliance ● BSCP change/clarification ✘ Issue closed in current year ✘ Decreased impact to below Medium ★ New issue 2017/18 ↓



Meter Operator (MOA) Market

Issue Title	Lack of clarification regarding MOA BSCP requirements - CoMC	First Raised	2002		
Status	Open	Issue Number	3774	Legacy Issue Number	1640
Impact Rating	Medium (PY: High)	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	BSCP514 details the actions required from MOAs over Half Hourly and Non Half Hourly Metering Systems.				
Description	<p>BSCP514 sections 7.1 to 7.8 provide guidance over Change of Measurement Class (CoMC) from Non Half Hourly to Half Hourly and vice-versa. In prior years we have noted that both NHHMOA and HHMOA Agents experience difficulties meeting the requirements of the CoMC process. Some of the issues noted are:</p> <ol style="list-style-type: none"> 1. It can be difficult for the incoming Meter Operator to identify a CoMC from any other appointment as there is no flag or code in the D0155 flow nor a role code. Although there is one (albeit rarely used) in the D0151, if the NHHMOA is not the appointed HHMOA then it would not have visibility of the CoMC activity. 2. Often the D0142 flow is the point at which they are identified but only via the free text entered by the Supplier, which is extremely variable in its extent and quality. 3. The process requires the sharing of Meter Technical Details but often MOA systems are not configured to accept those flows which can then hamper the process, for example a HHMOA will send a D0268 to a NHHMOA or a NHHMOA will send a D0150 to a HHMOA. 				
2017/18 Audit Year Findings	<p>KPMG have found there has been an improvement in the CoMC process, with the number of issues raised against agents for CoMC non-compliance decreasing. This, in addition to the elevated number of CoMCs taking place as a result of P272 is indicative of the improvement in the market's ability to comply with CoMC events.</p> <p>Despite the improvement, testing performed during the 2017/18 audit period has highlighted multiple problems still remain with the CoMC process which drives the continued confusion in regards to the interpretation and implementation of MOA BSCP requirements. As such, the issue rating remains high. Below are the commonly identified issues:</p> <ul style="list-style-type: none"> — Suppliers not detailing in the D0151 flow that the loss is due to a CoMC — MOAs retrospectively appointed — Suppliers sometimes appoint the incorrect MOA (or want to change the CoMC date) and then try to reverse the appointment. This can lead to delays in sending Meter Technical Details out due to the waiting time for the HH D0155 and D0148 to arrive. — There is little flexibility in the BSCP regarding CoMC scenarios that have been pre-arranged with the Supplier in which case the MOA would not expect to receive D0151, D0170 and D0142 flows from the Supplier. — D0142 flows not clearly explaining that the required Meter exchange is a CoMC as this can only be specified within the "free text" (J0012 - Additional Information Field). — D0148 flows are not always sent promptly to the MOA, which causes a delay in the sending of the flows. — Finals reads are not sent to the NHHMOA. On occasions where a D0002 is sent instead of a final read to the NHHMOA, the agent does not send the removal flows for the NHH Meter. <p>In terms of the actions during the audit period, CP1475 was implemented in June 2017, which proposes to stop the re-dating of final NHH reading(s) on a CoMC from NHH to HH by removing the process step in Sections 7.1.19 and 7.2.18 within BSCP514. Some agents believe that this has now provided the required clarity. However, a number of agents have commented that while sufficient guidance has now been issued, there is still some flexibility with how Suppliers can initiate the process. It is felt that further enforcement is needed from Elexon to ensure Suppliers follow the issues guidance.</p>				

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Meter Operator (MOA) Market

Issue Title	Lack of clarification regarding MOA BSCP requirements – CoMC (continued)	First Raised	2002		
Status	Open	Issue Number	3774	Legacy Issue Number	1640
Impact Rating	High (PY: High)	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	BSCP514 details the actions required from MOAs over Half Hourly and Non Half Hourly Metering Systems.				
BSC Auditor's Recommendation	It is recommended that the impact of resourcing constraints affecting the CoMC performance are reviewed to determine whether there are any further areas where support/guidance could be provided to alleviate pressures on MOAs. The BSC Auditor notes that the additional efforts by ELEXON in this area over the audit period have clarified the requirements for market participants, however large numbers of non compliances are still being identified; it is therefore recommended that continued monitoring by ELEXON remains in place to ensure that MPANs undergoing CoMC are processed correctly. It is also recommended that stricter guidelines are issued to Suppliers to ensure consistency in initiating the CoMC process.				

Meter Operator (MOA) Market

Issue Title	Lack of clarification regarding MOA BSCP requirements – Token Meters	First Raised	2002		
Status	Open	Issue Number	3769	Legacy Issue Number	1640
Impact Rating	Low (PY: Low)	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP514 details the actions required from MOAs over Half Hourly and Non Half Hourly Metering Systems.				
Description	<p>BSCP514 provides the requirements under which MOAs must perform their responsibilities. Review of the BSCP and our work at MOAs previously identified a number of areas where details of the Meter operations details were considered not to be clear enough.</p> <p>In particular, it was noted that MOAs use Data Transfer Network (DTN) data flows for dealing with prepayment Meters, such as the D0192 flow (Readings and Settings from a Token or Key Meter) and the D0216 flow (Request Installation of Token Meter). However, BSCP514 does not include guidance on the use of these flows.</p>				
2017/18 Audit Year Findings	<p>Agents informed us that Token or Key Meter flows are not widely used across the industry, as these types of Meters are less common. Where they are used, agents did admit there is limited BSCP guidance available compared to other processes and data flows.</p> <p>The communication of Meter reads after a site visit to inspect a faulty Token Meter was highlighted as one of the scenarios where there is a lack of clarity in the BSCP requirements. KPMG noted that some agents communicate Token or Key Meter's readings to Suppliers via e-mail or occasionally by calls, instead of using the D0192 flow. A risk was noted that inconsistent and potentially inappropriate actions could be taken as a result of the lack of guidance.</p>				
BSC Auditor's Recommendation	<p>It is recommended that the BSCP is updated to reflect the actions that should be taken for Token or Key Meters to ensure that parties are accurately and effectively transferring relevant information.</p> <p>In addition, education days and workshops for Agents would assist in communicating the requirements.</p>				

Meter Operator (MOA) Market

Issue Title	Use and Accuracy of Information within D0215	First Raised	March 2016		
Status	Open	Issue Number	5177	Legacy Issue Number	N/A
Impact Rating	Medium (PY: Medium)	Has the non compliance improved over the last 12 months?	No		
BSC Requirement	<p>BSCP514 states that the MOA is required to request the Site Technical Details from the LDSO through a D0170 flow 'Request for Metering System Related Details' in the event of a CoMC or New Connection. The LDSO is required to provide D0215 flow information within 5 working days of the MOA's request as per BSCP515.</p> <p>According to BSCP514 sections 5.2.1.8, 5.2.1.9, 6.2.1.9 and 6.2.4.8 if required, and at any time after the effective date of the MOA's appointment (and only for MSIDs first registered after 6 November 2008), the MOA may request Site Technical Details by sending a D0170 flow to the LDSO. The LDSO shall respond within 5 WD of such requests by sending a D0215 'Provision of Site Technical Details' either by electronic means or by another method, as agreed with the MOA. The MOA shall determine any appropriate course of action within 2 working days of receiving this information.</p> <p>BSCP515 states that in the event of any subsequent changes to Site Technical Details, the LDSO shall send an updated D0215 'Provision of Site Technical Details' to the MOA within 1 working day of updating their systems.</p>				
Description	<p>As part of the Audit fieldwork in prior years and through discussion with MOAs, it was noted that there are concerns over the quality of data held within the D0215 flows provided by LDSOs. MOAs commented that even if certain fields such as CT ratio were made mandatory, this would affect very little of the market and there would still be no guarantee over the quality of the data.</p> <p>As a result of the inconsistent quality and the perceived value of the mandatory fields in the flows, MOAs often choose not to rely on the data within D0215 flows, using them only for reference if required.</p> <p>Market participants raised that MOAs do not always request the D0215, which was noted as a non-compliance to BSC requirements at a number of MOAs. Furthermore, even where requests have been made, a number of LDSOs were observed as not consistently responding to the requests.</p>				
2017/18 Audit Year Findings	<p>As part of the 2017/18 Audit, issues were noted over the lack of and timeliness of requests for Site Technical Details made by the MOAs. The non-compliances were discussed as part of the audit fieldwork and it was noted that MOAs largely do not place reliance upon the D0215 flows because of the limited mandatory items in the flow and overall quality of the information. Instead, parties reported that they rely on sources, for instance, in the additional comments field in the D0142 flow (Request for Installation or Change to a Metering System Functionality or the Removal of All Meters) received from the Supplier and in the information displayed in the electricity cabinet on site.</p> <p>It was also noted that there is contradiction over the use of the D0215 flow, as the BSC mandates that the MOA must request the information, however it does not require the MOA to process the flow. Further to this, MOAs reported that the LDSOs do not always reply to their requests.</p> <p>ELEXON has proposed to perform an analysis over the DTN data to identify the frequency with which LDSOs provide the Site Technical Details off the back of the D0170 flow and to undertake a Request For Information where LDSOs and MOAs can provide comments over the use and accuracy of D0215 flows.</p>				

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Meter Operator (MOA) Market

Issue Title	Use and Accuracy of Information within D0215 (continued)	First Raised	March 2016		
Status	Open	Issue Number	5177	Legacy Issue Number	N/A
Impact Rating	Medium (PY: Medium)	Has the non compliance improved over the last 12 months?	No		
BSC Auditor's Recommendation	A review should be performed to assess the quality of D0215 flows and determine if there is an Industry level issue with the completeness and accuracy of the flows. Additionally, it is recommended that a requirement is introduced for the MOP to inform the LDSO where information on the received D0215 is not correct so that the LDSO can update their information.				

Meter Operator (MOA) Market

Issue Title	Outstation passwords not communicated	First Raised	March 2017		
Status	Open	Issue Number	5750	Legacy Issue Number	N/A
Impact Rating	Medium (PY : Medium)	Has the non compliance improved over the last 12 months?	N/A		
BSC Requirement	BSCP514 appendix 9.3 states that where the Meter Type is RCAMR, NCAMR or RCAMY, the NHH Meter Operator Agent (MOA) shall maintain a set of Auxiliary Meter Technical Details (MTDs). This will be in the form of a D0313 'Auxiliary Meter Technical Details' flow, which should be sent and processed alongside of the D0150 'Non Half-hourly Meter Technical Details' flow, with the exception of Meter removals.				
Description	<p>Automatic Meter Reading (AMR) Meters are Non-Half Hourly (NHH) Meters that are Half Hourly (HH) capable and configured for remote reading. The D0313 flow contains all relevant information (communication, security and channel/outstation details) required by the NHH Data Collector (DC) to retrieve data from the Meter remotely. This information is also required by the MOA to configure the Metering System remotely.</p> <p>Our audit work noted that Level 3 passwords are not always being communicated in the D0313 flows. Likewise, it was noted that D0313 flows are not always sent alongside the MTDs. This results in participants being unable to utilise the remote functionality of AMR Meters.</p> <p>BSCP514 does not outline the process that should be taken when the Level 3 password or D0313 flow is not received, as it envisages full MTDs being received.</p>				
2017/18 Audit Year Findings	<p>There is Key data which is currently not being communicated in all instances during a Change of Agent scenario is level 3 Meter passwords within the D0313 flow. Where this Change of Agent is in conjunction with P272 requirements, the lack of completed D0313, or missing D0313 altogether, will mean that the Meter cannot be re-configured to HH as required. Agents specifically commented that D0313s are regularly not received from previous MOPs and do not contain passwords or have incorrect passwords. This means that at times the MOP must then perform a meter exchange.</p> <p>In some instances, it was noted that the D0313 contains passwords with invalid characters such as asterisks.</p> <p>Agents reported that where there have been several changes of agents, it might be difficult to trace the agent who holds the details of the Meter.</p>				
BSC Auditor's Recommendation	ELEXON should continue carrying out technical Audits to assess the impact of the missing and incomplete D0313 flows and implementing corrective actions, such as initiating Error and Failure Resolution (EFR).				

Meter Operator (MOA) Market

Issue Title	Missing Meter Technical Details	First Raised	March 2018		
Status	Open	Issue Number	TBC	Legacy Issue Number	N/A
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	N/A		
BSC Requirement	BSCP514 Section 6.2 states that where Meter Technical Details (MTDs) are requested through a D0170 flow during a Change of NHHMOA event, the old Meter Operator Agent (MOA) should provide the MTDs to the new NHHMOA through D0149/D0150 flows (including D0313 for remotely read meters) within 5WDs of the request (2 WDs when Coincident with a Change of Supply).				
Description	<p>DTN Testing carried out in previous audits showed delays in sending MTDs or missing MTDs by old NHHMOAs in response to D0170 requests during a Change of Agent event. Our audit work noted the following reasons:</p> <ul style="list-style-type: none"> — Technical issues that resulted in the outgoing MTD flows not being processed. — The previous MOA does not hold any MTDs as they did not receive them from the previous MOA or the site is meter-less. 				
2017/18 Audit Year Findings	<p>During the audit field work carried out during the year ended 31 March 2018, KPMG inquired with the agents on the root causes for not sharing Meter Technical Details when requested.</p> <p>It was noted that for most agents, their systems are configured to automatically send any meter technical details when requested except in the circumstances below:</p> <ul style="list-style-type: none"> — Technical issues preventing the flows from being automatically released. — They do not hold any MTDs as they did not receive them from the previous MOA or the site is meter-less and de-energised. — The new MOA is unable to process the MTD flows from the DTN, in which case, flat files would need to be sent via email. — They have not received a D0151 from the supplier. <p>It was noted that following the implementation of CP1456 in BSCP514 in June 2016, the MTDs should be sent after receiving a D0170 flow irrespective of whether a D0151 (Termination of Appointment or Contract by Supplier) data flow has been received from the Supplier.</p>				
BSC Auditor's Recommendation	It is recommended that Elexon considers what guidance could be provided to market participants on what steps could be taken where MTDs are not available to be forwarded to the new MOA. Introduction of a D0170 rejection flow for MOA to other agents where D0149/D0150/D0313 is expected could be beneficial advising the reason for rejection.				

Meter Operator (CVMOA) Market

Issue Title	Completion of Proving Tests and relevant documentation in CVA market	First Raised	March 2015		
Status	Open	Issue Number	4517	Legacy Issue Number	N/A
Impact Rating	Low (PY: Low)	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	<p>BSCP02 Section 5 (Table of Testing Requirements and Methods of Assurance of Settlement Data) outlines various requirements on completing Commissioning and Proving Tests.</p> <p>BSCP02 3.1.6, 3.2.6, 3.3.4, 3.4.6, 3.6.6 and 3.7.5 require the CVA MOA to send a BSCP02/4.3 (Metering System Proving Test Record to CDCA) within one working day of completion of Proving Test.</p>				
Description	<p>Agents feel there is a general lack of clarity in BSCP02 when Proving Tests have to be completed and the relevant documentation has to be filled in (BSCP02/4.2 (a), (b) and BSCP02/4.3).</p> <p>One example of this mentioned in prior years is that for a permanent Meter change on duplicated systems, BSCP02 5.2.6 (Table of Testing Requirements and Methods of Assurance of Settlement Data) requires CDCA Comparison test assisted by MOA to be completed. At the same time BSCP02 3.4 (Proving Test Requirements where a Meter has been Replaced with a Different Meter) requires the CVA MOA to conduct Proving Test and fill the required documentation. It is therefore not clear from BSCP02 what the exact requirements are.</p> <p>In addition to this, BSCP02 3.1.6, 3.2.6, 3.3.4, 3.4.6, 3.6.6 and 3.7.5 require the CVA MOA to send a BSCP02/4.3 Metering System Proving Test Record to CDCA within one working day of completion of Proving Test. The same one working day requirement applies after Commissioning tests are completed (3.2.2, 3.4.2, 3.6.2) to propose a date for the Proving Test. The timeliness of these requirements may not be viable to meet in some circumstances.</p> <p>Finally, forms provided in BSCP02 may not always be compatible with the newest type of CVA Meters.</p>				
2017/18 Audit Year Findings	<p>Issues continued to be identified at market participants around compliance with Proving Test requirements. Our audit fieldwork noted issues with meeting Proving Tests requirements and timescales in the majority of agents tested.</p> <p>Agents raised again the concern that the BSCP02 timeliness requirements to send relevant documentation of the Proving Test within one working day is not always viable due to logistical challenges. This related specifically to cases where agents perform work on stations with no internet access. For example, where work is performed in areas of no signal, such as on off-shore platforms at sea, it is impossible for agents to meet the BSCP02 timeliness requirements.</p> <p>It is noted that ELEXON released a Change Proposal (CP1491) as of February 2018, which will updated the timelines of Proving Tests so that relevant documentation can be sent within 3 WDs. In addition, the BSCP02 has been updated to give detailed guidance for each different scenario requiring proving. However, some agents feel that this is still not enough time for some scenarios.</p>				
BSC Auditor's Recommendation	It is recommended that timescales are reviewed with CVAMOs to ensure they are achievable.				

Meter Operator (CVA MOA) Market

Issue Title	Lack of documented processes at small CVAMOs	First Raised	March 2016		
Status	Closed	Issue Number	5176	Legacy Issue Number	N/A
Impact Rating	Low	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	CVAMOs are required to perform activities in line with BSCP02 and BSCP06.				
Description	<p>Whilst documented processes are not a specific requirement of the BSC, there was a concern identified as part of the Audit testing that CVAMOs did not have clear defined processes in place to manage CVA activities.</p> <p>Since many of the actions are performed rarely by the CVAMOA, particularly where few Meters are managed, there are few clear processes in place to manage BSC compliance for these actions. In a number of cases, this resulted in either late actions being taken or requirements being missed.</p>				
2017/18 Audit Year Findings	Assurance work performed in the 2017/18 BSC audit period has noted that the standard of process documentation for smaller CVA agents has increased. Thus, this issue is proposed to be closed.				
BSC Auditor's Recommendation	N/A				

Non Half Hourly Data Collector (NHHDC) Market

Issue Title	Delays are being experienced in receiving the D0086 flow from NHHDC agents	First Raised	2004		
Status	Open	Issue Number	3771	Legacy Issue Number	1621
Impact Rating	Medium (PY: Medium)	Has the non compliance improved over the last 12 months?	No change		
BSC Requirement	<p>BSCP504 3.2.6 Change of Supplier for an existing SVA Metering System outlines several scenarios where a D0086 flow (Notification of Change of Supplier Readings) has to be provided from the new NHHDC to new Supplier, LDSO and old NHHDC. For example, BSCP 504 3.2.6.12 states that an Invalid Data Report has to be provided through the D0086 flow to these agents, if an invalid read is obtained within the SSD-5 and SSD+5 SSD window, whereas BSCP 504 3.2.6.15 requires a D0086 Valid Data Report to be provided if a valid read was received within the window. Likewise, BSCP504 3.2.6 details several scenarios where a D0086 flow has to be sent by the old NHHDC to the old Supplier, for instance BSCP 504 3.2.6.17 requires the old NHHDC to send a D0086 with the deemed change of Supplier reading once received from the new NHHDC.</p> <p>A separate scenario is listed under BSCP 504 3.3.1. Coincident Change of Supplier and Measurement Class from a Non-Half Hourly to a Half Hourly SVA Metering System. The current NHHDC is required to send either a Valid Data Report (3.3.1.4) or send a deemed Meter reading (3.3.1.7) on a D0086 flow.</p>				
Description	Testing in previous audit periods has identified that delays are being experienced in receiving the D0086 flow from NHHDC Agents.				
2017/18 Audit Year Findings	<p>Agents informed that the Change of Supplier (CoS) is a complex process that can be streamlined. They noted that there is an increased pressure on this process as a result of the faster energy switching rules introduced by Ofgem in 2014, rise of Suppliers switching levels and increased volume of Meter exchanges due to the Smart Meter roll out.</p> <p>Testing performed in the 2017/18 audit period indicates there are still issues with entity processes causing delays or missing flows/ information which in turn will delay the issuing of a D0086. As such, the issue remains as a Medium for the 2017/18 audit year.</p> <p>Our work in the audit period identified the following problems causing issues with the timely delivery of D0086 flows:</p> <ul style="list-style-type: none"> — Lack of Meter Technical Details (MTDs). This is the responsibility of the NHHMOA. — Delays in the request (and provision) of the reading history from old NHHDC (sending and replying to D0170 flow. — Meter exchanges on or around CoS date can cause difficulties when only the new NHHDC receives the updated Meter Technical Details and the old NHHDC is not aware of a Meter change. The D0086 flow is then generated using different MTDs. — Lack of cooperation between NHHDC agents. At times, for example, where Meter Technical Details are missing, cooperation between agents will be necessary to solve the issue. This is not always taking place as there are no BSCP obligations or contracts in place. <p>KPMG recommends that further investigation around the process of Change of Supplier is carried out in conjunction with the involved market agents to identify the issues, bottlenecks and challenges that the affected parties are facing. It is further recommended that strict timescales are introduced so that there is a clear expectation of when the D0086 should be issued</p> <p>The implementation of monitoring controls to detect failure to send the D0086 flows at entity level could be beneficial to the Industry as a whole</p>				

Non Half Hourly Data Collector (NHHDC) Market

Issue Title	Lack of notifications of the rejection of standing data flows	First Raised	2004		
Status	Open	Issue Number	3772	Legacy Issue Number	1622
Impact Rating	Medium (PY: Medium)	Has the non compliance improved over the last 12 months?	No change		
BSC Requirement	BSCP504 NHHDC does not include a requirement for NHHDC Agents to notify the sender of a flow that the flow has failed to be updated in the NHHDC system. The requirement is however implied.				
Description	<p>A number of NHHDC Agents do not have any formalised mechanism in place for reporting to the sender (Supplier and Meter Operator Agent) the failure to process standing data flows received from them. This failure is caused by in-built system validation (including flow sequencing). We also note that some Agents do report failures in some circumstances but not all. Our work noted that this is in part caused by the lack of rejection flows available for use, particularly with reference to when they are sent the flows despite not being an appointed party. Agents specifically commented that there are no rejection flows for the following incoming flows:</p> <ul style="list-style-type: none"> — D0139 “Confirmation or rejection of energisation status change;” — D0149 “Notification of mapping details;” and — D0150 “Non Half-hourly Meter Technical Details.” 				
2017/18 Audit Year Findings	<p>KPMG were informed that most agents have a process for dealing with rejected data flows, however only if they are expecting or require the data flow in the first place.</p> <p>If agents were not expecting the flow in the first place they would not inform the agent sending the flow that it has been rejected by them. In this scenario, agents informed KPMG that if they noticed this they could inform the sending agent. However, as this not a BSCP requirement, agents do not have a formal process in place to report all failed flows and this is rather an ad-hoc activity which takes place.</p> <p>The majority of agents reported that they have experienced this issue either as the sender of a rejected flow, or as the receiver of an invalid flow. They commented that they currently notify the sender via email, a phone call or through the use of spreadsheets. Agents further commented that it would be useful to have guidance over the rejection of flows. One agent in particular suggested that it would be beneficial to have a rejection flow, which could be sent by the system automatically after a flow received has failed validation, instead of adding another manual process for NHHDCs.</p>				
BSC Auditor’s Recommendation	<p>We recommend ELEXON consider changes in BSCPs to reflect the drive from the market to have a more formalised process in rejecting standing data flows, which would cover all parts of the process of rejecting standing data flows. This would allow market participants to have better clarity over what sort of processes they should have in place and would manage expectations during cooperation in the market. It was noted that ELEXON are reviewing whether a working group would facilitate the ongoing discussion around this market issue.</p> <p>Best practice guidance should be issued over handling of rejection flows to ensure consistent approaches are taken across the market.</p>				

Non Half Hourly Data Collector (NHHDC) Market

Issue Title	Data fixes required to resolve Post-RF D0023 rejection records	First Raised	2014		
Status	Open	Issue Number	3437	Legacy Issue Number	N/A
Impact Rating	Medium (PY: Medium)	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	<p>BSCP 504 4.14.1 Once a Settlement Date has been subject to the Final Reconciliation Volume Allocation Run (RF), data for that day shall not be amended unless supported by an upheld Trading Dispute. If an error in demand exists on a Settlement Date for which RF has taken place, this error can be compensated in Settlements Days for which RF is still to take place. The process of compensating this error is Gross Volume Correction (GVC). This process results in the correct total volume of energy being allocated to the Supplier; however this energy will be allocated to different Settlement Periods.</p> <p>BSCP 504 3.5. requires NHHDC to resolve D0023 inconsistencies reported by NHHDA. BSCP 504 also outlines requirement to process D0052 flows in various sections of the code.</p>				
Description	<p>D0023 rejection records are received by the NHHDC with effective dates that span RF. As a result, the NHHDC are in receipt of a D0023 that they are obliged to action, but to do so must perform a data fix that amends crystalized data which will result in contravention of BSCP 504.</p> <p>The same issue can also relate to other type of DTN flows, such as D0052, as identified in 2014/15 audit period.</p>				
2017/18 Audit Year Findings	<p>For the period ended 31 March 2018, KPMG inquired of NHHDC agents around D0023 and D0052 processing. The general message coming from agents during the audit period was that further guidance is needed for suppliers to ensure that data quality. It was again noted that where problems relate to a large number of Settlement periods, the expectation to rebuild all EAC/AAs within short periods of time may not be reasonable.</p> <p>The issue noted from the previous year was that agents did not receive guidance via BSCPs or other methods for dealing with D0052 flows that result in potential changes dated within a crystalized period. This leads to agents having a choice to non-comply with either BSCP 504 4.14.1 for affecting post-RF data or other numerous sections in BSCP504 for not processing the D0052 flow. In some cases agents have a choice only between not processing a D0052 flow at all or processing incorrect information. Where a D0052 relates to key Metering information, such as Meter effective from date, agents reported having to change post-RF data, as otherwise this will cause on-going Settlement issues due to information mismatch between different market participants.</p> <p>KPMG were informed that the majority of agents would like more clarity within the BSC guidance. All agents, who believe the issue affects their operations, agree that this Market Issue should remain open.</p> <p>Further to this from KPMGs testing of D0023 backlog values; the backlog has in general remained at the same level as the previous audit period however, more agents have had issues raised against them.</p> <p>As such the issue remains open.</p>				

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Non Half Hourly Data Collector (NHHDC) Market

Issue Title	Data fixes required to resolve Post-RF D0023 rejection records (continued)	First Raised	2014		
Status	Open	Issue Number	3437	Legacy Issue Number	N/A
Impact Rating	Medium (PY: Medium)	Has the non compliance improved over the last 12 months?	No Change		
BSC Auditor's Recommendation	As per previous year, ELEXON should consider reviewing guidance for these cases to determine whether further guidance could be provided to help market participants to have a consistent auditable approach over D0023 (and D0052) flows, specifically where they affect the crystallized period.				

Non Half Hourly Data Collector (NHHDC) Market

Issue Title	Supplier Hub interaction with other BSC Agents	First Raised	March 2018		
Status	Open	Issue Number	5751	Legacy Issue Number	N/A
Impact Rating	Medium	Has the non compliance improved over the last 12 months?	N/A		
BSC Requirement	Annex S-2: Supplier Volume Allocation Rules, Section 2.1.1 states that “Each Supplier shall ensure that, in respect of each of the Metering Systems for which it is responsible, data is supplied to the SMRA pursuant to this paragraph 2 by itself and/or its agents which is complete and accurate in all material respects, valid and timely”.				
Description	<p>The Supplier hub principle means that ultimate reasonability of BSC compliance for agents working on behalf of the Supplier, sits with the Supplier. As such, the Supplier is required to manage their agents to ensure that obligations within the BSC are met.</p> <p>For this purpose, commercial agreements are established between Supplier, agents and customer. However, ineffective management of these agreements could result in BSC non-compliances.</p> <p>KPMG have identified cases where DCs are contracted to perform activities such as Meter read collection or visits to Long Term Vacant sites at terms not in line to the BSC requirements.</p>				
2017/18 Audit Year Findings	<p>We have identified several instances where Suppliers are not ensuring DC Agents are performing activities in line with the BSC. In particular, responsibilities between Data Retrievers and Data Collectors around visits to de-energised sites have not been clearly defined, which often impacts processes such as Long Term Vacant.</p> <p>Whilst non-compliances were raised against the DCs, a root cause analysis showed that the DCs had not been instructed by the Supplier to perform these activities to meet obligations. We were informed this was due to the fact that in some instances contract obligations conflicted with the BSCPs. We note that, however, that DC agents are accepting appointments knowing they might not be compliant with the BSCP. As a result, there is a risk of potentially inaccurate data being used in Settlement.</p>				
BSC Auditor’s Recommendation	We recommend that ELEXON considers conducting a specific review of the contractual arrangements between Suppliers and their Agents to better understand the potential impact of the issue and takes corrective action.				

Supplier Market

Issue Title	Issues surrounding revenue protection amendments	First Raised	2007		
Status	Open	Issue Number	3776	Legacy Issue Number	2044
Impact Rating	High (PY: High)	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	<p>Suppliers have an overall responsibility for the quality of data applied to Settlement by all of its Agents. In particular, Balancing and Settlement Code (BSC) section S2.1.2 states that each Supplier shall ensure compliance by each of its Supplier Agents, with the relevant BSCPs. This includes BSCP504 Non Half Hourly Data Collector (NHHDC) section 3.3.11.5 that requires the NHHDC Agents to send Estimated Annualised Consumption (EAC) and Annualised Advance (AA) data to Suppliers, and sections 3.4.1 4 and 5 that require the NHHDC Agents to send valid and invalid Meter readings to Suppliers.</p> <p>Also, BSCP504 section 3.4.2.1 requires the Supplier to send notification of inconsistencies to the NHHDC Agent as necessary. In addition Section U, 1.2.1 of the code confirms that "Without prejudice to any specific provisions of the Code relating to the accuracy and completeness of data, each Party shall ensure that and undertakes that all information and data submitted or otherwise provided by or on behalf of such Party to the Panel, any Panel Committee, BSCCo, the BSC Clearer or any BSC Agent pursuant to any provision of the Code or any Code Subsidiary Document will as far as reasonably possible be accurate and complete in all material respects.</p>				
Description	<p>During previous year enquiries, we were told of a number of concerns around the processing of revenue protection amendments into Settlement, these included:</p> <ul style="list-style-type: none"> — Lack of clarity surrounding existing BSCP requirements in place surrounding revenue protection, as at present the only requirements are outlined in BSCP504 and require the NHHDC to update its system with a revised Meter advance and calculate a new EAC/AA. — Lack of guidance on who is responsible for notifying the NHHDC / HHDC of these revenue protection amendments. — Lack of guidance on process that should be followed in determining the revised Meter advance based on revenue protection amendments e.g. append to last valid Meter reading or final Meter reading. — Where revenue protection amendments have been made to Settlement there is currently no mechanism to ensure that these values remain in Settlement and are not removed by exception management processes e.g. High EAC/AA monitoring. — Uncertainty regarding activities performed by the Revenue Protection Service (RPS) and the methods used for calculating unrecorded units as well as processes in place to notify the relevant parties. <p>ELEXON proposed that the PAB should wait for further Ofgem guidance on this issue and noted that currently Ofgem are asking Suppliers to raise a change to incentivise the detection of theft. ELEXON proposed that the Market Issues Working Group continue to monitor the issue on a monthly basis.</p> <p>A central body is to be established to administer Supplier incentive schemes, which will need Settlement data. Incentive schemes would need to be in place before a change is raised, so it is more evident what data is needed by the central body.</p>				

Continued on next slide



Supplier Market

Issue Title	Issues surrounding revenue protection amendments	First Raised	2007		
Status	Open	Issue Number	3776	Legacy Issue Number	2044
Impact Rating	High (PY: High)	Has the non compliance improved over the last 12 months?	No Change		
2017/18 Audit Year Findings	<p>Participants echoed the sentiments from previous year audits, that there is a lack of guidance in this area, notably in respect of consumption calculation (accuracy of theft assessments). BSC parties are required to process revenue protection reads within BSCP 504, however detailed guidance to ensure consistent action across the market is not provided.</p> <p>Several suppliers emphasised the importance of detailed BSCP guidance. In addition, one Supplier suggested facilitation of an “education day” and sharing of the BSCP via Newscast to reinforce the BSCP’s guidance.</p> <p>Additionally to previous years, it was raised by parties that smart Meters do not generally experience the same number of Revenue Protection issues as traditional NHH Meters. As such with the move towards smart Metering it is anticipated there will be a reduction in the number of scenarios impacting Suppliers.</p>				
BSC Auditor’s Recommendation	<p>ELEXON are currently investigating the impact of the lack of consistency around processing of revenue protection reads. It is recommended that all Suppliers are contacted to discuss how they approach revenue protection reads.</p> <p>It is recommended that additional guidance should be issued to all parties to address common concerns around the process and provide clear instructions for how Suppliers should manage revenue protection amendments.</p>				

Supplier Market

Issue Title	Lack of BSCP defined timescales within the Supplier Disputed Reading process	First Raised	2012		
Status	Open	Issue Number	3779	Legacy Issue Number	2552
Impact Rating	Medium (PY: Medium)	Has the non compliance improved over the last 12 months?	No change		
BSC Requirement	BSCP504 Section 3.2.6 details the requirements involved in the Change of Supply process. Sections 3.2.6.25 through 3.2.6.29 outlines the activities to be followed when processing a Supplier Agreed Reading (SAR) via a D0300 'Disputed Readings or Missing Readings on Change of Supplier', for example after a dispute being raised. Further details of the activities involved within the process are outlined within MRA Agreed Procedure 08 'The Procedure for Agreement of Change of Supplier Readings and Resolution of Disputed Change of Supplier Readings'.				
Description	<p>As part of the Change of Supplier process it is the responsibility of the new NHHDC Agent to obtain or calculate an appropriate Change of Supplier reading, which is then passed to the new Supplier and old NHHDC. The old NHHDC in turn passes this to the outgoing Supplier. This reading is received on a D0086 'Change of Supplier Readings' flow. As this reading is a key reading to enable the CoS to process it will typically not undergo any specific validation by the NHHDC prior to processing.</p> <p>As a result, a large volume of reported erroneous EAC/AA values are highlighted by Suppliers as having been generated as a result of erroneous CoS readings. To combat this D0300 'Disputed Readings or Missing Readings on Change of Supplier' flows were introduced to enable Suppliers to challenge the CoS readings they have been provided. However, during the course of our work we noted a number of concerns around the management of MPANs that were going through this process, primarily the lack of defined timescales within BSCP504, which parties are required to adhere to in agreeing to and responding to a D0300 flow. This has resulted in an inconsistent level of responsiveness from Suppliers in dealing with D0300 flows. As a result Suppliers have noted erroneous EAC/AA values in Settlement which they are not able to resolve until the other Supplier provides them with the required D0300 flow. MRA Agreed Procedure 08 'The Procedure for Agreement of Change of Supplier Readings and Resolution of Disputed Change of Supplier Readings'(MAP08), which is referenced in a footnote within BSCP504, does include details of the expected timescales that should be followed. Although not within the scope of the work performed our audit has determined that Suppliers are not meeting the timescales required of them per the agreed procedure.</p>				
2017/18 Audit Year Findings	<p>Suppliers informed us that they follow the timeframes detailed within MAP08 guidance to process the flows related to the Disputed Change of Supplier Readings process and that they believe this to be clear. However, the issues arise when other Suppliers are not compliant with these timescales. It is felt that the BSCP should be updated to reflect the MAP08 guidance and should then be cascaded to the industry.</p> <p>Our fieldwork confirmed the Suppliers comments. Testing performed over the investigation and resolution of Erroneous Large Estimated Annual Consumption (EAC) and Annualised Advances (AA) noted that erroneous consumption entered into Settlement due to delays in agreeing the reads between Suppliers and the issuing of the D0086 flow by the new NHHDC.</p>				
BSC Auditor's Recommendation	While we acknowledge that there is existing guidance under MAP08 process, it is recommended that ELEXON review and update current BSC documentation regarding the Supplier Disputed Reading process to ensure that clear guidance around timescales is provided to all relevant market participants.				

Supplier Market

Issue Title	Supplier Hub interaction with other BSC Agents	First Raised	March 2017		
Status	Open	Issue Number	5751	Legacy Issue Number	N/A
Impact Rating	Medium (PY : Medium)	Has the non compliance improved over the last 12 months?	Yes		
BSC Requirement	Annex S-2: Supplier Volume Allocation Rules, Section 2.1.1 states that “Each Supplier shall ensure that, in respect of each of the Metering Systems for which it is responsible, data is supplied to the SMRA pursuant to this paragraph 2 by itself and/or its agents which is complete and accurate in all material respects, valid and timely”.				
Description	<p>The Supplier hub principle means that ultimate reasonability of BSC compliance for agents working on behalf of the Supplier, sits with the Supplier. As such, the Supplier is required to manage their agents to ensure that obligations within the BSC are met.</p> <p>For this purpose, commercial agreements are established between Supplier, agents and customer. However, ineffective management of these agreements could result in BSC non-compliances.</p> <p>KPMG have identified cases where DCs are contracted to perform activities such as Meter read collection or visits to Long Term Vacant sites at terms not in line to the BSC requirements.</p>				
2017/18 Audit Year Findings	<p>We have identified several instances where Suppliers are not ensuring DC Agents are performing activities in line with the BSC. In particular, responsibilities between Data Retrievers and Data Collectors around visits to de-energised sites have not been clearly defined impacting processes such as Long Term Vacant.</p> <p>Whilst non-compliances were raised against the DCs, a root cause analysis showed that the DCs had not been instructed by the Supplier to perform these activities to meet obligations. This was due to the fact that in some instances, DCs were not able to meet contractual obligations with the supplier if they were to adhere to the BSCP.</p> <p>As a result, there is a risk of potentially inaccurate data being used in Settlement.</p>				
BSC Auditor's Recommendation	We recommend that ELEXON considers conducting a specific review to better understand potential impact of the issue and takes corrective action.				

Unmetered Supplier Operator (UMSO) Market

Issue Title	Inconsistencies with BSCP520 and supporting documents	First Raised	2013		
Status	Open	Issue Number	3781	Legacy Issue Number	2606
Impact Rating	Low (PY: Low)	Has the non compliance improved over the last 12 months?	No Change		
BSC Requirement	BSCP 520 and supporting documents (Party Service Line 100 (“PSL100” and the Operational Information Document “OID”) specify the responsibilities, both for the UMSO and MA, with regards to the operation and execution of an unmetered supply.				
Description	<p>Inventory Submissions Section 3.2.3 notes that after the customer submits the inventory to the UMSO, it should be sent to the Meter Administrator (MA). There is currently no requirement for the UMSO to validate the accuracy of the inventory against the OID prior to sending it on to the MA. As a result this can cause an elongated process, as the MA under section 3.2.4 will compare the charge codes and switch regimes against those that are permitted in line with the OID. Where any charge codes are deemed to be incorrect the MA will reject and return the inventory to the UMSO, who in turn will liaise with the customer. Moreover, there are no requirements currently within the BSCP520 to confirm the validity of NHH equipment (e.g. equipment circuit wattage etc.).</p> <p>Section 3.2.3 notes that “if HH, following 3.2.2 (customer submits inventory to UMSO) that when UMSO has agreed amendment to summary inventory with customer, then within 5WD send revised summary inventory details to MA.” Accordingly, this is causing processing delays for the MA, as whilst the UMSO may receive data in month 1, how they obtain that agreement from the customer (and the timescales to obtain said agreement) is not stipulated within the BSCP520. Therefore we have seen examples of where data is receipted by the UMSO, not processed for 3 months (at which point they then seek customer agreement). Subsequently this data is sent to the MA with the 5WD timeline. This subsequently results in the MA having to perform numerous retrospective calculations and delays in the data moving into Settlement.</p> <p>Audit Trails A number of UMSOs and MAs have noted that Party Service Line 100 (“PSL100”) should be combined with the BSCP520 in order to provide clarity with regards to the level of audit trail required within the market. For example there are currently only 3 specific requirements under the BSCP520 in relation to audit trails;</p> <ul style="list-style-type: none"> — Section 1.2.4.2 EM Audit requirements, which notes that data in relation to energisation and de-energisation must be retained alongside data which would enable the incoming MA (on change of MA) to perform their job. — Section 1.3.4 states that “evidence to support the calculation shall be retained;” and — Section 4.5.2 denotes that “the system [in reference to a passive Meter] shall provide an audit trail of changes to data held.” <p>Due to the nature of market communications between the various parties (i.e. non usage of the DTN) the BSC Auditor noted inconsistencies with regards to the retention of data and the audit trail supporting said data. Agents have noted that by embedding the audit trail requirements within the BSCP520 this would help provide clarity over the level of audit trail required, especially with regards to those processes which the BSCP520 allows for “electronic or other means as agreed.”</p> <p>Market Domain Data Section 3.10.3 notes that “within 4 working hours of receipt of MDD [which can take the form of D0269, D0270 and MDD circular] the UMSO and MA must send a P0024 acknowledgement to the MDDM.” UMSOs and MAs question the validity of this section, as it is currently unclear as to what MDD constitutes within the unmetered market. Moreover, in the majority of cases most parties believe they do not receive any of the aforementioned information. Accordingly this is deemed to be redundant.</p> <p>P317 was implemented in June 2015, which sought to remove outdated wording from BSC Section S and better align the BSC with current working practice.</p>				

Unmetered Supplier Operator (UMSO) Market

Issue Title	Inconsistencies with BSCP520 and supporting documents (cont.)	First Raised	2013		
Status	Open	Issue Number	3781	Legacy Issue Number	2606
Impact Rating	Low (PY: Low)	Has the non compliance improved over the last 12 months?	No Change		
2017/18 Audit Year Findings	<p>Inventory Submissions</p> <ul style="list-style-type: none"> — 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. <p>Audit Trails For all parties tested, there were no concerns identified over knowledge of the requirement to retain an audit trail.</p> <p>Market Domain Data Agents agreed that the acknowledgement of MDD data is redundant as this is acquired by the MA / UMSO.</p> <p>It is noted that CP1507 is currently in CPC consultation. This change is designed to bring the BSC in line with the working practices surrounding this Market Issue. It is expected that upon implementation in the forthcoming audit period, that the Market Issue shall be closed.</p>				
BSC Auditor's Recommendation	It is noted that upon implementation of CP1507, that the BSC will sufficiently reflect working practices.				



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