

PUBLIC

# Quarterly Performance Assurance Report

Quarter 1 - 2019/20

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Draft  
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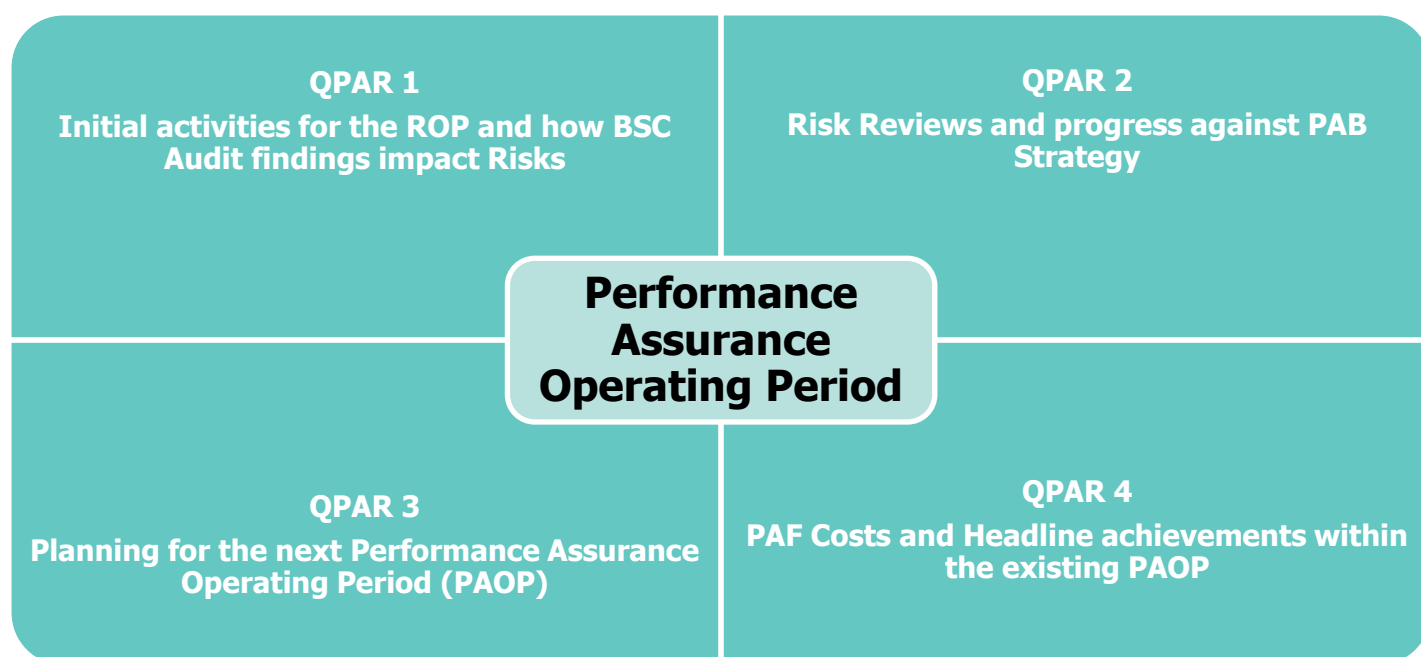
## OVERVIEW

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The Performance Assurance Board (PAB) is required, by Balancing and Settlement Code (BSC) Section Z 8.1<sup>1</sup>, to prepare an Annual Performance Assurance Report (APAR). Following the PAF Review, ELEXON intends to provide a Quarterly Performance Assurance Report (QPAR), which includes:

- Results from risk evaluation and risk assurance procedures focussing on the outcome of deployment of Performance Assurance Techniques (PAT);
- The actual costs associated in delivering the Performance Assurance Framework (PAF) compared with the estimated costs set out in the Risk Operating Plan (ROP); and
- Recommendations for modifying the PATs.

In addition, the content of the QPAR will focus on the Performance Assurance activities undertaken within the previous quarter. This may mean that, within each QPAR, the content and information provided changes or has a specific focus in line with activities undertaken. ELEXON will, over the course of the four quarterly reports, cover the full scope of the Performance Assurance Framework and our Risk Operating Plan. As a guide, we anticipate the four quarterly reports to have focus on the following areas



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<sup>1</sup> <https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/bsc-sections/>

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## Quarter 1 - Introduction

Following successful approval of the Risk Operating Plan, ELEXON have instigated deployment of techniques across the 34 identified Settlement Risks, with a focus on 8 particular risks, as outlined within the plan.

The 8 focussed risks are

- Risk 3 - SVA Metering Equipment is installed, programmed or maintained incorrectly including where Commissioning is performed incorrectly or not at all
- Risk 5 - A fault with SVA Metering Equipment is not resolved, such that metered data is recorded incorrectly or cannot be retrieved
- Risk 7 - SVA Metered data is not retrieved, such that the proportion of estimated data being used in Settlement contributes to performance standards not being met
- Risk 11 - Unmetered Supplies volumes are calculated incorrectly or not at all
- Risk 16 - The energisation status held in SMRS or by any party in the Supplier Hub does not match the physical energisation status of the SVA Metering System
- Risk 18 - Revenue Protection processes are not managed sufficiently, such that unrecorded energy volumes are excluded from Settlement
- Risk 21 - CVA metered data is not retrieved, or processed correctly, or at all, by the CDCA
- Risk 23 - A fault with CVA Metering Equipment is not resolved, such that metered data is recorded incorrectly or cannot be retrieved

All Focussed Risks, with the exception of Risk 18, have been assessed as causing the greatest risk, in terms of £impact, to Settlement. In the case of Risk 18 (Revenue Protection processes...) and Risk 11 (Unmetered Supplies volumes...) our approach is largely exploratory, with a view to better understanding these risks, and in doing so, establish more efficient controls of processes relating to these risks.

Whilst resource has been directed at focussed risks in the first instance, there is ongoing BAU deployments of techniques against all 34 risks.

Updates within this QPAR will focus on any changes to Risks or Techniques that have occurred within the quarter. Any Risks or Techniques that are unchanged will not be referenced.

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## Key points of progress so far (Risk Management)

- **Risk Evaluation Register and Risk Operating Plan presented to sub committees across the industry**

Including Trading Dispute Committee (TDC), Unmetered Supplies User Group (UMSUG) and Technical Assurance of Metering Expert Group (TAMEG). We have also fed PAF recommendations into the scoping work for the Target Operating Model for Mandatory Half Hourly Settlement.

- **Risk Policies developed for all Focussed Risks**

The Policy document is intended to function as a guide for BSC parties to understand expected levels of performance and mitigation for each Risk. Initial drafts have been discussed with Performance Assurance Board and feedback considered. The Policies will be re-presented to PAB, along with initial reporting drafts, to “walk-through” how the documents will be used in practice, during quarter 2

- **Development of Risk Reporting is on-going**

Initial drafts are being prepared for presentation to the Performance Assurance Board (PAB). In the interim, ELEXON has provided BSC parties with a guide on how to apply existing reporting (based on previous Risks) to our new risk framework [here](#). We also closed the last Performance Assurance Operating Period with our final Annual Performance Assurance Report (APAR) in May 2019. In addition, we have created a Risk Visualisation Tool, to aid parties in understanding where Risk occurs across BSC processes.

- **Risk Owners are active and re-scoring Risks**

Each ELEXON Risk Owner is now actively managing their assigned risk, with support from the Risk Team within ELEXON, receiving information and feedback for their risk, and providing insight on changes, risk evaluation and guidance. For the first time; we have been able to disseminate issues identified within the BSC Audit to Risk Owners, allowing them to consider the impact of these issues on their risk.

- **New Risks and Issues have been added and incorporated**

We have adjusted and added details to our existing Risk information, based on changes within the industry, information received from industry parties and through the ongoing review and re-assessment of Risk.

Notable changes and developments include

- the addition of a risk relating to Virtual Lead Parties
- the review of Risk 001 (Registration) in light of issues relating to Associated Distribution system

- **Re-assessing Performance Assurance Techniques (PAT)**

In line with PAT review taking place as part of the wider PAF review, ELEXON is implementing changes to two techniques, BSC Audit and Technical Assurance of Metering. In addition, ELEXON is reviewing techniques which are out of scope of the PAF review, such as:-

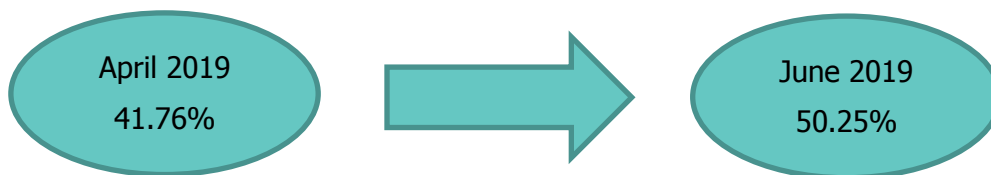
- Education – Seeking to align Education with new risks, and using Education deployment more directly
- Trading Disputes – considering increased materiality threshold and capturing root cause information to feed into Risk reviews. This addresses a recommendation raised by the Design Working Group as part of the ongoing design of the Market-wide Half Hourly Settlement Target Operating Model.

## Risk Landscape

- Our Risk Evaluation Register remains at 34 Risks (18 SVA Risks and 16 CVA)
- We have fully rescored one risk (Risk 027), the calculated risk impact has been adjusted accordingly
- All other risks impacts remain as outlined in the RER 2019/20
- Our view of proposed risks for focus is unchanged and the eight risks identified for focus within the ROP are unchanged.
- We anticipate being able to present movement against targeted impact for the focussed risks in the QPAR 2
- We are currently assessing the impact of Virtual Lead Parties to existing risks, and may require a new additional risk specifically for this issue.

## Key Industry Metrics

### % of Energy in NHH Market Settled to performance standard (97% or higher at RF)



### % of Energy in HH Market Settled to performance standard (Performance at 99% or higher at SF)

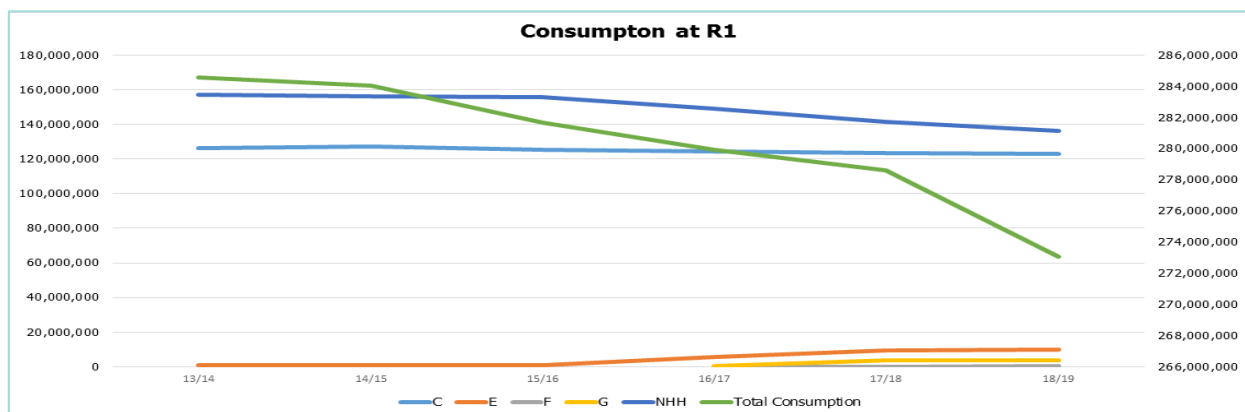
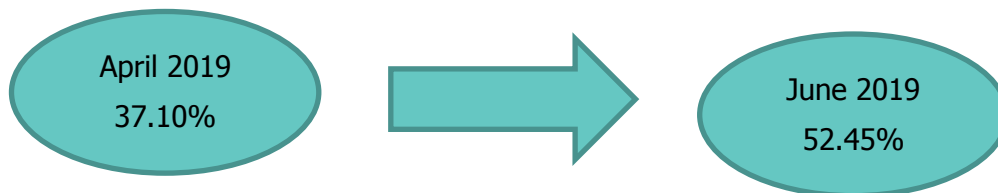


Figure 1: Total Consumption on secondary axis

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## FOCUSSED RISK OVERVIEW

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### Risk 003 - Metering Equipment installation, programming, maintenance and Commissioning

#### Risk Owner Update

In terms of analysis for this Risk, ELEXON has compared CT/VT ratios held in the D0215 and D0268 and have evaluated the number of D0215s sent, the number of D0382s sent and the reason codes held within them. This analysis allowed us to better understand if D0382 dataflows have been used correctly and if that, in turn is improving the use of the D0215 dataflow.

With a view to managing any future changes to this Risk, ELEXON have commenced a CoP4 Working Group to review potential changes and clarifications of CoP4. ELEXON has also considered the impact to this risk in relation to the deterioration of 2g networks and PTSN. ELEXON visited ASL to discuss impacts on the future of connectivity to better understand the processes within the Telecommunications industry and their roll-out of this change

BSC Audit issues			
	2016/17	2017/18	2018/19
No. of high issues	1	2	6
No. of medium issues	4	4	2
No. of low issues	2	4	5
No. of MLP issues	N/A	N/A	2

The BSC Auditor raised issues relating to

- **Weak process design** – identified in failure to notify parties of Commissioning Status and failure to Commission Meters
- **Resource constraints** – identified in the lack of Commissioning record retention, a backlog of Commissioning records requiring processing, and a failure to record Energisation Status effective from dates.
- **Manual errors** – identified in failure to Commission Meters, failure to notify parties of Commissioning Status and a lack of record keeping resulting in the loss of CT Calibration Certificates.
- **Training and Knowledge** issues - identified in failure to notify parties of Commissioning Status and failure to Commission Meters and a lack of Commissioning record keeping.

#### Next Steps

- **The development of reporting** which identifies Meters that require Commissioning or the notification of Commissioning or both to the appointed Parties.
- **Review of current guidance documentation** on record keeping expectations for Commissioning and sending to Parties via Newscast.

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## Risk 005 – SVA Fault Resolution

### Risk Owner Update

The Risk Owner has investigated the average timescales for the resolution of fault, split by fault category. Our findings in this analysis suggest 30WD to be the average for most fault types that did not require LDSO intervention. We will further challenge this data by allaying to D0135 timescales for code B (40WD) to establish a firm conclusion.

The Risk Owner has also played a key role in the Issue 73 work group. Issue 73 is currently looking the faults process as a whole and is proposing to make significant changes. The current proposal includes (but is not limited to)

- Replacement of the D0005 with a bespoke “fault progress update flow”
- Creation of a unique fault reference to allow faults to be tracked easier
- Creation of “fault categories” e.g Comms fault, Meter fault, MTD mismatch
- Replacement of 5 and 15WD timescales with more appropriate SLAs derived from analysis of average time taken to close faults. These SLAs are intended to differ based on fault categories.
- Addition of an “LDSO fault process” to improve visibility of accountability for faults related to measurement transformers.

BSC Audit issues			
	2016/17	2017/18	2018/19
No. of high issues	0	0	1
No. of medium issues	1	5	5
No. of low issues	12	10	7
No. of MLP issues	N/A	N/A	11

The BSC Auditor raised issues relating to

- **Weak process design** – identified in failure to provide Meter Readings as prescribed by the BSC, failure to send D001s and D0002s within BSC timescales, and a failure to process potential fault information.
- **Resource constraints** – identified in failure to provide a D0002 following fault resolution within BSC timescales and a failure to respond to Request for Further Action.
- **Manual Errors** – identified in failure to process and send D0001s, D0002s, and D0005s within BSC timescale and a failure to process potential fault information.

### Next Steps

- **Developing reporting** which monitors fault investigations to ensure all parties are aware of any outstanding faults requiring resolution.
- **Trial Peer Comparison** of the reporting in order to drive better performance at Parties and Party Agents.
- **Reviewing current guidance documentation** on record keeping expectations for Fault investigation and sending to Parties via Newscast.



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## Risk 007 – Retrieval of Metered Data

### Risk Owner Update

ELEXON undertook updated analysis on the Settlement Performance of HH Measurement Classes (MC) E, F and G in June 2019 and the public paper setting this out is available [here](#). On 15 June ELEXON hosted a HH Settlement workshop. The event covered Settlement Risks and PAF Review, HH Settlement Performance for MC C, E, F and G, Communications Fault Resolution and Market-wide Half Hourly Settlement. The slides from the event are available [here](#).

The Workshop was well received by the attendees; many noted the benefit of collaborating with other parties and party agents on the common issues affecting the industry. ELEXON is in a process of collating notes from the group discussions which will be used to create a Half Hourly Settlement Guidance Document, in line with the PAB Approved Risk Operating Plan 2019/20.

BSC Audit issues			
	2016/17	2017/18	2018/19
No. of high issues	0	0	0
No. of medium issues	1	5	2
No. of low issues	12	10	3
No. of MLP issues	N/A	N/A	3

The BSC Auditor raised issues relating to

- **Weak process design** – identified in the failure to process D0004s, D0010s and D0310s, including the build-up of backlogs of these Flows.
- **Resource constraints** – identified in the processing of D0004s

### Next Steps

- **Reviewing Audit work papers** - to ensure the paper reflects the risk factors for Risk 007
- **Developing a HH Settlement guidance document** – utilising the information and feedback obtained in the HH Settlement workshop held in June 2019.

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## Risk 011 – Unmetered Supplies

### Risk Owner Update

ELEXON produces Quarterly reporting on the HH and NHH Gross Error Volumes of Unmetered Supplies as part of the Material Error Monitoring Performance Assurance Technique. The report reconciles submissions from both the Unmetered Supplies Operator (UMSO) and the Supplier, comparing the EACs held in each inventory, and delivering any discrepancy to both the Supplier and UMSO for rectification. ELEXON has reported an average of 70,139 MWhs of gross error for each quarter over the last 3 years, with quarterly Gross Error totals as high as 217,655MWh, and as low as 23,495MWh. ELEXON has also noted a decline in NHH UMS energy, which may be a result of improvements in equipment energy efficiency, as well as the adoption of Central Management Systems (CMS) for street lighting.

ELEXON highlights the lack evidence in maintaining Customer Inventories as a concern for Risk 011. ELEXON has also received anecdotal evidence of Customers and/or UMSOs failing to update operational processes in line with the Operational Information Document (OID), which was updated in May 2019, following redlining of the document at the Unmetered Supplies User Group (UMSUG).

The update related to the method for reporting Charge Codes, Controllers, and Switch Regime metrics as key data items for calculating an inventories' EAC. The Risk Owner will be promoting engagement with the OID to ensure that parties are familiar with changes and updates.

The Risk Owner notes Local Miscellaneous Charge Codes as an area of improvement in its understanding, whereby UMSOs and Manufacturer agree Charge Codes without seeking ELEXON approval. The Risk Owner is investigating routes to gaining access to data that can improve ELEXONs impact evaluation of Risk 011, and will liaise with DCUSA and the ENA.

The Risk Owner will be presenting the Risk, Policy, and approach to furthering ELEXONs understanding of Risk 011 to the UMSUG in August 2019.

BSC Audit issues			
	2016/17	2017/18	2018/19
No. of high issues	0	0	0
No. of medium issues	1	0	1
No. of low issues	0	2	6
No. of MLP	N/A	N/A	4

The BSC Auditor raised issues relating to

- **Weak process design** - identified in D0310 processing with a lack of audit trails, failure to update charge codes as required, and late processing of Unmetered Supplies Inventories, an issue which had been noted in the 2017/18 BSC Audit.

### Next Steps

- **Reviewing Audit work papers** - to ensure the paper reflects the risk factors for Risk 011
- **Conduct Analysis** – meeting with DCUSA to explore the improvement of Material Error Monitoring for Unmetered Supplies

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## Risk 016 – Energisation Status

### Risk Owner Update

For the Energisation Risk, the Risk Owner has noted a high number of issues during the BSC Audit. These issues have relate to Meter Operators, Suppliers and Data Collectors. Issues are related mainly to the obligation to regularly read De-Energised Meters, Data flow process failures due to system weaknesses and processing Meter Technical Details.

ELEXON has received an interim request from one party for the issue regarding de-energised site visits to be raised. ELEXONs view remains that the obligation as it stands is fit for purpose, though this does highlight a performance issue that the Risk Owner will monitor.

ELEXON monitors the issue of incorrect Energisation Status and reports information to the industry by using Material Error Monitoring Technique. In order to address the Risk issues, this monitoring process will be reviewed to provide more efficiency as this report covers Non Half Hourly Sites only

Additionally, the Risk Owner has reviewed Risk Evaluation Register information and updated this after taking into account the Risk Factors, noted controls, Key Risk Indicators and the relevant BSC and BSCP processes for Energisation Status. In order to have an effective resolution on the noted controls, the Risk Owner has requested to attend site visits with BSC Auditors to monitor parties and understand their approach to uncover the root causes.

BSC Audit issues			
	2016/17	2017/18	2018/19
No. of high issues	0	0	5
No. of medium issues	1	0	23
No. of low issues	0	2	19
No. of MLP	N/A	N/A	12

The BSC Auditor raised issues relating to

- **Weak process design** – identified in Visits to De-energised sites, the processing of changes to Energisation status and completeness of Disconnection of metering systems
- **Manual Errors** – in the Processing of changes to Energisation status
- **System Issues** – in the Processing of changes to Energisation status
- **Training and Knowledge issues** – identified in the Processing of changes to Energisation status

### Next Steps

- **Reviewing MEM provision** - to improve engagement and scope of reporting
- **Conduct Site visits** – working with BSC Auditor to explore the management of controls for Energisation Status

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## Risk 018 – Revenue Protection

### Risk Owner Update

The Risk Owner has been cooperating with ElectraLink in its role as the Theft Risk Assessment Service administrator, in order to gain access to the identified theft report, published to suppliers on a monthly basis. The Risk Owner has provided Change requests and impact assessments to ElectraLink for their submission to the DCUSA panel, for decision in July 2019. The DCUSA Panel reviewed the request and have approved its submission to the Theft Issue Group for their decision in August 2019

The Risk Owner is preparing to develop an Identified Theft Reconciliation Report; the report would establish if all cases of identified theft are settled correctly as required in BSCP504 3.6. The report would reconcile the identified theft instances with the corresponding manual adjustment, and be delivered to the appropriate Parties. The proposed Identified Theft Reconciliation Report aims to improve and incentivise the correction of theft volumes in Settlement from all Parties, for the benefit of all GB Energy Parties.

### Next Steps

- **Reviewing Audit work papers** - to ensure the paper reflects the risk factors for Risk 011
- **Conduct Analysis** – cooperating with DCUSA to explore the improvement of Material Error Monitoring for Unmetered Supplies

## Risk 021 – CVA Retrieval of Metered Data

ELEXON is unable to provide an update for this risk. Further updates will be provided in Q2 QPAR

## Risk 024 – CVA Fault Resolution

### Risk Owner Update

ELEXON has introduced an escalation process for resolution of Dial Faults and Data Quality faults that are outstanding for a certain length of time (10WD). The CDCA sends ELEXON a spreadsheet of all the CVA faults notified to Registrants/MOAs each week and certain faults are flagged for escalation. ELEXON emails the Registrants and ask for a rectification plan. This plan needs to be submitted within a certain timescale (10WD). ELEXON then chase if either the plan has not been received or to confirm the fault has been rectified at the planned time.

In 2015, proving tests not being performed or not performed on a timely basis was a significant issue. ELEXON raised a change, [CP1491](#), (implemented in Feb 2018) to extend the timescales from 1WD to 3WD (and modify forms). While this is still an issue, the BSC Audit Report notes improvement and is considered to have a low material impact.

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## OTHER NOTABLE RISK UPDATES

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ELEXON has reviewed the BSC Audit issues output and has performed an assessment of each Risk. The BSC Auditor denotes each Audit issue with a High, Medium, Low or Management Learning Point (MLP) this describes the Auditor's opinion of the Materiality of each issue.

### Risk 004 – Notification of Change to Metering Equipment

There were notable issues raised against this risk relating to

- Sending D0002, D0010, D0215, D0268 and D0312 dataflows within BSC timescales
- Processing Metering equipment works notifications
- Lack of Audit Trails
- Processing of dataflows during a CoMC event
- Responding to D0142s

The Risk Owner will review the guidance documents to ensure the Audit Issues raised are incorporated, this could be in conjunction with an Education day for Parties. The Risk Owner will be conducting a review of the Audit work papers to ensure their coverage of the risk factors as outlined in the Risk Evaluation Register.

### Risk 008 – Processing of Metered Data

There were notable issues raised against this risk relating to

- Failure to resolve large EAC/AA errors
- Lack of controls in validating and deeming Readings
- System Issues preventing the processing of D0010s, D0019s and Large EAC/AA errors

The Audit issues raised against Risk 008 require a range of responses to resolve their root causes. The Risk Owner is tasked with reviewing Guidance documents on the [Meter Read Validation Algorithm](#) and [The Management and Resolution of Large EAC/AAs](#) and sharing with BSC Parties. To assist parties in their undertaking of the BSC Audit, ELEXON should release Guidance documentation to advise Parties on the level of evidence and record keeping requirements that should be met in order to comply with BSC Audit.

### Risk 010 – Meter read history

Whilst the issues raised against this risk were all Low/MLP issues, due to the nature of the audit issues raised during the 2018/19 BSC Audit against Risk 010, the Risk Owner is reviewing the ELEXON guidance documents to align them with the changes made to the RER, and will update parties via Newscast.

### Risk 013 – Manual Adjustments

There were notable issues raised against this risk relating to

- Gross Volume Correction processing
- Resolution of High EAC/AA errors

- Processing of Long Term Vacant (LTV) Sites showing consumption

The Risk Owner is planning an educational review of the correct processing of Manual Adjustments, focusing on Gross Volume Correction and Long Term Vacant sites to advise Parties on the level of evidence and record keeping requirements that should be met in order to comply the with BSC Audit.

### Risk 020 – CVA Metering Equipment installation, programming, Maintenance and Commissioning

The BSC CVA Audit identified a new issue on Commissioning of Metering Systems. In addition, ELEXON identified a dispute relating to this risk with a materiality c£5m.

The Risk Owner notes the key issues identified within the BSC CVA Audit as relating to Training and Knowledge and System Issues.

The Risk Owner and Risk Team will be re-scoring this risk as a priority and will present any material changes to the scoring of this Risk to PAB.

## Risk Reviews

### Risk 027 – Payment Default

ELEXON has reviewed the impact of Risk 027 following the default of a further ten Suppliers within the PAOP. The assessment lead to a re-evaluation of the risk to represent the events of default observed in the 2018/19 PAOP. The middle impact value of the Settlement Risk increased whilst the upper impact value reduced, resulting in a reduced volatility. Further information on the re-evaluation can be found [here](#).

Market	Event	Total materiality		
		Lower	Middle	Upper
SVA/CVA	SoLR	£0	£511,500	£1,625,000

### Virtual Lead Party Risk

Virtual Lead Parties (VLP) have been introduced to the BSC as of the [February 2019 release](#). ELEXON Subject Matter Expert has identified possible Settlement Impacts of VLPs and the Balancing Services they provide and have outlined them in the Draft Risk 035 – Virtual Lead Parties attachment. ELEXON is yet to calculate the Impact of the risk to Settlement VLPs pose as they begin to enter the market, and an understanding of their performance is established.

ELEXON have also provided the P375 Workgroup with the Draft Risk 035 for their comment and consideration.

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## TECHNIQUE UPDATES

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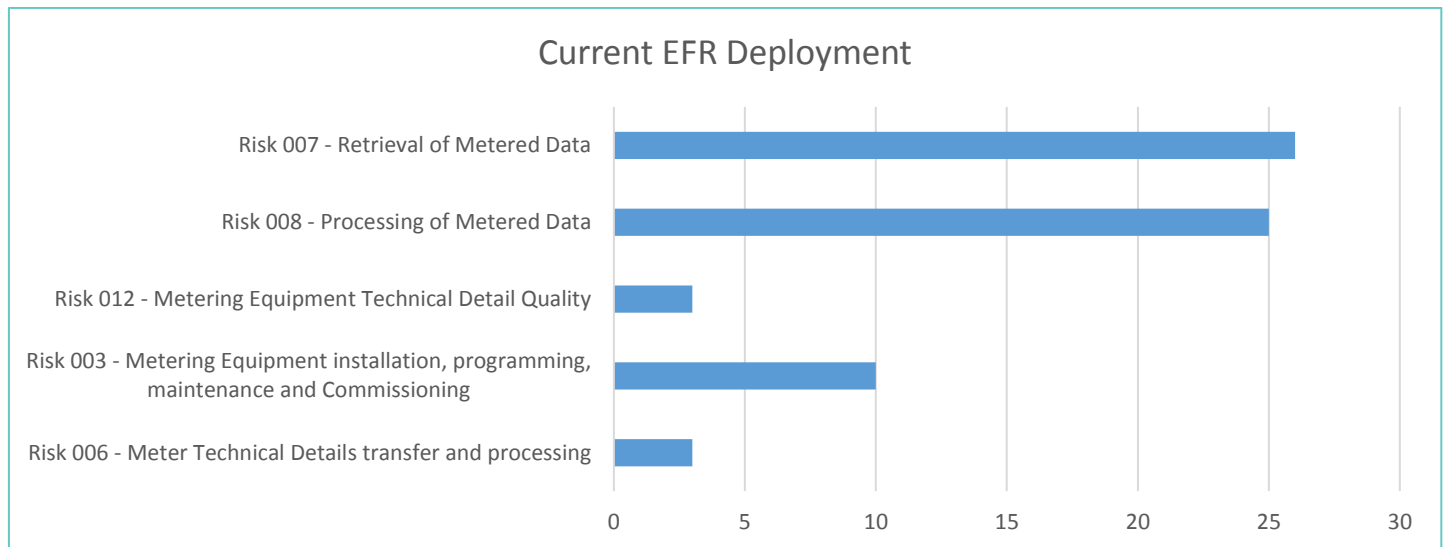
### BSC Audit

ELEXON has reviewed the BSC Audit in line with the ROP and is preparing a number of recommendations and improvements to the technique with the Auditor.

Suggested improvements include:-

- Changes to Entity Selection utilising new Risks
- Closer links with other Performance Assurance Techniques
- Trial of Desktop Audits
- Removal of the automatic deployment of EFR for Medium and High Issues, instead risk assessing each issue, in line with the relevant Risk Evaluation Register and Risk Operating Plan

### EFR



### Education

ELEXON plans to review the scope of the Education technique.

This PAT is out of scope for review as part of the PAF Review project, however, ELEXON's internal Risk Evaluation Work Group (REWG) has approved an internal review to consider how this technique could be deployed, aligning content with the Risk Operating Plan, investigating new educational techniques and ensuring that educational deployments deliver performance improvements and mitigations.

ELEXON is proposing an initial change to the Education technique to address some issues raised within the BSC Audit.

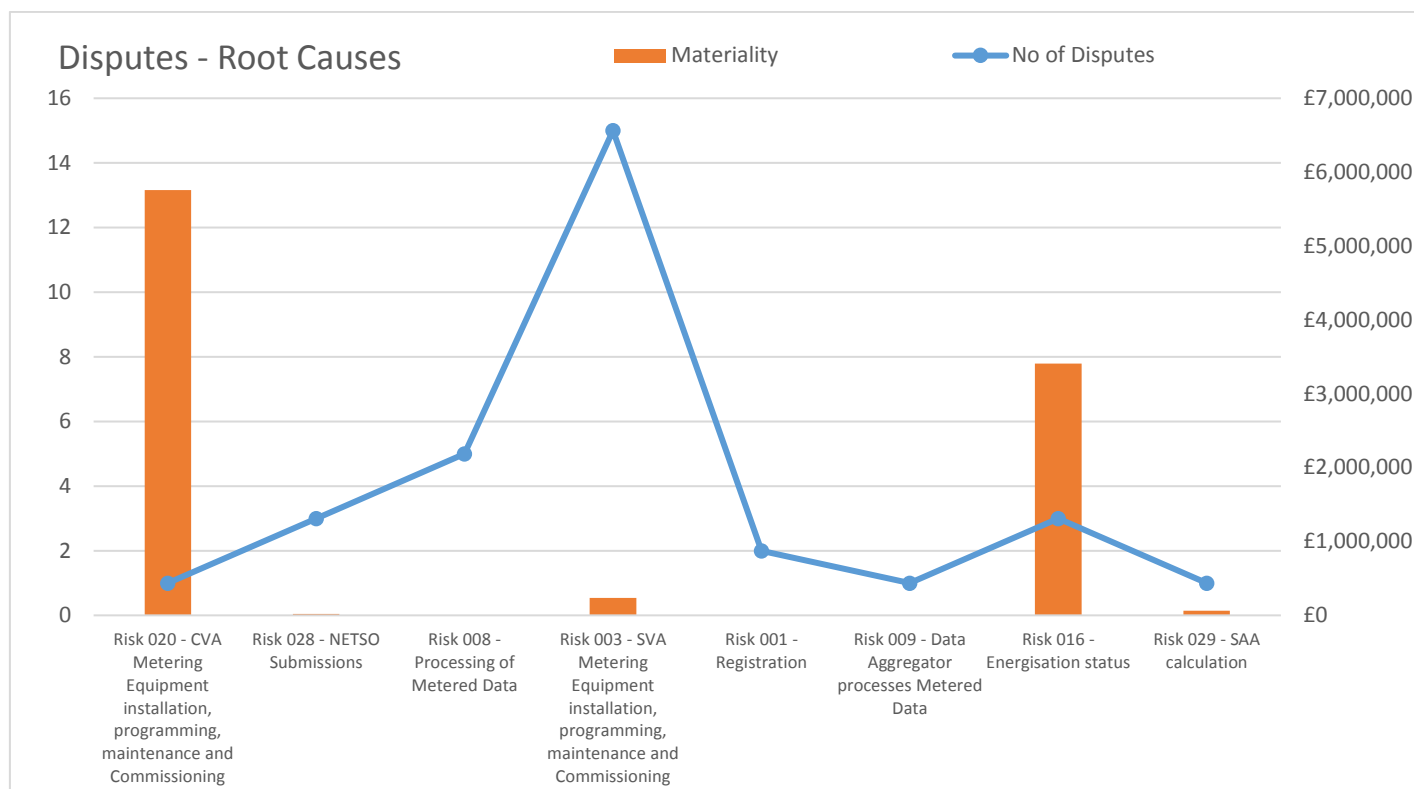
The proposal is to address cases where an issue has been identified against Risks that are identified as having a lower impact or where increased numbers of Low/MLP Issues have been identified against a party.

Adopting some of the principles of Error and Failure Resolution, Operational Support Managers will agree and manage a short term improvement plan of 3 months. The plan will incorporate educational elements, such as focussed training, and the provision of process maps and documentation by parties.

At the conclusion of the plan, OSMs will provide a recommendation as to the improvement achieved by each party.

ELEXON will then consider whether it is appropriate to make further deployments should performance not sufficiently improve.

## Disputes



## TAPAP

Five Risks have been identified within the ROP 2019/20 as requiring Technical Assurance of Performance Assurance Parties (TAPAP) as a recommended technique to investigate the root cause of and manage the impact of these Risks.

The five Risks that have TAPAP assigned are;

Risk ref	Risk Title	Middle Impact
5	A fault with Supplier Volume Allocation (SVA) Metering Equipment is not resolved, such that metered data is recorded incorrectly or cannot be retrieved.	£35.8m
7	SVA Metered data is not retrieved, such that the proportion of estimated data being used in Settlement contributes to performance standards not being met.	£26.8m
11	Unmetered Supplies volumes are calculated incorrectly or not at all.	£17.6m
18	Revenue Protection processes are not managed sufficiently, such that unrecorded energy volumes are excluded from Settlement.	£4.3m
23	A fault with Central Volume Allocation (CVA) Metering Equipment is not resolved, such that metered data is recorded incorrectly or cannot be retrieved.	£30.2m

We have further prioritised these Risks by looking at three of the Risks with the highest Risk Impact: Risks 5, 7 and 23.



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### [Risk 5, SVA Fault Resolution Process](#)

A group of industry experts came together as the Fault Investigation Review Group (FIRG) to review the faults process and propose changes. [Issue 73: Review of fault management and resolution timescales](#) has been raised which will review the recommendations of the FIRG. The third Issue Group meeting was held on 13 June 2019. We will monitor progress with these investigation to ascertain when TAPAP deployment would be most beneficial, if at all.

### [Risk 7, Understanding Estimated Meters](#)

Suppliers are required to settle 97% of their total Non-Half Hourly (NHH) metered energy on Annualised Advances (AA) by the Final Reconciliation Run (RF).

There is no other requirement in the BSC that states how often a routine Meter read needs to be taken. Therefore, no more granular compliance measures exist that we can currently monitor to provide us with a central view of the root causes of NHH Meter Reads not being retrieved.

Error and Failure Resolution (EFR) can provide an understanding of the root causes of metered data not being retrieved. However, as this information is provided in numerous formats and is not checked, ELEXON recognises that central analysis is desirable to provide independent insight into the root causes of this risk.

Consequently, a TAPAP check will be performed on some of the Parties in EFR that have highlighted retrieval (rather than processing of Metered Data) as the prime reason for under performance against the 97% standard. A deep dive investigation into a sample of Metering Systems that have not had a read within 14 months will be performed to determine the specific root causes and the actions that have been taken to resolve them.

### [Risk 23, CVA Fault Resolution process](#)

This risk incorporates CVA faults related to dial failures and data quality issues resulting in estimation of data. £23.8m of the total £30.2m middle impact value for this risk (~80%) is related to communications and dial failures.

Addressing the root cause of this issue could result in large reductions in the impact. A TAPAP, in conjunction with the recent BSC Audit findings, will look to understand this in more detail.

We have assessed the fault log maintained by the Central Data Collection Agent (CDCA) to understand the historical volume of faults resulting in estimated data and will be selecting the candidate list and sample data. Following the TAPAP, we will then recommend any changes required to BSC processes and feed the results into other Risks.

An issue has also independently been raised by SSE Networks, ([Issue 75: Use of Internet Protocol \(IP\) address based communication methods for Central Volume Allocation \(CVA\) Metering Systems](#)) to review the communications methods used by CDCA to obtain Metered data.

This Issue Group could recommend changes to how CDCA communicates with CVA Meters which has the potential to impact fault volumes during the transition (positively or negatively) and during future operation.

### [Additional requested TAPAP check – D0215](#)

At PAB Meeting 221 in June 2019, PAB Member expressed an interest in deploying TAPAP technique to investigate the operation and information provided in the D0215 dataflow sent between LDSO's and Meter Operator Agents.

This TAPAP Check, if performed, could provide insight and control for Risk 003 (SVA Maintenance, Installation and Commissioning) and Risk 004 (SVA Notification of change to Metering Equipment)

The current Risk middle impact for Risk 003 is £43.0m and for Risk 004, £7.7m.

- **The Performance Assurance Board is invited to decide if it would like ELEXON to prioritise the planned TAPAP checks.**
- **Should the TAPAP for Risks 003/004 be prioritised ahead of planned TAPAP checks, this will require an update to the existing approved Risk Operating Plan for 2019/20**

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## PLANS FOR THE NEXT QUARTER

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- **A Review of the PAB Strategy**

Looking back on the strategy agreed in December 2018, to update and adjust in line with industry changes and developments

- **Policy Review**

ELEXON will provide the Performance Assurance Board an overview of prepared Policies, with an early draft of Reporting data, to walk through how the policies can be used in practice

- **Risk Re-Scoring**

All Risk Owners will be considering re-scoring of risks, as outlined within the Risk Operating Plan, to ensure reviews take place as agreed. Re-scored risks will be presented to PAB for review and approval

- **Performance Assurance Technique Reviews**

PAT Reviews will continue throughout the quarter, and, in addition to reviews taking place as part of the PAF review, we will begin internal reviews into both the Education and Trading Disputes Techniques