

## 013 SVA RISK: SVA MANUAL ADJUSTMENTS TO METERED DATA

This document outlines the methodology used to assess the Settlement Risk related to manual adjustments to metered data. We are not seeking to exhaustively outline all aspects considered during this assessment; our aim is to draw out the main data items considered and any key assumptions when estimating a future impact range.

**The risk that...** Manual adjustments to Metered Data are not completed correctly, or at all **resulting in...** erroneous data in Settlement.

**Category:** Data Retrieval and Processing

**Sub category:** Manual Adjustments

**Covers:** Trading Disputes, Erroneous Transfers, Dummy Meter Exchanges. Gross Volume Corrections (GVC). Revenue Protection adjustments. Long Term Vacant (LTV) Sites. Demand Disconnection. Metered Data Corrections.

**Does not cover:** Large EAC/AA corrections. Post Final Settlement Run Amendments. Revenue Protection.

### Estimated impact in 2019/20

Lower	Middle	Upper
£8.7m	£14.2m	£23.4m

**Please note:** The risk encompasses a number of factors inclusive not only of the correct calculation of authorised manual adjustments, but also a correct manual adjustment to the wrong Metering System.

### At risk population

As part of this assessment, we seek to understand the population at risk in the upcoming period, i.e. how many times the underlying process occurs where the risk can manifest.

The at risk population for this risk are Metering Systems undergoing manual adjustments in the form of GVCs and Dummy Meter Exchanges (MEx).

### Data point considered

To assess GVC volumes ELEXON has utilised an extract from all Non-Half Hourly (NHH) Data Aggregators (DA) of consumption from all NHH MSIDs. Data extracts taken from the Data Transfer Network (DTN) have been analysed for Dummy MEx volumes.

Please see below the at risk volumes ELEXON has identified from the analysis of data points.

Market Size (MWh)		
GVC	Annualised from April 2018 Extract	754,269
Dummy MEx	Differing reads, same MSN	138,021

- GVC extract from April 2018
- Dummy MEx has been taken from January to April 2018
- MEx data extracts are from 2018 in order to remove the impact of p272 on the risk scoring, as the deadline for p272 MEx completion was April 2017

### Forecast

Below are the key considerations and assumptions when forecasting the at risk population in the 2019/20 period:

- ELEXON analysis of GVC volumes indicated 60-70% of the annual volumes of negative Actual Advances (AA) were identified to be valid GVCs
- ELEXON examined the D0010 and D0019 flows sent across the DTN to identify MEx events where the Final and Initial Reads for are different
- ELEXON have utilised the Ofgem [Typical Domestic Consumption Values](#) to estimate the Market size of Dummy MEx

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### Failure rate

From the population at risk, we need to estimate the proportion where the risk will manifest, i.e. the failure rate. To do this, we assess historical performance in the area and consider any upcoming changes that have the potential to impact future performance.

### Data points considered

When assessing historical performance in the area, we considered:

- Audit issues from the BSC Audit, Technical Assurance of Metering (TAM) and Technical Assurance (TAPAP)
- NHHDA extract data from all NHH MSIDs across all Settlement Runs
- D0010 and D0019 Data flow analysis from Data Transfer Network (DTN) extracts
- Technical Expert analysis and opinion from ELEXON

The following table provides a view of the proportion manual adjustments to metered data completed incorrectly.

Market	Lower	Middle	Upper
GVC	30%	45%	60%
Dummy MEX	52.9%	56.5%	63.7%

- ELEXON technical expert opinion has been used to formulate the failure rate of GVCs
- The lack of data available to thoroughly assess this risk contributes to the large volatility seen in the failure rates
- DTN extracts do not provide a complete view of market performance, i.e. they provide insight into market performance

### Forecast

Below are the key consideration and assumptions when forecasting failure rates in the 2019/20 period:

- Opinions were gathered on the proportion of GVCs completed correctly from technical experts and outliers were removed.
- There have been a consistently larger proportion of dummy meter exchanges resulting in lower reads, following the Dummy MeX, than higher reads. The difference in proportion of MEX resulting in higher or lower reads was used to forecast the failure rate.

### Other considerations for this risk

- There have been 66 BSC Audit issues raised in the last three years associated with the manual adjustments of Metered Data risk, 83% of these issues were rated low did not materially impact Settlement.