



Settlement Risk SR0024

Introduction

Who is this document for?

This document is for you, if you can answer “YES” to either of the following questions:

- a) Are you a **Non-Half Hourly (NHH) Supplier**, or a **NHH Meter Operator Agent (NHHMOA)**?
- b) Do you want to learn how to improve your **performance** against the **Settlement Risk SR0024** (NHHMOA not providing Meter Technical Details (MTDs) to the correct NHH Data Collectors (NHHDC)) and minimise the **impact** this could have on your organisation as well as the whole electricity industry?

This document will also help if your organisation has been put into the **Error, Failure & Resolution (EFR)** process against SR0024 and you are required to develop an **Action plan**.

What’s the purpose of this document?

This document will help you to put measures in place to improve your SR0024 performance by understanding the most common reasons of failure and what is required of you if you have had the EFR process turned on against you for this risk.

The EFR technique is a key remedial technique in ELEXON’s Performance Assurance Framework (PAF). You can find all the necessary information about it on the [Error, Failure and Resolution](#) page of our website.

1. What is Settlement Risk SR0024?

Settlement Risk **SR0024** is the risk that NHHMOAs do not provide MTDs to the correct NHHDCs, resulting in meter readings not being collected. This risk is one of the top Settlement Risks as it has serious direct consequences on Settlement data.

We monitor Suppliers’ and NHHMOA’s performance against SR0024 using Business Unit Settlement Risk Ratings (BUSRRs) which highlights potential risks to Settlement by allocating a RED, AMBER or GREEN rating. PARMS Serial NM12 feeds directly into the BUSRR calculation for SR0024. NM12 monitors the volume of missing NHH MTDs from NHHMOAs to NHHDCs. It also monitors how long the NHH MTDs have been missing for.

The process that we use for calculating the SR0024 BUSRR (and the calculation for the other BUSRRs we produce) can be found in the [BUSRR Guidance](#). We recommend that you read the introductory section of the BUSRR guidance and in particular the section on SR0024 before reading the rest of this document.



What is PARMS?

The Performance Assurance Reporting and Monitoring System (PARMS) is a database that contains information on how Suppliers and their agents are performing. It is a detective technique in ELEXON's Performance Assurance Framework. It complements other techniques through providing quantitative data designed to identify performance at certain points in the Settlement processes. See the [PARMS webpage](#) for more details.

2. What is the impact of poor performance against SR0024?

If the NHHDC does not have NHH MTDs for a NHH site then it will be unable to retrieve Meter reads for that site. The longer the NHH MTDs are missing, the longer the NHHDC will be unable to retrieve Meter reads. Meter Readings are crucial to ensure that the data used in the Settlement calculations are based on the actual volumes of energy produced by Generators or used by Registrants or a Supplier's customers.

- If you are a Supplier, a RED or AMBER BUSRR against this risk indicates that your appointed DC is not receiving NHH MTDs from your appointed MOA. Your appointed DC is therefore unable to read those Meters affected and you are unable to enter Actual Reads into Settlement. Regular poor performance will lead to a RED BUSRR being received against this risk, but it can also impact your organisation's performance against SR0074¹, SR0072² and your ability to meet other key requirements in the Balancing and Settlement Code (BSC).
- If you are a NHHMOA, a RED or AMBER BUSRR against this risk indicates that you are not complying with the BSC and its subsidiary documents, you are preventing your associated Suppliers from doing the same and you are directly inhibiting the Supplier from entering Actual Reads into Settlement. It could also impact on your organisation's performance against SR0074, SR0072.

If you are performing poorly against SR0024 for three consecutive months, by obtaining three RED BUSRRs, we can ask the **Performance Assurance Board (PAB)** to initiate the EFR technique against this risk for your organisation. EFR provides assurance that appropriate plans are put in place to improve your performance and lower the risk to the industry.

Consequently, you should monitor your performance and investigate and take action for any RED or AMBER BUSRRs your organisation obtains.



What is the PAB?

The Performance Assurance Board is a BSC Panel sub-committee made up of industry experts responsible for providing assurance that all participants in the BSC arrangements are suitably qualified and that the relevant BSC standards are maintained.

¹ SR0074 - The risk that NHHDCs do not collect and / or enter valid Meter readings resulting in old/default data entering Settlement.

² SR0072 - The risk that NHHDCs process incorrect Meter readings, resulting in erroneous data being entered into Settlement.

3. How ELEXON monitors Party performance against SR0024

On a monthly basis, a report is given to the PAB on the performance and industry risk of Suppliers and HHMOAs against SR0024. Suppliers and NHHMOAs are given a Performance **RED**, **AMBER** or **GREEN** BUSRR based on criteria agreed by the PAB (see table below).

Measure	RED	AMBER	GREEN
Over 99.5% of MTDs have been sent for all registrations after 17 Working Days onwards and less than 25% of those that are missing are for registrations that have been in effect for more than 85 Working days (before R3).	The percentage of total missing D0150s (before R1 to after RF) is greater than 0.5% of NHH Registrations within the snapshot window AND the percentage of D0150s Missing Before R3 to After RF is greater than 25%, BUSRR	The percentage of total missing D0150s (before R1 to after RF) is greater than 0.5% of NHH Registrations within the snapshot window AND the percentage of D0150s Missing Before R3 to After RF is less than 25% OR If the percentage of total missing D0150s (before R1 to After RF) is less than 0.5% AND the percentage of D0150s Missing Before R3 to After RF is greater than 25%	The percentage of total missing D0150s (before R1 to after RF) is less than 0.5% of NHH Registrations within the snapshot window AND the percentage of D0150s Missing Before R3 to After RF is less than 25%

The Performance BUSRR is then adjusted to take into account the organisation's share of the market (in the case of Suppliers only) and, if the Supplier has less than 2%, of the market share they will receive a negative adjustment, taking them more towards green, as a reflection that they are a lower risk to the industry. Suppliers and MOAs will only receive their unadjusted Performance BUSRR. The PAB will receive the unadjusted Performance BUSRR and adjusted Risk BUSRR.

4. How to monitor and improve your SR0024 performance:

Step 1

Your OSM will send you a copy of your dashboard reports each month. The report will highlight your BUSRR rating against SR0024 (as well as against the other risks we monitor).

The dashboards contain the Performance BUSRR and are not adjusted for size as the Risk BUSRRs that are reported to the PAB are. This is so that you have a clear picture of your Settlement performance and the opportunity to address any problems as soon as possible.

Please note that, due to the time it takes for us to obtain and process PARMS data, your dashboard for SR0024 will relate to your position two months earlier (so your March dashboard will relate to activities in January).

Step 2

Refer to your consolidated report. This shows all validated and processed data relating to you as a Supplier or Meter Operator for each reporting period.

These reports are sent to MOAs and Suppliers 26 Working Days after the end of the month to which they relate. The report only shows the aggregate volumes for each PARMS serial as reported by the appointed DC. It will not show MPAN level data.

Parties need to sign up to be able to receive this report. The authorisation form can be found in [BSCP533](#) and needs to be returned to the [BSC Service Desk](#).

See below for an example of what can be done to monitor better your performance using the PARMS Consolidation report.

PERIOD	From whom	Market Sector	Unique Registrations in Period	Total Number D0150s not received	D0150s missing before R1	D0150s Missin Before R2	D0150s Missing Before R3	D0150s Missing Before RF	D0150s Missing After RF	% D0150s Missing R1 - RF	% D0150s Missing Before R3 to After RF	Associated BUSRR
31/12/2014	Agent 1	N	1249	14	1	2	3	5	2	2.16%	71.43%	AMBER
31/12/2014	Agent 2	N	4344	1	0	0	0	1	0	0.05%	100.00%	AMBER
31/12/2014	Agent 3	N	33	1	0	0	0	0	1	6.06%	100.00%	RED
31/12/2014	Agent 4	N	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	GREEN
31/12/2014	Agent 5	N	980916	156	7	4	4	0	0	0.02%	2.56%	GREEN
31/12/2014	Agent 6	N	28	5	0	0	0	2	3	35.71%	100.00%	RED
31/12/2014	Agent 7	N	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	GREEN
31/12/2014	Agent 8	N	73	6	0	0	0	0	6	16.44%	100.00%	RED
31/12/2014	Agent 9	N	245339	127	5	4	1	1	0	0.06%	1.57%	GREEN
31/12/2014	Agent 10	N	615	0	0	0	0	0	0	0.00%	#DIV/0!	GREEN
31/12/2014	Agent 11	N	272	1	0	0	0	1	0	0.74%	100.00%	AMBER
31/12/2014	Agent 12	N	706	348	0	0	1	1	346	98.58%	100.00%	RED
31/12/2014	Agent 13	N	1542	16	0	1	1	1	10	1.88%	75.00%	AMBER
31/12/2014	Agent 14	N	2044229	1545	265	600	180	92	1	0.13%	17.67%	GREEN
31/12/2014	Agent 15	N	1	1	0	0	0	0	0	100.00%	0.00%	AMBER
31/12/2014	Agent 16	N	10597	1	0	1	0	0	0	0.02%	0.00%	GREEN
31/12/2014	Agent 17	N	15568	3	1	1	0	1	0	0.04%	33.33%	AMBER
31/12/2014	Agent 18	N	107	5	0	0	0	0	5	9.35%	100.00%	RED
18/01/2015	Grand Total	N	3305619	2230	279	613	190	105	374	0.11%	30.00%	AMBER

Chart 1: Example of a PARMS Consolidation Report with individual BUSRRs added to each reporting Agents

By associating individual BUSRRs to each of the reporting agents, it is easier to keep track of which agents are reporting you have poor performance so that you are able to start discussions with them about what they are missing and how you can rectify this as soon as possible.

It makes it therefore easier to address issues and improve your overall performance as well.

Step 3

If you have received a RED or AMBER BUSRR you will need to contact the relevant DCs to identify the MSIDs for which MTDs are reported as missing. If you are struggling to make appropriate contact with a DC, ELEXON can help to provide contact details and raise any non-co-operation issue with the DC.

Step 4

Suppliers and MOAs should then investigate the reasons why the MTDs are missing and put actions in place to obtain, prepare and send MTDs on to the NHHDC via the **D0150 dataflow**.

Suppliers should do this by contacting the relevant MOAs who will then investigate and manage the instances of missing MTDs accordingly.

Step 5

Any mitigating actions that you take will have to be reported to your assigned OSM, so they can include it in the Dashboard comments for the PAB to see.

This report can be sent as a spread sheet listing all the issues you are experiencing and what you are doing to address each one of them.

Step 6

In order to improve your performance in the long term, you will need to look for the root cause of each issue, identify why MTDs were not sent to the correct DC in the first place and put process improvements in place to prevent the instances from happening in the future.

A number of different measures may need to be put in place to address the root causes found. You will need to keep track of the common causes that lead to MTDs being sent to the incorrect DC. Chart 1 shows an example of the way it can be done by keeping comments against each Agent row to monitor improvements and fix issues.

5. Common causes of poor performance and recommendations

Increases in missing MTDs are commonly observed in October and February each year, during contract rounds. These generally coincide with higher than average registration transfers. However, there could be alternative underlying causes for the poor performance against this risk.

The primary causes for poor performance against SR0024 relate to MPAN registrations where a Supplier's customer has a direct contract with its own agent (rather than using the Supplier's) and where a Supplier or agent has secured a new contract involving large volumes of MPANS.

• Direct Contracts

If you are a Supplier and enter into a contract with a new customer you must appoint a MOA and DC. Often Suppliers have their own preferred MOA and DC, they therefore de-appoint the previous MOA/DC with whom the customer has a direct contract in place (this is particularly the case for Profile Class 05-08 MPANS or small to medium businesses). Often the customer does not inform its new Supplier of its direct contract with the previous MOA. Therefore the old MOA is erroneously de-appointed and the new MOA appointed. When the Supplier is informed of the direct contract in place, often the old MOA is re-appointed from the day of its original appointment. This scenario also occurs when a customer has a direct contract with a DC as well.

This leads to back dated appointments and incorrectly appointed agents, which in turn leads to a breakdown in the communication of MTDs to the correct MOA and DC. The correct MOA and DC may therefore not receive MTDs until after R2, once the registration details are corrected.

The best way prevent this is to ensure that appropriate communication between the new Supplier and the customer takes place to find out whether the customer had previously appointed an independent MOA or DC and whether the customer would like them to remain in place.

• New customer contract

Where a large volume of data is being transferred between parties, it can cause issues with completing registrations and transferring MTD within BSCP specified timescales. It may result in internal system issues, erroneous data transfers, or even historical incomplete data which prevents the transfer of Meter Technical Details between MOAs, DCs and Suppliers.

These, along with other process weakness, are thoroughly explained in the Technical Assurance of Performance Assurance Parties (TAPAP) report on the Supplier/ Supplier Agent appointment process; you can find this under [Performance Assurance Reports](#). The report highlights some other reasons why MTDs can be issued outside the required timescales (considered missing) that are set out in [BSCP514](#) (HH and NHH MOA Service Levels):

- Exception management issues on the Supplier Agent appointment process resulting in MTDs being unsent or sent to the incorrect DC.

For example a few MOAs have noted that they have exception reporting in place which highlights where MTDs are missing within appropriate time scales to allow them to take appropriate action. For example, issuing D0170s, liaising with the Supplier or a Third Party to obtain the MTDs.

Proactive exception reporting supports fixing issues prior to the MTDs becoming non-compliant and potentially affecting Settlement.

- Problems in the delivery of data from other third parties – MOA and LDSO – resulting in MTDs being unsent, sent to the incorrect DC or poor quality MTDs being sent.

For example, it has been observed in a number of cases, that upon MOA registration to a New Connection, MOAs were systematically failing to send requests for site technical details to the LDSOs via the D0170. Similarly, MOAs stated that they had issues where site technical details were requested from LDSOs but the D0215 that carries the Site Technical Details either does not arrive or had key data items missing (e.g. CT Ratios).³

6. Details on the process of EFR and the different steps to follow to set up an action plan

This section will help your understanding of the EFR process, what it means for your organisation and how to improve your performance to be able to exit from the technique.

What are the major steps to follow when EFR is initiated?

When put into EFR, action plans need to be developed, approved and implemented. They should consist of a viable set of actions that will address the error(s) or failure(s). These should be broken down into milestones with corresponding target dates. All plans should be submitted in accordance with BSCP538 which this includes the action plan.

The action plan should be prepared using the following processes:

- Look at your Supplier/Agent Dashboard to help identify where the areas of poor performance are.
- Once you have located the weakness(es), investigate each one to find the reason(s) why your performance level is low. It is essential that you focus primarily on the common cause of poor performance described in Section 4.
- Categorise each one of the root causes and use your action plan to explain to ELEXON how you will address them specifically. You will need to establish a clear date for each action to be done and reported to the PAB.
- Establish clear deadlines for the predicted reduction in the number of missing MTDs until you obtain a GREEN BUSRR. Regarding SR0024, a GREEN BUSRR will be given if the percentage of total missing D0150s (before R1 - after RF) is less than or equal to 0.5% AND the percentage of D0150s Missing before R3 - after RF is less than 0.5%.

³ Please note in the case of New Connections, these should only be reported in standard one of PARMS serials NM12 and HM12 (number of unique registrations in past 14 months).

The following timeline describes the different steps of the EFR process:

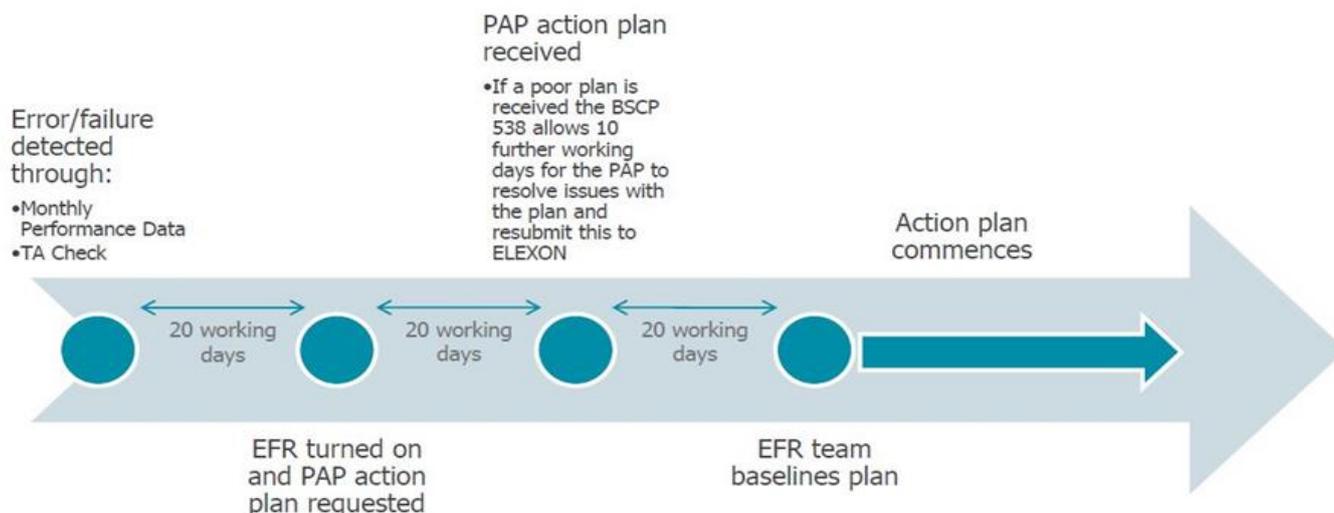


Chart 2: EFR timescale

In order for EFR to be turned off, you will have to meet with the following criteria:

- Three consecutive months of 'GREEN' performance against the relevant Settlement Risk (SR0024).
- Successful and timely completion of the action plan, communicated effectively on the milestone due dates.

Need more information?

Please refer to [BSCP533](#) and the [PARMS Guidance](#) on the ELEXON website for more about this topic.

If you have any further questions, please speak to your [Operational Support Manager](#), or

[Anna Millar \(EFR Analyst\)](#)

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or contact Settlement Operations at paa@elexon.co.uk

Please note that all our [Guidance Notes](#) can be found on our [website](#)

For more information please contact the **BSC Service Desk** at bscservicedesk@cgi.com or call **0870 010 6950**.

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