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Guidance on presenting SPo8a Performance to the PAB

The Performance Assurance Board (PAB) conducts and administers activities to provide assurance that Parties to the Balancing and Settlement Code (BSC) and their agents are suitably qualified and the relevant standards maintained.

Parties are sometimes asked to attend PAB meetings to discuss their performance against Serial SPo8a (percentage of energy settled on Annualised Advances (AA) data for Final Reconciliation (RF) – target is 97%). This document describes the PAB process and suggests material to present to the PAB when attending those meetings. For further information relating to Performance Assurance Reporting and Monitoring System (PARMS) serials please refer to BSCP533 – ‘PARMS Data Provision, Reporting and Publication of Peer Comparison Data’ available from the BSC and Related Documents section of the ELEXON website.

Advice on achieving Serial SPo8a can be found in ‘Achieving 97%’ Guidance Note in the Publications section of the website. For details of your current performance against this Serial please speak to your Operational Support Manager (OSM) – OSM contact details are published in the Participating in the Market section of the website.

Why are Suppliers invited to attend PAB meetings for SPo8a?

This PARMS Serial is one of several important measures of the health of Settlement and you are invited to provide an update on your plans for achieving this standard to the PAB because:

- You are underperforming against this requirement.
- To present a forecast or reforecast of a plan to reach the 97% target or intermediate milestones.
- To explain why you have missed an intermediate milestone agreed with the PAB.
- To provide an update on performance against the plan to reach the 97% target previously agreed with the PAB.

In some instances, OSMs may be able to present material on your behalf. If this is the case, all of the details in the following sections should be provided as a report to the

OSM to include in their presentation to the PAB.

What preparation is required prior to the PAB meeting?

If the PAB needs to discuss your performance, you should meet with your OSM to discuss the details of the proposal. You can also meet with the PAB Chair or other ELEXON staff to better understand the PAB's requirements.

If you are unable to contact your OSM directly, you may email OSMmanagement@elexon.co.uk where your query will be dealt with by a member of the Customer Support Team.

Following this discussion, your OSM prepares a short paper summarising your current performance, outlining the proposal and target dates and recommends a course of action to the PAB. Ideally, this paper should be prepared in time for ELEXON's internal paper day, 10 days before the PAB meeting. Thorough information, submitted in good time, will help ensure the PAB are presented the best view.

The PAB meeting dates are published under the BSC Panel Committees section of the ELEXON website.

It may be necessary to provide a more detailed summary of improvement initiatives, issues, outcome of root cause analysis and general performance (including Third Reconciliation (R3) trends) as an attachment to the OSM paper. This provides the PAB with enough detail to properly assess whether a proposal is acceptable; it isn't mandatory but is very useful.

What is the format of the PAB meeting?

At the meeting you need to present the key points of the proposal that you wish to bring to the PAB's attention. Your OSM makes a short presentation, based on the cover paper before you are called into the meeting room. Following your presentation, and any questions, you will be asked to leave the room while the proposal is discussed. While you can leave the offices at this point you can wait for the discussions to finish in case the PAB have additional questions and to receive informal feedback from your OSM. The PAB will write to you with the outcome of its discussions. Before the non confidential minutes are finalised, you may ask, via your OSM for an opportunity to review the section of the PAB minutes which outlines your presentation.

What should you present?

Presentations or the accompanying documentation should contain the following:

- A synopsis of previous appearances at the PAB;
- A review of progress to date including variances against your agreed plan, any failures to deliver expected performance improvements or particular initiatives to agreed timescales and performance improvements ahead of forecasts;
- Analysis of the root causes behind poor performance;
- Any new issues you encountered;
- What activities you will undertake to get performance back on track or to meet the proposed milestones;
- The impact that each of these activities will have on performance, and what timescales are anticipated;
- Any anticipated or potential risks to the plan, and how these risks are being mitigated.
- Details of management support, and Director sign-on (that is if the Director or senior Management are not presenting the plan themselves).

Initiatives

The PAB will be interested in what activities are planned, or events expected, in a number of areas.

- **Supplier activities** – What activities are being taken within the supply business to improve performance? What resources are being devoted to these activities, and how are these prioritised? How does this compare to the business as usual resourcing? How high a profile does this issue have within the business? What processes do you have to monitor performance and have you modified these to take account of any specific initiatives to improve performance?
- **Agent activities** – What activities are being taken by your agents to improve RF performance? What bespoke processes are undertaken to recognise any peculiarities of your particular customer portfolio? Are you expecting to do any agent

migrations either planned or enforced through changes in the market? What processes are in place to monitor agent performance and have you modified these to take account of any specific initiatives the agent is undertaking?

- **Customer activities** – What activities are you undertaking relating to particular types of customer or individual key customers to improve performance? Are you expecting to gain or lose significant numbers of customers e.g. through a migration between Metering Point Identifiers (MPIDs), or as a result of the contract rounds? What processes do you have to monitor performance at the customer level and have you modified these to take account of any specific initiatives to improve performance?
- **Market activities** – Are any impending BSC changes likely to significantly affect your performance? Alternatively, from your understanding of the root causes of poor performance are you considering proposing a change to the BSC arrangements?

The PAB will want to see a quantification of the performance improvement you expect to achieve through each of these initiatives. It will also want to understand your forecasting techniques. Any lessons learnt through activity on other MPIDs and/or in the Half Hourly market will bolster the presentation. In particular, given the PAB's focus on improving performance, it will need an explanation for forecast drops in performance and an understanding of your actions to mitigate this drop.

The PAB will want to see that you have considered the consequences of your planned activities. For example, if you are planning to change to a preferred agent, have you considered how you will address the initial drop in performance that usually accompanies a large Change of Agent event? If you are scaling up your efforts to acquire Customer Own Reads (CoRs), how will you handle the increase in reads that fail validation?

Examples of analysis

Some, or all, of the following ways of presenting the data can demonstrate an understanding of the issues facing a participant.

MPAN volumes

The PAB is keen to understand whether participants understand the metrics of the root causes that they have identified, particularly for smaller portfolios where the numbers of problem MPANs may be relatively small.

Levels of exceptions

It's important to demonstrate that you analyse exceptions thoroughly, and that they are being addressed through regular reporting and monitoring.

GSP Group analysis

The Serial is actually measured at GSP Group rather than national level. Especially if your performance by GSP Group varies significantly, you may wish to give more information about problems / successful initiatives by individual GSP Group.

Common Problems, Common Solutions

- Access issues are a considerable barrier to achieving 97%. This may be due to vacant, unmanned or hard to access sites.
- Changes of Agent activities, particularly unplanned ones, have caused problems in the past.
- Other well known Market Issues have a demonstrable effect on RF performance, in particular, poor management of Energisation Status and NHH data exceptions (Doo95s).

Common solutions include:

- 'Must be Read' activities, either through your own activities or via your Agents.
- Reviewing historic Customer own Reads (CoR) used for billing that may not have been passed to the Data Collector.
- 'Smart' metering activities (or AMR) may be appropriate for certain classes of customer.
- Customer training to improve the provision of CoRs.
- Contracting for supplementary meter reading services.