

UNCC Action

UNCC 0101: Xoserve to provide a presentation and recommendations on the RbD audit process, including the process to be adopted should an audit be required.

Previous Scope of the RbD audit:

The scope of the RbD Audit was originally the calculation of Aggregate NDM Reconciliation Charges V9.5 to 9.7 which shared out Reconciliation energy to Small Supply Point Shippers (and calculated market shares).

It was later extended to include up to 3 “feeder processes” which generated energy inputs to RbD, as it was recognised that the UKLink maths was tried and tested, and that the risk occurred upstream. The RbD Audit Sub-Committee were due to agree on which processes should be audited each year.

The last RbD audit:

The last RbD audit was completed for the calendar year 2008 and presented no significant findings, as was the case for several years previously.

During 2008, Mod 0211 was proposed in the RbD Sub-Committee, which was raised and approved, allowing the committee to agree not to have an auditor.

This was an agreed approach of the RbD sub-committee as reflected in the minutes from the January 2008 meeting below:

MD highlighted that the current audit process simply audits that xoserve are processing the data provided correctly. The committee acknowledged the audit would not establish if incorrect data is supplied.

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The committee agreed that there was little benefit continuing with the current audit.

Current RbD position

The UKLink RbD calculations are unchanged since 2008; therefore it is unlikely an audit today would produce any different results to previous years which found the audit redundant.

No members were elected for 2016-17 as RbD calculations fall away at Nexus; it was acknowledged that there was no requirement for an RbD sub-committee. The last reconciliation invoice containing RbD charges from legacy system will be issued in June for the May billing period.

A simplified version of RbD continues for a 12 month period after PNID, to deal with Reconciliation variance periods prior to PNID.

A new UG Reconciliation allocation (based on latest share of weighted throughput) will start from ‘Go live’ date to deal with the opposite effect of all primary reconciliations, consumption adjustments etc. After 12 months any further pre-PNID reconciliation energy will also follow this

process, which will use a single pot of the preceding year's throughput, without the current complexity of sectors and sources.

Steps to set up an RbD Audit

- An RbD sub-committee would need to be established or alternatively the UNCC would need to act as the RbD sub-committee.
- It is estimated it would take 3 to 6 months to agree a scope of a new audit service.
- The procurement is estimated to take 6 to 9 months, involving the external members of the Audit Sub-Committee.
- It is estimated by the time all of this is in place the transitional RbD calculations would have ceased.

In Xoserve's opinion the cost of scoping and procuring an RbD audit outweighs the benefits of completing one. The previous RbD audits did not generate any findings and RbD falls away within six months.

An RbD audit would draw on resources allocated to the Nexus project.

How would the UNCC like to proceed?