MO compliance

Q4 2017/18

MARKET OPERATOR SERVICES LTD

Overview

MOSL has reviewed its compliance against the Market Operator (MO) obligations contained within the market codes for Q4 2017/18. The results of this review show an increase in compliance across MOSL services, with the number of non-compliant MO obligations reduced to 86 (Q3 2017/18: 124).

The key driver for the increase in compliance is the full completion of Business Continuity documentation, which has been reviewed by the Senior Leadership Team and an independent third-party expert.

Obligations		Impact		
Status	**Total**	**High**	**Medium**	**Low**
Compliant	1,079	247	423	409
Non-Compliant	86	6	6	74
Total*	**1,165**	**253**	**429**	**483**

A large focus of this review was on the market impact of non-compliance. This has been re-assessed in line with a revised set of market impact criteria agreed by the Executive on 26 January 2018, to ensure accurate reporting of compliance information and determine the priority of mitigation plans and focus for ongoing compliance reviews.

Market code changes implemented during the quarter in review that impact MOSL's MO obligations have been reflected in the compliance results. These include:

- CPW023 Market Entry and Re-assurance Updates
- CPM007 / CPW029 GDPR

Compliance with approved Change Proposals due for implementation in 2018/19 will be included in future results, to the extent they relate to MO obligations.

* Total MO obligations have increased from the prior quarter due to new obligations being added in line with market code changes.

Interactive Charts

MO compliance.html

Market impact of non-compliance.html

Data Management

Data Reporting

Impact: Low (4)

Status and market impact

Obligations relating to the following:

- Trading party Administrative function which requires MOSL to assist with a User Access status report;
- Facilitating the sharing of a subset of MDS data between Wholesalers to support SPID pairing activities, for which MOSL has provided mitigation;
- The data retention period which has a low impact on market function; and
- Function of CMOS that relates to the processing of transactions upon receipt, which has a low market impact.

Close-out plan

MOSL to review need for a User Access status report by end of July 2018.

For all other items, code changes are proposed to reflect operational function. Proposals for textual changes to be prepared by the end of July 2018.

Data Management

Data Transactions and Validation

Impact: Low (2)

Status and market impact

Obligations (2) relating to the data retention policy, which has a low impact on market function.

Close-out plan

Code changes are proposed to reflect operational function. Proposals for textual changes to be prepared by the end of July 2018.

Interface Design

Impact: Low (15)

Status and market impact

Three (3) obligations relate to JasperSoft report functionality. These relate to report downloads and have a low impact on market function as reports are currently downloadable individually.

Two (2) obligations relate to CMOS transactional processing where CMOS operates differently from the wording of the obligation. However, given CMOS performs the appropriate validation and response, the market impact of non-compliance is low.

Two (2) obligations relate to the Service Management function where the operation of the Remedy tool does not operate as stated but where the principle function is available. This has a low impact on market function.

Four (4) obligations relate to the process of Digital Certificate management. The obligations do not correspond to the current process for trading parties to supply and submit their own Digital Certificates to MOSL. The market function for security is provided and therefore, the market impact of non-compliance is low.

Four (4) obligations relate to the submission of peak daily volumes for threshold review. These have a low impact on market function and there is no current mechanism for this information to be retained in the CMOS database. CGI currently monitor performance of the transactional flows.

Close-out plan

The JasperSoft reporting interface will not be developed beyond its current capability. MOSL proposes to replace the JasperSoft application with a MOSL-hosted reporting capability. This is currently planned for 2019.

For all other items, code changes are proposed to reflect operational function. Proposals for textual changes to be prepared by the end of July 2018.

Data Management

Data Corrections

Impact: Low (1)

Status and market impact

Obligation regarding the mechanism for recording and applying MOSL data corrections. MOSL is compliant in all but the storing of the Before and After values in the tracking spreadsheet.

The CMOS design for the Bi_temporal model automatically stores the previous “version” of the record and therefore, has a low impact on market. The data updated by the CGI Data Partner is also stored by CGI.

Close-out plan

A code change is proposed to reflect the technical design of CMOS. Proposal for textual changes to be prepared by end of July 2018.

Data Management

Tariff Amendments

Impact: Low (1)

Status and market impact

Obligation for the Tariff process, whereby MOSL is non-compliant as it does not email the trading party Contract Manager if the Tariff is not authorised by the Window closure date.

The Tariff report generated on ftp and on the portal shows the status by trading party, so the information is readily available. MOSL is not pro-actively advising the trading party of their obligations, however, given the information is otherwise readily available, the market impact of non-compliance is low.

Close-out plan

A code change is proposed to reflect operational function. Proposal for textual changes to be prepared by end of July 2018.

Publications / Panel

Impact: Low (4)

Market impact

The code obliges MOSL to establish and maintain a policy and summary list of materials and information (not already defined in the market codes) to be made available to the general public; Trading Parties; Panel Members; and the Authority. This list is subject to approval by the Panel.

On the basis these obligations relate to the control and release of information outside of MOSL (either to the market or general public), the market impact of non-compliance is considered medium.

Status and close-out plan

A policy relating to the publication and availability to third parties of market performance and activity information was tabled and agreed by the MOSL Board in July 2017. This does leave a gap in that any other information which could be made available has not yet been listed and covered by a policy.

A list of the information published by MOSL and the recipients will be completed by the end of June 2018. This list is scheduled to be presented to the Panel for approval in July 2018.

Market Continuity

Business Continuity

Impact: High (4) / Medium (5) / Low (12)

All obligations relate to MOSL achieving the Business Continuity Management standard ISO 22301 accreditation within six (6) months of market opening and actions to be carried out by MOSL to retain such accreditation on an ongoing basis.

Market impact

In the event of a significant event/business disruption that prevents MOSL or the market carrying out its operational duties, there is a risk that the enactment of interim plans currently in place will not suffice to ensure the business returns to normal functionality within a reasonable timeframe and at the required service level.

ISO 22301 accreditation will provide the market and MOSL with confidence that all the processes, procedures and policies are in place to mitigate and reduce the impact of a significant event/business disruption.

Status and close-out plan

A business continuity management system has been fully documented to the standards of ISO 22301 and the requirements of the market codes. This has been subject to an expert third-party review, who provided feedback that the level of documentation was comprehensive and covered all the required areas of the ISO 22301 standard.

The documentation is now going through internal sign-off (due end of June 2018), further to application of the recommended amendments. Staff training, market engagement and planning of both internal table-top and market-wide rehearsals are currently in progress.

Upon completion of the rehearsal, ISO 22301 conformity will be declared and the continuity system will be officially deployed, leading to accreditation at the end of the first quarter of operation.

Escrow Agreement

Impact: High (2)

The requirements for escrow cascades down from the Market Arrangements Code to the CGI contract, which imposes an obligation on CGI to deposit into escrow and keep fully up-to-date the Source Code Materials. Source Code Materials includes: *to the extent that such data is held on the System, copies of historical data (including all transaction, reference and audit data and changes to standing data) relating to the central systems operations of the Company.*

Market impact

In the event of service provider change, termination or cessation of MOSL as Market Operator, the transactional data held in escrow would not be accurate for the market to continue to operate if the system was restored.

There is a risk that market transactional data would be lost and the market would not have the information to operate as designed.

Status and close-out plan

MOSL is partially non-compliant with this obligation as CMOS data changes in real-time (i.e. by the time the data is refreshed in escrow, it immediately becomes outdated).

MOSL has agreed a way forward with CGI that combines Escrow and the need for an ODS2 service. CGI are currently working up the CCN now to commercially agree this solution. Once this is agreed, the solution will be implemented and will support compliance going forward.

Market Entry and Membership

Market Entry Assurance

Impact: Low (1)

Market impact

MOSL is required to publish a list of Retailers by Wholesale Area on a regular basis. Given this information is made available in CMOS, the market impact of non-compliance low.

Status and close-out plan

MOSL will publish a list of retailers eligible to operate in wholesaler areas (i.e. holding wholesale contracts) on its website by end June 2018.

Market Performance Operating Plan

Impact: Medium (1)

Market impact

The market is seeking clarity from MOSL on its approach to market performance in 2018/19. This has been requested by the Panel, Market Performance Committee and Trading Parties.

Status and close-out plan

Publication of the Market Performance Operating Plan has been delayed due to the market performance team developing a new MPS reporting platform.

MOSL will publish its Market Performance Operating Plan in July 2018 following publication of the Market Improvement Strategy.

Data Protection

Impact: Low (1)

Market impact

MOSL is required to publish a summary on its website of the arrangements that the Market has put in place to ensure GDPR compliance. MOSL is non-compliant as are yet to publish this, however, non-compliance has no impact on market operations.

The likelihood of continued non-compliance is considered low as MOSL is in the process of waiting for responses to the draft summary which was circulated to trading parties (with a deadline response date of Wednesday, 18 April 2018). Once the deadline has passed, MOSL will publish the summary.

Status and close-out plan

The summary will be published as soon as the consultation deadline has passed.

New Supply Points

Impact: Low (3)

Status and market impact

Obligations (2) relating to SPID data that has not been provided by the Wholesaler or Retailer and is preventing the SPID from moving to Tradable status.

There are no reports to highlight missing data, however, the daily New and Partial Status (NAPS) report identifies all SPIDs that are still in New or Partial state. The market impact of non-compliance is low as it is the responsibility of the trading party to complete the submissions necessary to complete the Registration.

Obligation (1) to report if the T103 is missed after the T101. There is no report currently available, however, the daily NAPS report includes information on SPIDs where the T103 has not been submitted by the Retailer. This provides mitigation and is available to trading parties on a daily basis as a standard report, therefore, market impact of non-compliance is low.

Close-out plan

Given not all SPID data is mandatory to becoming Tradable and some data is optional, it is not reasonable to report on all missing data items as they may not be appropriate to the Eligible Premise.

A code change is proposed to extend the current NAPS report to identify the cause of the SPID not being Tradable. Proposal for the report and code change are to be prepared by end of July 2018.

Account Administration

Impact: Low (24)

Status and market impact

Twenty-two (22) of these obligations relate to the management of Digital Certificates. The code suggests that MOSL will precure and provide the Digital Certificates to trading parties, when in fact, trading parties source their own Digital Certificates and provide the public key to MOSL. CGI apply the key to the CMOS systems to enable authentication at transaction and login level. This process has been agreed with members.

The remaining two (2) obligations relate to Tariff setup and anomaly thresholds:

- Tariff setup: MOSL is non-complaint as no email is issued to trading parties to identify unauthorised Tariffs. However, given the Tariff report contains this information, the market impact of non-compliance is low.
- Anomaly thresholds: MOSL is non-compliance as these are not captured or monitored. However, CGI does monitor system performance and as such, the market impact of non-compliance is low.

Close-out plan

Code changes are proposed to reflect the current operational processes. Change Proposals to be prepared by end of July 2018.

Service desk

Impact: Low (4)

Status and market impact

Obligations (4) relating to the frequency and mechanism of contact by the CGI service desk with trading parties. Market impact of non-compliance is low as CGI principally communicate by email rather than telephone, being the preferred option for members.

Close-out plan

Code changes are proposed to reflect current operational processes. Proposals for textual changes to be prepared by end of July 2018.

Unplanned Settlement Runs

Impact: Low (2)

Market impact

This obligation relates to the type of Unplanned Settlement Reports issued by the Market Operator in respect of a set of SPIDs that have been recalculated as part of an unplanned settlement run. MOSL is non-compliant as we recalculate and issue the complete pairing rather than the affected SPIDs (i.e. using disaggregated reports for charging).

The market impact of non-compliance is considered low as our current settlement run processes and reporting of recalculated SPIDs to trading parties covers this obligation, albeit the reports are different to those provided for in the obligation.

In broader terms, this obligation replicates the existing planned and corrective settlement run process to which trading parties must adhere.

Status and close-out plan

MOSL has taken a policy decision to run settlement pairings rather than individual SPIDs as this is operationally more efficient and provides Trading Parties with more data. The approach of not using disaggregated reports has been pursued since market opening. This has previously been verified by discussions with trading parties.

The obligation to run post-RF and dispute settlement runs in respect of individual SPIDs has been raised as part of a Request For Information by the Trading Disputes Committee to gauge market interest in running unplanned settlements for individual SPIDs. Subject to trading party response and/or interest, a code change may be considered or alternatively changes will be made to ensure settlement runs are performed on an individual SPID basis.

Availability of CMOS

		Performance												
KPI	**Target**	**Mar-17**	**Apr-17**	**May-17**	**Jun-17**	**Jul-17**	**Aug-17**	**Sep-17**	**Oct-17**	**Nov-17**	**Dec-17**	**Jan-18**	**Feb-18**	**Mar-18**
CMOS Systems % SLA targets*	**99.90%**	99.01%	100%	100%	100%	99.73%	98.96%	100%	100%	100%	100%	100%	98.55%	100%
Customer calls / service requests dealt within SLAs	**85%**	95.84%	96.46%	96.5%	95.68%	97.17%	95.90%	94.68%	97.45%	97.09%	98.09%	96.05%	77.72%	93.92%

Ongoing rectification plans: N/A