MOSL MO compliance report

Q1 2018/19

MOSL
MARKET OPERATOR SERVICES LTD

Overview

MOSL has reviewed its compliance against the Market Operator (MO) obligations contained within the market codes for Q1 of 2018/19. The results of this review show an increase in compliance across the thirteen services MOSL provide to the market, with the number of non-compliant MO obligations (72) down from the previous quarter (Q4 2017/18: 86).

Obligations		
Status	**Q4 2017/18**	**Q1 2018/19**
Compliant	1,079	1,094
Non-Compliant	86	72
Total	**1,165**	**1,166**

Market Impact		
High	**Medium**	**Low**
248	424	422
6	6	60
254	**430**	**482**

Increase in MO obligations

Total MO obligations have increased as a result of market code changes implemented during the review quarter that directly impact MOSL's MO obligations. These changes are reflected in the compliance results and include:

- CPM008 & CPW030 MPS Review
  - Replacement of one obligation with two obligations to reflect the change.
- CPM009 Board Nomination Extension
  - Changes to the wording of existing obligations only - no new obligations were introduced.

Obligations	Q3 2017/18	Q4 2017/18	Q1 2018/19
Net Increase / (Decrease)	-	9	1
Total	**1,156**	**1,165**	**1,166**

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

Areas of non-compliance

MOSL reports MO compliance based on the Service and process to which the obligation relates. The non-compliant obligations for Q1 2018/19 (72) and the market impact of non-compliance with each of those obligations is detailed below per Service. The market impact rating is based on pre-determined criteria agreed by MOSL's Senior Leadership Team.

High market impact non-compliance relates primarily to the implementation and ISO accreditation of MOSL's Business Continuity Management System (BCMS) and Market Incident Management Plan (MIMP), and the implementation of an Escrow solution. MOSL is actively working to resolve this non-compliance. Please refer to slides 10-12 for further detail.

For low market impact non-compliance, MOSL provides a range of technical solutions to meet the requirements of the obligations. Where the solution is more appropriate and effective for the operation of the market, MOSL proposes that the market codes be changed to align with the solution and current operational practices.

Market impact of non-compliance				
Service	**High**	**Medium**	**Low**	**Total**
CMOS Service Management	-	-	22	**22**
Data Management	-	-	21	**21**
Disputes	-	-	-	**-**
Financial Settlement	-	-	2	**2**
Market Charges and Payments	-	-	-	**-**
Market Compliance	-	-	-	**-**
Market Engagement	-	-	2	**2**
Market Entry Assurance and Exit	-	-	-	**-**
Market Incident Management Plan	6	5	12	**23**
Market Operator Compliance	-	-	-	**-**
Market Performance and Insight	-	1	-	**1**
Panel and Market Code Change	-	-	1	**1**
Trading Party Compliance	-	-	-	**-**
Total	**6**	**6**	**60**	**72**

Interactive Charts

MO Compliance.html

Impact of non-compliance.html

CMOS Service Management

Non-compliant obligations: 22

Process	Details of non-compliance	No.	Market Impact	Close-out plan
Account Administration	• **Management of Digital Certificates** The market 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.	16	Low	• Market code changes are proposed to reflect the current operational processes for Digital Certificates. This is currently planned for presentation at the Sep-18 Panel meeting.
	• **User account setup** The email generated to confirm user setup does not includes the users privilege level.	1		• A market code change is proposed to reflect the current operational process for user account setup. This is currently planned for presentation at the Sep-18 Panel meeting.
	• **Anomaly thresholds** There is no current mechanism for this information to be retained in the CMOS database. CGI currently monitor performance of the transactional flows separately.	1		• A market code change is proposed to reflect current operational practices. This is currently planned for presentation at the Sep-18 Panel meeting.
Service Desk	• **Mechanism for and frequency of contact by the CGI service desk with trading parties** Incidents are communicated to trading parties by email rather than by telephone as specified in the market codes. High priority incidents are dealt with via general email issued by MOSL.	4	Low	• Market code changes are proposed to reflect the current process for trading party alerts and notifying trading parties of an incident. This is currently planned for presentation at the Sep-18 Panel meeting.

Data Management
Non-compliant obligations: 21

Process	Details of non-compliance	No.	Market Impact	Close-out plan
Data Transactions and Validation	• **Data transactions and validation** CMOS currently processes transactions as received and does not impose a time limit / cut-off on any given day. This differs from the market codes, which restricts the processing and accepting of transactions to business day only.	**1**	**Low**	• Given MOSL's commitment to improving service to the market and its decision to ensure CMOS operates on a 24/7 basis, a market code change is proposed to amend the obligation to align to current practice. This proposal is currently planned for presentation at the Sep-18 Panel meeting.
Data Corrections	• **Mechanism for recording and applying MOSL data corrections** MOSL is non-compliant with the storing of the Before and After values in the tracking spreadsheet. This information is retained in the database but is not otherwise stored externally.	**1**	**Low**	• Market code change is proposed to reflect that the CMOS database currently stores the values prior to and post the change. This is currently planned for presentation at the Sep-18 Panel meeting.
Tariff Amendments	• **Tariff process** 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. To mitigate this non-compliance, a report is generated on a monthly or adhoc basis with the relevant information.	**1**	**Low**	• MOSL's internal processes now include direct communications to the trading party Contract Manager identifying any non-authorised tariffs. • A market code change is proposed to reflect this operational function. This is currently planned for presentation at the Sep-18 Panel meeting.

Data Management
Cont.

Process	Details of non-compliance	No.	Market Impact	Close-out plan
Data Reporting	• **Data reports** No report is currently available to enable users to identify active and inactive users. • **Data sharing** There is currently no mechanism in place to automatically share market datasets. To mitigate this, MOSL has undertaken a manual alternative for sharing market datasets, to which CPW028 has been raised. • **Data retention** The FTP retains 7 iterations of the market dataset rather than iterations for a 3 month period (as specified in the market code). If necessary these datasets can be re-run as at a specified date. • **Data retention period** The market dataset extract is produced on a calendar day basis rather than on a business day basis that is specified in the market code.	**4**	**Low**	• MOSL to develop and publish a User Access status report by end of July 2018. • MOSL to continue providing the manual workaround until CPW028 is implemented. • A market code change is to be proposed to reflect the current operational function of FTP. This is planned for 2019. • A market code change is proposed to amend the obligation for the correct days on which the extracts occur (i.e. calendar days rather than business days). This proposal is currently planned for presentation at the Sep-18 Panel meeting.

Data Management
Cont.

Process	Details of non-compliance	No.	Market Impact	Close-out plan
Interface Design	• **JasperSoft report functionality** MOSL is non-compliant with report downloads as the reports are available to be downloaded individually rather than as a batch.	**3**	**Low**	• Develop a MOSL-hosted reporting capability within the JasperSoft application. This is currently planned for 2019.
	• **CMOS transactional processing** Codes returned in the response to a transaction do not align to those specified in the market codes.	**1**		• A market code change is proposed to reflect the operational function of CMOS. This is currently planned for presentation at the Sep-18 Panel meeting.
	• **Service management function** The operation of the Remedy tool does not operate as stated, however, the principle function is available.	**2**		• Market code changes are proposed to reflect the operational function of Remedy. This is currently planned for presentation at the Sep-18 Panel meeting.
	• **Process for Digital Certificate management** The market 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. MOSL provides full Digital Certificate management via a different mechanism.	**3**		• Market code changes are proposed to reflect the operational process for Digital Certificate management. This is currently planned for presentation at the Sep-18 Panel meeting.
	• **Peak daily volumes for threshold review** There is no current mechanism for this information to be retained in the CMOS database. CGI currently monitor performance of the transactional flows separately.	**5**		• Market code changes are proposed to reflect the operational function of CMOS. This is currently planned for presentation at the Sep-18 Panel meeting.

Financial Settlement

Non-compliant obligations: 2

Process	Details of non-compliance	No.	Market Impact	Close-out plan
Unplanned Settlement Runs	• **Unplanned settlement reporting** 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). 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.	**2**	**Low**	• The obligation to run post-RF and dispute settlement runs in respect of individual SPIDs is being considered 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.

Market Incident Management Plan (MIMP)

Non-compliant obligations: 2

Process	Details of non-compliance	No.	Market Impact	Close-out plan
Escrow Agreement	• **Escrow requirements** The requirements for escrow cascades down from the market codes to the CGI contract, which imposes an obligation on CGI to deposit into escrow and keep fully up-to-date the Source Code Materials. 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). 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.	**2**	**High**	• MOSL has agreed an Escrow solution, whereby CGI will deposit all CMOS collateral (including data and Source Code etc.) on a monthly basis. • Solution is to be implemented immediately post signing of the Contract Change Notification (CCN) – due 13 July 2018. • A market code change proposal will follow shortly to align the market codes with the Escrow solution.

Market Incident Management Plan (MIMP)

Non-compliant obligations: 21

Process	Details of non-compliance	No.	Market Impact	Close-out plan
Business Continuity	• **Business Continuity Management System (BCMS)** MOSL is required to achieve the ISO 22301 accreditation within 6 months of market opening and carry out a number of actions to retain such accreditation on an ongoing basis. This cannot take place until staff training and a successful rehearsal has taken place.	**4**	**High**	• The BCMS and MIMP have been fully documented to the standards of ISO 22301 and the requirements of the market codes. • Internal staff training on the BCMS and MIMP has commenced and is due from completion by end Jul-18. • Indicative date for commencement of the rehearsal exercise is Aug-18. Upon completion of the rehearsal, ISO 22301 conformity will be declared and the BCMS will be officially deployed, allowing the accreditation process to commence. • ISO accreditors have been engaged, with a gap-analysis likely to proceed formal accreditation process.

Market Incident Management Plan (MIMP)
Cont.

Process	Details of non-compliance	No.	Market Impact	Close-out plan
Business Continuity	• **CMOS design** The market codes make reference to a number of CMOS requirements that require the High Volume Interface to remain active at all times. As with CMOS itself, this has the potential for outage and cannot be completely mitigated. • **Presentation** Prior to ISO accreditation, MOSL must present the final BCMS to the Panel for information. • **Rehearsal** To validate the BCMS prior to ISO accreditation, a formal rehearsal/incident simulating a continuity scenario must be exercised.	**5**	**Med**	• Modify the existing obligations within the market codes to reflect a proportionate level of system resilience. This is currently planned for presentation in the Sep-18 Panel meeting. • As stated above, the formal rehearsal is scheduled to commence in Aug-18.
	• **Rehearsal and live use of BCMS** There are number of requirements within the market codes that relate to the specific implementation of a rehearsal or live operation of the BCMS.	**12**	**Low**	• As stated above, the formal rehearsal is scheduled to commence in Aug-18.

Market Performance and Insight

Non-compliant obligations: 1

Process	Details of non-compliance	No.	Market Impact	Close-out plan
Market Performance Operating Plan	• **Annual Market Performance Operating Plan** 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. Publication of the MPOP has been delayed due to the market performance team developing a new MPS reporting platform.	**1**	**Med**	• MOSL will publish its Market Performance Operating Plan in Aug-18 following publication of the Market Improvement Strategy.

Market Engagement / Panel and Market Code Change

Non-compliant obligations: 3

Process	Details of non-compliance	No.	Market Impact	Close-out plan
Publications / Panel	• **List of materials and published information** 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. 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.	**3**	**Low**	• A list of the information published by MOSL and the recipients will be completed by the end of Aug-18. • This list is scheduled to be presented to the Panel for approval in Sep-18.

Availability of CMOS

2017/18

		2017/18 Performance											
KPI	**Target**	**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*	**99.9%**	100%	100%	100%	99.73%	98.96%	100%	100%	100%	100%	100%	98.55%	100%
Customer calls / service requests dealt within SLAs	**85%**	96.46%	96.5%	95.68%	97.17%	95.90%	94.68%	97.45%	97.09%	98.09%	96.05%	77.72%	93.92%

2018/19

		2018/19 Performance											
KPI	**Target**	**Apr-18**	**May-18**	**Jun-18**	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**	**Jan-19**	**Feb-19**	**Mar-19**
CMOS Systems % SLA targets*	**99.9%**	100%	100%										
Customer calls / service requests dealt within SLAs	**85%**	97.7%	98.6%										

Ongoing rectification plans: N/A