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Warren Deacon  
Commission for Energy Regulation,  
The Exchange,  
Belgard Square North  
Dublin 24

1 June 2015

Dear Warren,

**Re: Terms of Reference for the 2015 Market Audit Consultation Paper (SEM-15-029)**

Power NI welcomes the opportunity to respond to the above consultation. The market audit provides an important assurance to participants and has highlighted issues requiring attention.

Power NI believes that the expansion in the scope of the market audit over recent years has proved beneficial.

The 2013 audit in particular, which expanded the scope to include the actions taken by the Meter Data Providers (MDPs) in respect to non-interval demand, was of particular importance to Suppliers. This element provided important additional insight, assessment and assurance regarding the processes in place.

Power NI would however welcome the scope of the market audit to once again include the activities of the MDPs specifically in relation to index or non half hour data processing.

Accurate meter readings and aggregation processes are critical to the efficient and effective operation of the market. Erroneous data can have a significant financial impact on participants and given the level of the allocated error (under global aggregation rules a residual volume is smeared across suppliers index volumes) being witnessed in the market, Power NI considers this an area worthy of further audit and inquiry.

While processes in relation to dispatch and the general operation of SEMO will change as a result of the implementation of the I-SEM; the requirement for an MDP to collect, process and aggregate supplier volumes will remain regardless of the design of the wholesale market. The inclusion of these processes in an audit therefore would be beneficial both in the short and long term.

Within the Consultation Paper the Regulatory Authorities (RAs) have proposed 3 options; Core (Option 1), Core with AuP follow up (Option 2) and Core with Dispatch Instructions (Option 3). Power NI acknowledges that the annual audit incurs a cost and places a burden on those

parties subject to the review. As described above, Power NI believes that an audit of meter read processing will have an enduring benefit. Power NI would therefore recommend that Option 2 is chosen which revisits the exceptions noted in the 2013 audit. Power NI would also welcome the audit specifically looking at the significant error levels experienced in the SEM.

Please do not hesitate to contact me should you wish to discuss this response further.

Yours sincerely

A handwritten signature in blue ink that reads "Will Steele". The signature is written in a cursive, flowing style.

William Steele  
Power NI