RETAIL ENERGY CODE

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DATA QUALITY

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FOR DISCUSSION	In March and April we consulted upon the data quality approach we discussed with PAB in February. This paper: 1. Summarises the consultation responses, and actions we will take as a result of consulting. 2. Provides updated cost and benefit assessments 3. Suggests next steps We wish to discuss with the PAB the outputs of this process, as this analysis suggests that a different approach may be needed in relation to metering data inconsistencies, as well as decisions on the approach where Party data suggests cleansing data may not be cost beneficial.

1 BACKGROUND

The REC contains a range of requirements in relation to maintaining data, and is also impacted by data management responsibilities within other Codes. Despite these requirements it has proven necessary to operate a Data Cleanse process (and similar processes have also been included in most recent industry change programmes) as in reality data is not always maintained as required. Making sure that data cleanse activities are performed consistently is a key aspect of ensuring that actions taken by Parties do not conflict and that Parties that do maintain high quality data and/or performed data cleanse activities do not suffer a 'compliance penalty'. This is particularly important where data quality issues are transferred from one business to another when a consumer switches.

To enhance our approach to data quality we have attempted to estimate the costs and benefits of data issues, setting this out in *RECPAB_26_0224_11*. This paper set out several actions, which included consulting with industry on this approach. This paper:

1. Summarises the consultation responses, and actions we will take as a result of consulting.
2. Provides a recommendation for the sprint 6 data cleanse.

2 CONSULTATION RESPONSES

6 responses were received, three from DNOs and three from Suppliers. These include confidential responses to the consultation, including costs identified. We have provided a summary of all response to the PAB, but removed the table of costs, only providing a summary table.

The key points from these responses are:

- Organisations did not consistently identify new areas to cleanse, although one did suggest the Domestic Premise Indicator (DPI) is a critical area to cleanse and another "energised no meter" which was identified as causing issues for a DNO.
- One Supplier identified limitations with the current DPI report, which increased the manual validation required.
- One organisation provided updated information for calculating benefits related to invalid top line challenges that were 30 -40% lower than our estimates. We have updated our calculation to reflect this. No comment was made on the remaining 38 values used to calculate benefits.
- Organisations suggested other than raw cost benefit, we should consider the future use of data, for example as driven by changes elsewhere in the industry. Several organisations also called out the impact on settlement on these data items.
- Organisations identified inconsistencies between Parties as the key root cause of data issues, with one identifying in detail issues with gas metering data flows related to the CDSP reconciliation.

3 INFORMATION PROVIDED ON COSTS

We have not provided information to the PAB directly on the costs incurred by Parties, to maintain confidentiality and encourage responses to similar consultations. However we have summarised the submitted information. This notes the number of responses by data item, as well as the average costs identified.

Data Item	Respondents	Average cost per item

Energised no meter	1	60
Invalid Topline	3	88
Missing ESME ID	1	60
Missing Meter Location	1	60
Related MPAN with inconsistent Domestic Premises Indicator (DPI)	0	N/A
Unmeasured MPAN with Domestic DPI	0	N/A
Gas CDSP Reconciliation	0	N/A
MEM-EES Reconciliation Differences	0	N/A

We have used these estimated to compile the following updated summary of costs/benefits:

Data item	Party Responsible	Initial benefit[1] (£m)	Updated Benefit	Suggested costs	Net benefit
Energised no meter	Supplier	6.0	5.7	1.0	4.6
Invalid topline	Supplier & DNO	0.4	0.1	0.3	0.2
Missing ESME ID	Supplier (both current and installing)	4.0	2.1	17.0	14.9
Missing Meter Location	Supplier	0.4	0.5	5.9	5.4
Related MPAN with inconsistent Domestic Premises Indicator (DPI)	Supplier	0.1	0.1	N/A	N/A
Unmeasured MPAN with Domestic DPI	Supplier	0	0.0	N/A	N/A
Gas CDSP Reconciliation	MAM	26.2	26.2	N/A	N/A
MEM-EES Reconciliation Differences	MOA	TBC	107.8	N/A	N/A

Please note that the updated benefit has primarily reduced as Parties cleanse data, reducing the population to cleanse.

This indicates that:

1. There is strong evidence for continued cleanse of Energised no Meter.
2. Party information provides evidence that Invalid Topline, Missing Meter Information and Missing ESME ID are not cost beneficial to cleanse. The limited data on costs does mean

[1] As set out in more detail in *RECPAB_26_0224_11*

that caution needs to be taken when making decisions based on this information and, as recognised in party responses, there may be reasons other than immediate cost/benefit that mean data cleanse activities should still be considered.

3. For invalid Topline, we consider that there is continuing reason to cleanse the remaining 3k meters, as this impacts DUoS billing, which may be understated in the benefit assessment.
4. Missing Meter Information and Missing ESME ID represent costs that arise when Parties installation processes do not capture required information. It only focuses on recent installs, not legacy data issues, so this represents the costs of organisations not maintaining industry data. We note that some Suppliers have significantly lower rates of issues in these areas, which reflect better data management, and hence as customers switch those parties who are not correctly capturing this data may cause impact on other parties.
5. We note the significant value to cleanse MTD data, this is due to the currently identified 2.7m meters with data issues. As some Parties are not submitting information on this, we assume this is an underestimate of the total issue. Given the scale of this issue, we think that the data cleanse approach may not be the right way to address this challenge.

4 PROPOSED NEXT STEPS

Data cleanse sprint 6 has a proposed start date of May 2026 based on the current 6-monthly cycle. For data items to be included in this sprint we need to set targets. We would like to DISCUSS with the PAB the appropriate approach to these data items. We would like to discuss:

1. Our proposal that the next Sprint includes Energised No Meter, as well as closing out reports with small numbers of data issues remaining, bringing back targets to be approved by PAB in May having consulted with the REC Issues Group.
2. Whether we should continue to cleanse EMSE ID and Meter Location, or consider other approaches, for example requiring information on the steps to prevent instead of correct these data issues for those parties responsible for the majority of exceptions through the use of other PATs.
3. The appropriate approach to the large population of meter issues, which could include:
    a. Continuing with the Data Cleanse approach.
    b. Direct Assurance of the metering processes that drive data quality at Parties
    c. Targeted industry sessions to identify the causes of these issues, as well as the resolution steps, noting we took this approach on gas in 2023, and the associated changes are still in progress.

    We would highlight that the current comparison of MEM – EES/GES data compares a number of data items for each MPxN. Given the number of differences noted as part of any of the above approaches it may also be appropriate to prioritise those items with a higher number or specific data item differences.