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# MAJOR SWITCHING INCIDENT (MSI) ACTION PLAN UPDATE


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**FOR DECISION**

In this paper, the Code Manager provides an update on progress made against actions assigned to DCC and RECCo following the Major Switching Incident review led by RECCo last year. The paper reflects on the status of the actions and whether these will result in the reduction of risks identified by the review.

The Code Manager has also suggested next steps for PAB's consideration.

The Code Manager recommend PAB to:

- **APPROVE** approach for actions which have been completed but did not result in sufficient risk reduction.
- **APPROVE** approach for actions in progress which are not expected to result in sufficient risk reduction.
- **APPROVE** approach to unblock actions where scope cannot be agreed.
- **APPROVE** next steps for all other MSI actions.

# 1 MAJOR SWITCHING INCIDENT ACTION PLAN – BACKGROUND

DCC (Data Communications Company) formally closed the CSS (Central Switching Service) system Major Switch Incident (MSI) Priority 1 incident on 12th September 2023, issuing both a Post Incident Report Summary and full Incident Review Report to the REC Code Manager, allowing publication to PAB and to the wider industry via the REC Portal.

RECCo and Code Manager completed an independent end-to-end major switching incident review which considered the efficiency and effectiveness of the incident management response, and confirmed in their resulting report the required action recommended to be taken to mitigate the possibility of, or risks and impacts from, any future major switching incidents. The report recommended 24 actions: 13 RECCo agreed actions and 11 DCC agreed actions that were identified under the Action Plan Performance Assurance Technique .

## 1.1 CURRENT STATUS CLASSIFICATION

RECCo and the DCC have worked actively in the past year on the agreed actions, completing several of them. Following stakeholder engagement, some actions have are progressing differently than originally expected. This paper sets out what has been achieved, any areas of residual risk, and options for the next steps for PAB to consider.

The Code Manager has classified the current status of the Actions as below:

| Current Status | Number of DCC's Actions | Number of RECCo's Actions |
|---|---|---|
| Complete with risk reduction | 7 | 0 |
| Complete with risk reduction reliant on others | 0 | 1 |
| In progress and current plan anticipates risk reduction | 1 | 0 |
| In progress but current plan anticipates less risk reduction than anticipated | 1 | 9 |
| Blocked due to scope disagreement | 1 | 1 |
| A minimal version of the action is in progress | 1 | 2 |

We have provided an update and summarised the status for each of these below, including any decisions for PAB where required.

## 1.2 ACTIONS COMPLETE WITH RISK REDUCTION

We have confirmed that DCC has completed 7 out of 11 actions, these are summarised below:

- Completing a review of capacity and demand management.
- Updating DCC's Major Switching Incident Management policy.
- Consider if further guidance is required relating to how and when to raise a ticket.
- Review the gate closure process, so there is a way recipients know when the process is completed.
- Having a process to publish an Action Plan so Users can understand the resolution process.
- Updating communication plans.
- Have a process for handling the conflict of interest between Switching Operator and CSS Provider Services.

We have provided the verbatim wording of the actions is included in Appendix 2.

**Code Manager Recommendation:**



These actions has been marked as complete. No further action required.

## 1.3 COMPLETE WITH RISK REDUCTION THAT IS RELIANT ON OTHERS

RECCo have an action that is complete but the expected risk reduction has not yet been achieved. This action has been listed in the table below.

| Ref | Action - Review Recommendation | Code Manager Assessment |
|---|---|---|
| IM021 | RECCo should consider the appropriateness of the current arrangements and provide a clear recommendation to Ofgem on the contractual arrangements and governance required to effectively manage the CSS Provider and Switching Operator. | RECCo have completed all of the actions they can at this stage. Ofgem will determine the future of the CRS Service, which could then lead to risk reduction. |

We consider IM021 complete.

## 1.4 IN PROGRESS AND CURRENT PLAN ANTICIPATES RISK REDUCTION:

DCC have one action where the action is in progress and the current plan is on track to achieve the expected risk reduction.

| Ref | Theme | Action - Review Recommendation |
|---|---|---|
| T004 | A full review of data logging is required, with logs mapped to the end-to-end switching journey. This should be completed by the DCC, in its role as CSS Provider, and should be reviewed by the REC Technical Expert Group, who should be able to require the CSS Provider to implement additional logging as it determines is required.<br><br>Where REC Changes are required, these should be prioritised by the REC Code Manager in agreement with RECCo. | DCC has completed the review of data logging.<br><br>The Code Manager would highlight this has been a significant piece of work that DCC has completed which will help with knowledge management and could form the basis for improvements that will reduce risk.<br><br>The Code Manager's Technical Services team have received the document and are reviewing it. They plan on taking it to the Technical Expert Panel, the relevant REC Committee, including a cover paper to explain the purpose of the report, the areas the committee should consider and the recommended next steps. |

**Code Manager Recommendation:**

This action should be tracked through to completion by the REC Code Manager on the PAB actions list.

## 1.5 IN PROGRESS BUT CURRENT PLAN ANTICIPATES LESS RISK REDUCTION THAN ANTICIPATED

During the Major Switching Incident there were disagreements around the respective roles of the CRS Provider, Suppliers and RECCo. As a result the Major Switching Incident Review concluded that responsibilities should be clarified so that if a similar incident occurred then the obligations would be clearly set out in the REC, and not fulfilling these obligations could be tackled by the PAB. This included obligations on the CRS Provider to:

1. Provide information on the root cause of identified incidents.
2. Provide end consumer appropriate information to REC Parties.
3. Assess impacts on the wider switching arrangements (i.e. not just on CSS).
4. Collaborate with other parts of the regulatory ecosystem (e.g. Ofgem, BSC, UNC, DCUSA etc.)
5. Publish 7 documents related to how incidents are managed (which was recorded as an action for DCC and RECCo).

6. Work proactively with impacted Suppliers to understand any prioritisation which might inform any resolution plan proposed.

There was also a recommendation relating to the review of the terms of the REC Committee in place to deal with decisions on complex issues in the event of a major incident..

The full list of actions are included as Appendix 1. There are nine actions, two of which have been combined with other actions above for readability.

RECCo took an action to raise these changes by the end of February 2024, on the assumption that these would be followed through to completion. RECCo requested a change was raised on 29th February 2023 to the REC Code Manager, following discussions on whether a single or multiple change(s) were appropriate. The Code Manager accepted this as an issue to work on referred to as I0168 (Clarify & strengthen CRS Providers requirements) on 1 May 2024.

Following consultation with the Change Issues Group, the proposed solution is to introduce a Code requirement to follow a best practice document. The best practice solution was developed for major switching incidents extending beyond the resolution timeframe with an expectation that each incident will be unique – the intent of the proposed solution is to provide flexibility to fit each incident without creating unnecessary burdens. However, given that during the major switching incident there were disputes around the requirement to complete these activities, we consider this approach may not deliver an enforceable set of requirements to address the risk or fully mitigate the risk, as a dispute could arise again.

The new change approach aims to drive up engagement through greater involvement of Parties, so a balance needs to be struck between taking their feedback on board that guidance is appropriate, and making sure that the change delivers the risk reduction acceptable to both the industry and PAB. We should note that suppliers were a key group impacted by this incident and have been fully engaged with the change process'

**Suggested options:**

The Code Manager invites the PAB to consider the below options to progress this action:

1. Accept the Code change establishing a requirement to follow guidance is appropriate in this instance, and consider the tracking through the Change Process to be sufficient. On this basis the actions would be considered closed.
2. Accept the Code change establishing a requirement to follow guidance brings some risk reduction at the beginning of 2025, but seek the development a complementary set of specific Code updates to strengthen the ability to manage non-compliance through Performance Assurance. Consider the tracking through the Change Process to be sufficient. On this basis the actions would be considered closed.
3. Sharing this paper with the REC Change Panel, requesting that they reconsider the approach to this change so that relevant REC requirements can be updated. We would also recommend sharing the original Major Switch Incident Review paper which provides the rationale for the need for changes to the REC, and having the updates to REC Committees completed separately.

**Code Manager Recommendation:**



We recommend that the PAB shares this paper with the REC Change Panel, requesting that they reconsider the approach to this change. We consider updating the REC committees could be a separate, simpler change.

## 1.6 ACTION WHERE PROGRESS CANNOT BE ACHIEVED DUE TO SCOPE DISAGREEMENT

One common action across both DCC and RECCo have been at impasse due to disagreement on scope of the assessment. The action has been listed below:

| Ref | Action - Review Recommendation |
|---|---|

| | |
|---|---|
| T011 | RECCo should review samples of downgraded tickets, or tickets reassigned to different organisations, and their rationale to identify if this indicates issues with capability or REC compliance |

RECCo scoped this review to cover assessment of service design as well as service operation, in line with the conclusion set out in the Major Switch Incident Review paper. To deliver independent, visible scrutiny of the Switching Operator incident management process, RECCo requested the Code Manager to:

- assess the Switching Operator's capacity to deal with incident volumes;
- assess the Switching Operator's capability, and controls, when managing incidents; and
- provide assurance that the Switching Operator is not arbitrarily or inappropriately downgrading incident tickets (which bring longer service level periods for response and resolution).

To obtain a robust piece of analysis, RECCo determined that the Code Manager should conduct interviews and process walkthroughs to assess capability whilst also reviewing a sample of 150 tickets which includes all Priority 1, 2 and 3 tickets that were raised over a 12-month period, with the remaining sample being randomly selected from the Priority 4 category.

DCC have not agreed with the scope defined by RECCo as appropriate interpretation of the MSI action. DCC are willing to share a manually extracted list of tickets which they have identified as downgraded along with the rationale for downgrading them. They state they are unable to share any evidence that allows the Code Manager to independently corroborate this list is complete and accurate due to security and regulatory policy breach concerns. These policies, they state, do not allow them to share incident ticket data, which may contain personal information, with RECCo and the Code Manager for review.

The Code Manager invites the PAB to consider the below options to progress this action:

**Suggested options:**

1. Take no further action.
2. Determine that the high-level assessment suggested by DCC, without access to the information tracked on the tickets, focusing on downgraded or reassigned tickets is sufficient.
3. Require DCC to provide the information required for the Code Manager to assess the key risk raised during the major switching incident (DCC downgrading tickets), with a sample of 50 tickets and access to DCC's data to enable the Code Manager to complete detailed testing.
4. Require DCC to provide the information required, including 150 samples and process walkthroughs, as suggested by RECCo.

**Code Manager Recommendation:**



Option 3 is cost beneficial, and we suggest that the information to select a sample should be provided by 15 November, with staff available to provide information from 1 December 2024.

## 1.7 A MINIMAL VERSION OF THE ACTION IS IN PROGRESS

DCC has one action in this classification while RECCo has two actions, these have been listed below:

DCC's Action:

| Ref | Action - Review Recommendation | Status |
|---|---|---|
| T010 | Where the DCC in its role as Switching Operator carries out its regular assessment in line with its obligation, within the Switching Operator Service Definition, it should periodically report the emerging issues and trends to RECCo, this is to enable a holistic view to consider if these indicate proactive improvements, or code changes, which might mitigate the risk these issues might culminate in a future incident. A summary of this should be presented at the Switching Operator Forum.<br>Where REC Changes are required, these should be prioritised by the REC Code Manager, in agreement with RECCo. | DCC have confirmed that they understand that this is a requirement, but suggested that there are no emerging issues to report, or identified areas where the switching service can be improved. |

RECCo's Actions:

| Ref | Action - Review Recommendation | Status |
|---|---|---|
| IM016 | RECCo should propose the development of a cross-code working group to consider the cross-code implications of a future Major Switch Incident and whether any proactive adjustment to code governance provisions across UNC, BSC and DCUSA might better assist energy industry parties fix consequential issues/effects across the wider industry end-to-end Switching landscape. | RECCo are in discussion with UNC, BSC, DCUSA, and IGT UNC code administrators. Each have taken the issue raised for internal code consideration, assessment and discussion with their risk or performance colleagues.<br><br>RECCo have attended the UNC Distribution Working Group, to seek their consideration of whether further UNC change is needed, in addition to Mods 853/855.<br><br>RECCo intend on establishing defined roles & responsibilities between REC, UNC, BSC, DCUSA and iGT UNC for the communication of an MSI event, to ensure timely cross code awareness is raised. This will be in addition to existing touchpoints. |
| COM24 | RECCo should consider a "tell us once" contact principle; for example, a single authentication and contacts service to make the process of providing contacts to REC Services simpler and more effective. | RECCo are working on Digital Services, which they intend to deliver in 2025.<br><br>In the meantime, RECCo and the Code Manager will develop a combined view of Code & Switching Contacts, and establish annual reconciliation of various contact Code contact lists.<br>This does not reduce the number of services that Parties will need different logins or messaging for, but reduces the risk that user accounts are out of date. |

**Code Manager Recommendation:**



Given the length of time that has elapsed, and that more critical actions are still pending we propose that these actions, which have been minimally completed, are no longer tracked.

## APPENDIX 1 – DETAILED ACTIONS INTENDED TO BE ADDRESSED BY I0168

| Ref | Original Action | Summary of Change Guidance Proposed |
|---|---|---|
| T007<br><br>Compliance Technical Solution & the Resolution | RECCo should raise a change for the DCC, in its role as Switching Operator, to provide information on the root cause identified of incidents, as soon as possible, once it has obtained a reasonable understanding. | Provision of clear, accurate and timely information on the incident root cause, as soon as possible, once a reasonable understanding has been obtained. To offset the risks inherent from limited information and uncertainty.<br><br>Ensuring switching parties (like Energy Suppliers, Third Party Intermediaries (TPIs) and Networks) have the right information to enable meaningful engagement, assist their end-consumers, and ensure all impacted Market Participants can more proactively manage the incident impacts, including making appropriate plans in response to the incident and its resolution. |
| T009<br><br>The Technical Response | RECCo should undertake a review of the data captured as part of a Switch, or otherwise, to help prioritise in the event of a Major Switching Incident. | Where an incident's proposed resolution will take some time to implement (i.e., like processing the missing switches over a week), ensuring the DCC works proactively with impacted Suppliers to understand candidate Switches that might be prioritised. Examples might include, but exclusively be limited to, continuing detriment to a vulnerable end-consumer, the enablement of a critical supply, or promoting end-consumer led switches over intra-company migrations. Supplementing the limited information available to the DCC (via the defined Switch data), to allow meaningful prioritisation, if possible, and allow informed decision making on the proposed resolution plan. |
| IM013<br><br>Impact on Consumers | RECCo should raise a Change Proposal to include a requirement for the DCC in its role as Switching Operator to provide end-consumer appropriate information for REC Parties/Non-REC Parties use to determine communication and action for their consumers. | Provision of end-consumer appropriate information, to enable party communication with their impacted end-consumers. |
| IM015<br><br>Impact on Energy Business | RECCo should propose a change to code to clarify the DCC as Switching Operator's broader obligation to assess an incidents impact on the wider Switching Arrangements, with the purpose of ensuring the most effective, efficient overall Switching industry solution is promoted and implemented. | Consideration of incident time, cost and resource impacts; across the REC Switching arrangements, through the defined processes, systems, data and services. facilitating and ensuring the developed proposed solution(s) consider these impacts; for the most the most effective, efficient overall industry Switching solution<br><br>Providing guidance and instruction to others (like Code Administrators, Ofgem, Switching Data Service Providers (SDSPs) etc) to enable collaborative work to identify potential cross-code impacts. With the aim that knowing these key impacts, helps the development of proposed solution(s) that might avoid, where possible, unnecessary negative impacts to industry or end-consumers. |
| IM017<br><br>Impact on Licences & Codes | RECCo should propose a change to the REC to clarify that if a Major Switching Incident is not going to be resolved within defined Service levels, then the DCC in its role as Switching Operator should determine the impact on compliance with the REC end-to-end Switching Arrangements, and work with Ofgem, and the Code Administrators for BSC, UNC and DCUSA, and RECCo, to identify the cross code impacts/impacts on other Codes when managing an incident and developing an appropriate solution for industry, with least negative impact to end-consumers. | |

| Ref | Original Action | Summary of Change Guidance Proposed |
|---|---|---|
| IM018<br><br>Impact on Licences & Codes | RECCo should provide guidance to DCC, on the responsibilities for ensuring appropriate guidance and instruction is given, when working with Ofgem, the Code Administrators (for BSC, UNC and DCUSA, and RECCo), when managing an incident and determining the impact on compliance of the respective organisations within the scope of the REC. | |
| IM019<br><br>Impact on Licences & Codes | RECCo should review the terms of reference of the Switching Change Advisory Board (SCAB), as well as its membership, so that it could be convened to make decisions on similar incidents, should they occur in the future. As part of the review, consideration is needed around the SCAB role when agreeing the right resolution, with change impacts to multiple SDSPs and market participants. | Confirmation of the role an emergency Switching Change Advisory Board (SCAB/ Switching CAB) can play, once convened, in the transparent consideration and determination of proposed resolution activity (solution, plan) that impacts multiple SDSPs and market participants. |
| IM020<br><br>Impact on Licences & Codes | RECCo, working with the DCC, in its role as the CSS Provider and Switching Operator, should consider the potential to identify and prioritise certain customer groups impacted by a Major Switching Incident, for approval by the PAB. This should be clearly communicated to industry when approved. | See T009 above. |
| COM22<br><br>Communicating the Right Message | RECCo should raise a change to the REC Schedule 26, Switching Service Management, to provide additional direction on a requirement not just to develop a Category 3 procedure, but for DCC in its role as Switching Operator to periodically review, reissue and maintain a:<br>• Switching Incident Management Policy, including defined roles & responsibilities (i.e., RACI)<br>• Switching Service Management Policies & Procedures<br>• Procedure for the review and updating of contact lists for CSS Users, SDSP's and other interested parties.<br>• Annual testing of Incident Management Policies, procedures, processes, and RACI<br>• RACI clearly setting out hierarchy of needs dependent of Priority of Incident.<br>• clear communications strategy included channels and cadence of meetings in addition to ongoing SOF.<br>• DCC in its role as Switching Operator should complete annual testing of the incident responses processes for incident management.<br>• A Major Switching Incident run book. | For periodic reviews, enabling both their update and testing to ensure they remain relevant and appropriate.<br><br>Being clear on who is responsible, so clear, prompt action and engagement happens.<br><br>Making sure there is a strong, workable communications strategy; articulating channels, frequency/cadence meetings, and that these don't impact the successful running of established forums (i.e., the Switching Operator Forum).<br><br>Ensuring that day-to-day approach to contact lists means they are as good as they can be. Noting: this does rely on action by those contacts to maintain. |

## APPENDIX 2 – DCC'S ACTIONS CONFIRMED AS COMPLETE

| Ref | Theme | Original Action |
|---|---|---|
| T001 | Compliance /Technical Solution.<br><br>Preventing Missing Messages. | The DCC in its role as CSS Provider, should complete a review of capacity and demand management, to identify how capacity logs are handled, and how this adapts to external events (e.g., BCDR, upticks in switching). |
| T002 | Compliance /Technical Solution.<br><br>Preventing Missing Messages. | The DCC's Major Switching Incident Management policy, in its role as the Switching Operator, should be updated to include a post conclusion monitoring phase which involves confirming all data has been appropriately handled and directly monitors infrastructure. |
| T003 | Compliance /Technical Solution.<br><br>Detecting Missing Messages | The DCC, in its role as Switching Operator, should review the REC requirements and consider any further guidance required by the CSS Provider on when and how to raise a ticket in relation to an incident. |
| T005 | Compliance /Technical Solution.<br><br>Detecting Missing Messages | The DCC in its role as Switching Operator and CSS Provider, should review the Gate Closure process so that both the CSS Provider and recipients of messages can identify the number of messages expected and sent to each participant. There should be a mechanism to communicate to other participants that all expected messages have been sent that allows Parties to reconcile this with what was received (e.g., a double entry process).<br>Where REC Changes are required, these should be prioritised by the REC Code Manager in agreement with RECCo. |
| T006 | Compliance /Technical Solution<br><br>Detecting Missing Messages | The DCC in its role as Switching Operator, should provide a plan to the REC PAB of the actions it is taking to develop its capability in delivering its service. This should include:<br>1. How it is providing training to its staff on the end-to-end switching journey, not just the elements that relate to CSS.<br>2. How it is securing new capabilities, including the ability to communicate appropriately to all interested organisations about technical issues, develop detailed plans to resolve incidents rapidly and identify the impacts on organisations involved in the switching process.<br>3. Its plan for test environment availability to enable incident resolution across the entire switching landscape.<br>4. How it plans to manage the potential conflict of interest of the Switching Operator, managing incidents caused by the CSS Provider and having impacts well beyond the CSS Provider. This should include considering whether an independent crisis manager must be appointed to deal with the most severe incidents.<br>5. How it plans to improve its systems and data collection to avoid an unmanageable volume of tickets (missed responses to tickets)<br>6. How it determines decision making on proposed resolutions to future Major Switching Incidents. |
| T008 | Compliance /Technical Solution The Technical Response | The PAB should approve the DCC's (in its role as Switching Operator) proposal on handling conflict of interest between the Switching Operator and CSS Provider services. For example, this may involve requiring the Switching Operator to have a separate provider to manage major incident communication and technical resolution. |

| Ref | Theme | Original Action |
|---|---|---|
| T012 | Compliance /Technical Solution Confidence in managing Technical Incidents | The DCC in its role as Switching Operator should provide guidance to industry on the controls it has in place over incident management to build confidence in their capability.<br>Prior to this guidance being issued it should be reviewed by the REC Code Manager Technical Service and approved by the PAB. |
| IM014 | Commercial Impact on Consumers | Once a resolution is in flight, the DCC in its role as Switching Operator should develop and publish an incident Action Plan to assist understanding and certainty around the proposed resolution and when this is planned. |
| COM23 | Communications Communicating the right message Communications<br><br>Communicating the right message | DCC in its role as Switching Operator should have a clear communication plan in place with the inclusion of.<br>• A suite of standard communications templates for helpdesks to draw upon – i.e., SDSP's and Market Participants<br>• Separate Channel forum during Major incidents for SDSP's<br>• A list of Frequently Asked Questions to be maintained by the MIM and made accessible to the Code Manager and Operational Account Manager, reviewed, and agreed utilising a RACI.<br>• MIM needs to have processes to issue standard communications for SDSP's to use, Market Participants, and to be shared with the other interested organisations, namely consumers and their agents, this should include a 'steering committee 'that has clear roles for SDSPs and RECCo defined by a RACI. |