

## Compliance plan for Mercury Energy RP – 2021

Material Change Audits		
Non-compliance	Description	
Audit Ref: 1.11 With: Clause 16A.11  From: 01-Feb-20 To: 01-Feb-20	Material change audit not conducted for deployment of centralized AMI data repository. Potential impact: High Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as weak as the material change was not undertaken as required by the code.  The impact of this had the deployment not gone as expected could have been high but no issues have been found in this audit in relation to this change and therefore the audit risk rating is low as none is not an option.	
Actions taken to resolve the issue		Completion date
We have recently received clarification from the EA on what types of changes require a material change audit. We have reiterated this message to all operations managers to ensure audits are conducted when necessary. We will liaise with Veritek if and when there is any uncertainty on whether an audit is required.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		As above
		Identified

Relevant information			
Non-compliance	Description		
<p>Audit Ref: 2.1</p> <p>With: Clause 10.6,11.2 &amp; 15.2</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>Some registry discrepancies.</p> <p>2 switch event meter readings not corrected from the 2020 audit.</p> <p>Some ICPs with distributed generation not quantified.</p> <p>IntelliHUB does not provide updated actual data to replace estimates if the actual data is obtained more than 15 days after the event date.</p> <p>1 ICP with the incorrect status of 1,5.</p> <p>Arc provides interval data to one decimal place, which is not considered to be sufficiently accurate.</p> <p>Potential impact: High</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are rated as moderate as they will mitigate risk most of the time, but there is room for errors to occur.</p> <p>The audit risk rating medium because of the impact on settlement.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status

<p><b>Registry discrepancies</b> Specific comments are included in the relevant sections of this report.</p> <p><b>2 switch reads not corrected from 2020 audit</b> This was missed as 'follow up' work from the last audit and corrections were not been made in time for R14. We will be raising this with the team to ensure all necessary corrections are made in a timely manner to allow for accurate submission. In these two cases correct RR processes were not followed and we will be reiterating with the teams involved, the importance of following these procedures.</p> <p><b>DG ICPs</b> We have reporting in place to identify ICPs where solar is present and have received no notification from the customer or network. We monitor this reporting and contact customers to arrange for import/export metering installation.</p> <p><b>Intellihub estimate replacements</b> We will be raising this with Intellihub and will investigate the options to ensure accuracy.</p> <p><b>ICP 0048240328PCC75, 1 ICP with the incorrect status</b> The status has now been corrected.</p> <p><b>ARC interval data</b> This issue is not specific to Mercury and we understand Vector Metering is working with the EA on resolution.</p>		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><b>2 switch reads not corrected from 2020 audit</b> As above.</p> <p><b>DG ICPs</b> We will continue with our reporting and customer follow up processes mentioned above. We are also in the process of implementing letter notifications to notify customers of a meter change for ICPs where solar generation has been confirmed.</p> <p><b>ICP 0048240328PCC75, 1 ICP with the incorrect status</b> We have updated our process documentation to capture the requirements for these ICPs as they are a special scenario for only one Network and are infrequent.</p>	Apr 2021	

Electrical Connection of Point of Connection			
Non-compliance	Description		
<p>Audit Ref: 2.11</p> <p>With: 10.33A</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>84 ICPs (excludes the three erroneous active updates and ICP 0302251553LC47E) updates not certified within five business days of electrical reconnection.</p> <p>Three ICPs not recertified within five business days of un-bridging.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate as reporting in place to identify reconnected ICPs with expired certification requires some improvements.</p> <p>The audit risk rating is low as volume of ICPs affected is small overall.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><b>84 ICPs not certified within 5 BD of reconnection</b></p> <p>This non-compliance is due to the non-compliance of the MEP. We will look at how our reporting can be improved and will work with the MEPs to have strong controls.</p> <p><b>3 ICPs not certified within 5 BD of un-bridging</b></p> <p>We have raised this with the MEPs and have reiterated the EA requirements of recertification following an un-bridging. One MEP has confirmed that jobs have been raised to recertify the affected ICPs and we have followed up with the other MEP.</p> <p><b>ICPs 0002721021TGDBD &amp; 0081062149WECA1</b></p> <p>0002721021TGDBD – This ICP was a backdated switch processed on 07 Jan 2021. The status was corrected on 15/01/2021.</p> <p>0081062149WECA1 – This issue appears to be unrelated to any of our previous system issues for which our fix was deployed. IT are investigating and corrections will be made as necessary.</p>		<p>Ongoing</p> <p>April 2021</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have raised this with the MEPs and have reiterated the code requirements for meter certification.			

Changes to registry information		
Non-compliance	Description	
<p>Audit Ref: 3.3</p> <p>With: Clause 10 of schedule 11.1</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>Registry not updated within 5 business days of the event for some status updates, MEP nominations and trader updates.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are rated as moderate as there are good controls in place to identify discrepancies and the automated process issues identified in the last audit have been addressed.</p> <p>The audit risk rating is assessed to be low, as the volume of backdated updates is declining as processes and controls are improved.</p>	
Actions taken to resolve the issue		Completion date
<p>Many of our late updates are due to the 'switch loader' issue which we have resolved in Sep20. There are also instances where non-compliance cannot be avoided due to backdated switches, late notification from other parties etc. The reporting we have in place is working well to monitor discrepancies and we are seeing an improvement in compliance for this area.</p> <p><b>ICPs 0002721021TGDBD &amp; 0081062149WECA1</b></p> <p>0002721021TGDBD – This ICP was a backdated switch processed on 07 Jan 2021. The status was corrected on 15/01/2021.</p> <p>0081062149WECA1 – This issue appears to be unrelated to any of our previous system issues for which our fix was deployed. IT are investigating and corrections will be made as necessary.</p>		March 2021
Preventative actions taken to ensure no further issues will occur		Completion date
<p>Increased compliance following our Sep20 fix is already visible and we will continue to monitor any discrepancies closely. We will continue to work on improving our processes and controls in this area.</p>		Ongoing

Trader responsibility for an ICP		
Non-compliance	Description	
<p>Audit Ref: 3.4</p> <p>With: Clause 11.18</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>Some invalid MEP nominations were sent.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are rated as strong as there are good controls in place to identify discrepancies and the automated process issues identified in the last audit have been addressed.</p> <p>The audit risk rating is assessed to be low, as the sending of invalid MEP requests due to SAP has been fixed and the incorrect or invalid MEP nominations post September is minor.</p>	
Actions taken to resolve the issue		Completion date
We have implemented a system fix to resolve the incorrect MEP nominations caused by the switch loader. The results post Sep20 show this fix has been successful.		Sept 2020
Preventative actions taken to ensure no further issues will occur		Completion date
We have reporting in place to capture MEP nomination rejections which will be monitored closely to ensure compliance in this area.		Dec 2020
		Cleared

Provision of information to the registry manager		
Non-compliance	Description	
<p>Audit Ref: 3.5</p> <p>With: Clause 9 of schedule 11.1</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>Registry information not provided within 5 business days of commencement of supply.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are rated as moderate. I have made two recommendations that will assist with moving these controls to strong.</p> <p>The audit risk rating is low as the average cycle time to complete is still below 5 days.</p>	
Actions taken to resolve the issue		Completion date
We have begun work on the two auditor recommendations which will improve our controls in this area. We have also implemented process improvements when meter installation results are returned which will increase efficiency and timeliness.		April 2021
Preventative actions taken to ensure no further issues will occur		Completion date
We will look into how we can use the audit compliance report to identify ICPs that have been electrically connected and we have not received notification.		Sept 2021
		Identified

ANZSIC codes		
Non-compliance	Description	
<p>Audit Ref: 3.6</p> <p>With: 9 (1(k) of Schedule 11.1</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>249 with “Don’t know” ANZSIC codes assigned. Some of these will be invalidly assigned.</p> <p>31 of the 102 ICPs checked had incorrect ANZSIC codes assigned.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are rated as moderate. There is a reliance on the front line to confirm and assign the correct code and this is not always happening. The controls in place mitigate this as best it can.</p> <p>This has no direct impact on reconciliation therefore the audit risk rating is low. There is an impact on reporting by the Electricity Authority.</p>	
Actions taken to resolve the issue		Completion date
Weekly reporting is in place to capture missing & “don’t know” ANZSIC codes and these are updated as necessary. This process is working well and is shown by the decrease in number compared with previous audits.		Completed
Preventative actions taken to ensure no further issues will occur		Completion date
As there is reliance on our frontline staff to capture the correct code, we will attend team meetings or training sessions to reinforce the importance of capturing correct information.		Sept 2021



Changes to unmetered load			
Non-compliance	Description		
<p>Audit Ref: 3.7</p> <p>With: Clause 9(1)(f) of Schedule 11.1</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>ICP 0007301973NVCDF with missing unmetered load details (since corrected).</p> <p>ICP 0015723581ELA43 has a single-phase meter on a telecommunications amplifier with a multiplier of 101 to cater for an additional 100 unmetered load connections.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	<p>I have rated the controls as moderate as the registry discrepancy process will identify most errors.</p> <p>The audit risk rating is medium due to the unknown impact the Kapiti coast ICP has as it may have incorrect volumes being reconciled against the incorrect GXP and balancing area. This is close to being resolved but wasn't complete at the time of the audit.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><b>0007301973NVCDF</b> was corrected on 28.01.2021</p> <p><b>0015723581ELA43</b> we are currently working with our customer and the distributor to resolve this. Our customer is in the process of auditing this ICP/unmetered equipment. Following the results of this audit, we will make the necessary changes/corrections.</p>		<p>Jan 2021</p> <p>May 2021</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We believe we have strong controls in place and will continue to monitor and correct unmetered load as necessary.		Ongoing	

Management of “active” status		
Non-compliance	Description	
<p>Audit Ref: 3.8</p> <p>With: Clause 17 Schedule 11.1</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>Ten of a sample of 20 reconnections updates were invalidly processed.</p> <p>Two reconnections were made active for the incorrect active date.</p> <p>One HHR reconnection with an incorrect active date.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as moderate as they have been strengthened during the audit period.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
<p><b>Ten invalid reconnection updates</b></p> <p>We have implemented a fix to resolve the system issue causing some incorrect status updates. The results post fix show the fix has been successful.</p> <p>0002721021TGDBD – This ICP was a backdated switch processed on 07 Jan 2021. The status was corrected on 15/01/2021.</p> <p>0081062149WECA1 – This issue appears to be unrelated to any of our previous system issues for which our fix was deployed. IT are investigating and corrections will be made as necessary.</p> <p><b>Two reconnections made active for the incorrect date</b> <b>0000121392TR45E</b></p> <p>This ICP was identified in our risk reporting in August. The reads between June to August were estimated and the decision was made to backdate the “active” date to the date after disconnection.</p> <p><b>0031670147PC011</b></p> <p>This ICP was picked up on our vacant disconnected with usage report. The incorrect active date was selected due to human error. This has since been fixed.</p> <p><b>One HHR ICP 0000235467UNE09 (HHM ICP)</b></p> <p>We are currently looking into the cause of this and will make the necessary corrections.</p>		<p>Sep20</p> <p>Mar 21</p> <p>Apr21</p>
Preventative actions taken to ensure no further issues will occur		Completion date

As above.	As above.	
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Management of “inactive” status		
Non-compliance	Description	
Audit Ref: 3.9 With: Clause 19 Schedule 11.1  From: 01-Feb-20 To: 08-Dec-20	Three ICPs with incorrect inactive status. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are rated as moderate because the disconnection process is normally automated, but a small number of updates were incorrect. The audit risk rating is low because a small number of ICPs were affected.	
Actions taken to resolve the issue		Completion date
The status for these ICPs have now been corrected.		Mar 2021
Preventative actions taken to ensure no further issues will occur		Completion date
We be looking at using the AC020Trader02 report to identify ICPs with status 1,12 to identify errors and allow for timely corrections.		June 2021
		Cleared

Losing trader response to switch request and event dates - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.2</p> <p>With: Clauses 3 &amp; 4 of schedule 11.3</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>Five of a sample of 14 AN files checked contained incorrect response codes of either AA or AD.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>I have rated the controls as strong as a system fix has been deployed which has fixed the core logic.</p> <p>I have recorded the audit risk rating as low as this information is already available in the ICP registry details.</p>	
Actions taken to resolve the issue		Completion date
We have implemented a system fix to resolve this as it was a known issue. This was completed in Jan 21.		Jan 21
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		
		Remedial action status
		Cleared

Losing trader must provide final information - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.3</p> <p>With: Clause 5 of schedule 11.3</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>26 CS (CS received after an AN) switch breaches.</p> <p>Four WR (switch completion after withdrawal rejection) switch breaches.</p> <p>One of the ten ICPs sampled sent with an incorrect average daily consumption of zero.</p> <p>Three of the ten files sampled sent with an incorrect last read date.</p> <p>One of the ten files sampled sent with incorrect last read labelled as an actual.</p> <p>One of the ten files sampled sent with an estimated read sent as an actual.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>I have rated the controls as moderate but there is some investigation required to ensure that SAP logic is correct - this was more evident in the switch move CS files detailed in <b>section 4.10</b>. Mercury's internal switch breach reporting is not identifying all possible switch breaches since the registry report was corrected. They are working to align these.</p> <p>The audit risk rating is assessed to be low, as overall timeliness of files is good and automation is working as expected in most instances.</p>	
Actions taken to resolve the issue		Completion date
<p><b>26 CS (CS received after an AN) switch breaches.</b></p> <p><b>Four WR (switch completion after withdrawal rejection) switch breaches.</b></p> <p>We were not made aware of a change to the registry switch breach reporting which affected our internal reporting and meant many breaches were not identified and actioned accordingly. Our reporting has since been corrected.</p> <p><b>One of the ten ICPs sampled sent with an incorrect average daily consumption of zero.</b></p> <p>We will raise this issue with ICT and make the necessary changes to our calculation logic.</p> <p><b>Files sent with incorrect read values, dates and types</b></p> <p>A fix was implemented in Feb20 to address these issues. As there appear to be errors still occurring, we will raise this with our IT team to review the logic and implement the necessary changes.</p>		<p>N/A</p> <p>Sep 2021</p> <p>Sep 2021</p>
Preventative actions taken to ensure no further issues will occur		Completion date

As above.	As above.	
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Retailers must use same reading - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.4</p> <p>With: Clauses 6(1) and 6A Schedule 11.3</p> <p>From: 23-Aug-19</p> <p>To: 08-Dec-20</p>	<p>Three late RR files and three late AC files for transfer switches.</p> <p>RR not sent for ICP 0000570766NR645 and reading from CS file was not used (from 2020 audit).</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Controls are recorded as strong because they appear to minimise risk to an acceptable level.</p> <p>The audit risk rating is low because there were only a small number of late files and only one issue was identified with the process.</p>	
Actions taken to resolve the issue		Completion date
<p><b>Late RR and AC files</b></p> <p>We will continue with our strong controls in this area. Late RR and AC files are often necessary and unavoidable meaning 100% compliance in this area is not attainable.</p> <p><b>ICP 0000570766NR645</b></p> <p>This was missed as 'follow up' work from the last audit and corrections were not been made in time for R14. We will be raising this with the team to ensure all necessary corrections are made in a timely manner to allow for accurate submission. The impact here is minimal due to the small difference in meter reads.</p>		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		

Gaining trader informs registry of switch request - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.7</p> <p>With: Clause 9 of schedule 11.3</p> <p>From: 01-Mar-20</p> <p>To: 01-Mar-20</p>	<p>Incorrect switch type used to transfer Council ICPs.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are rated as strong as this the only way Mercury could gain the DUMML ICPs for the correct start date.</p> <p>The audit risk rating is assessed to be none but low is the lowest impact option available.</p>	
Actions taken to resolve the issue		Completion date
There is no impact for this one-off non-compliance, and we have very strong controls in place.		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
We will review our process for switching in HHR Cat9 sites and update our documentation accordingly to ensure correct switch types are used.		Mar21
		Identified



Losing trader provides information - switch move			
Non-compliance	Description		
<p>Audit Ref: 4.8</p> <p>With: Clause 10 of schedule 11.3</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>137 late CS files (121 breach code T2 and 16 breach code WR).</p> <p>One incorrect switch response code of AA sent instead of AD.</p> <p>107 ANs had non-compliant proposed event dates.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>I have rated the controls as moderate as because the proposed event dates assigned automatically by SAP are incorrect in some instances and the logic needs review.</p> <p>I have recorded the audit risk rating as low as there is no direct effect on settlement outcomes. All of the switches with non-compliant proposed event dates were switched out on the event date requested by the gaining trader or were withdrawn before the switch was completed.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>This has been raised as initiative to review the logic and correct it.</p> <p><b>137 late CS files</b> We were not made aware of a change to the registry switch breach reporting which affected our internal reporting and meant many breaches were not identified and actioned accordingly. Our reporting has since been corrected.</p> <p><b>1 incorrect switch response code</b> We have implemented a system fix to resolve this as it was a known issue. This was completed in Jan 21.</p> <p><b>107 non-compliant proposed event dates.</b> We are currently working with IT to have this issue resolved.</p>		Nov 2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above.		As above.	

Losing trader must provide final information - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.10</p> <p>With: Clause 11 of schedule 11.3</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>One of the ten ICPs sampled sent with an incorrect average daily consumption of zero.</p> <p>Three of the ten files sampled sent with an incorrect last read date.</p> <p>Three of the ten files sampled sent with a last read labelled incorrectly as an actual.</p> <p>Two of the ten files sampled sent with incorrect last reads.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>I have rated the controls as moderate but there is some investigation required to ensure that SAP logic is correct.</p> <p>The audit risk rating is assessed to be low, as overall timeliness of files is good and automation is working as expected in most instances.</p>	
Actions taken to resolve the issue		Completion date
<p><b>1 ICP sent with incorrect ADC.</b></p> <p>We will raise this issue with ICT and make the necessary changes to our calculation logic.</p> <p><b>Files sent with incorrect read values, dates and types</b></p> <p>A fix was implemented in Feb20 to address these issues. As there appear to be errors still occurring, we will raise this with our IT team to review the logic and implement the necessary changes.</p>		<p>Sep 2021</p> <p>Sep 2021</p>
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		As above.
		Identified

Gaining trader changes to switch meter reading - switch move			
Non-compliance	Description		
<p>Audit Ref: 4.11</p> <p>With: Clause 12 Schedule 11.3</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>Incorrect reading used when the Mercury RR was rejected (from 2020 audit).</p> <p>57 late RR files and 17 late AC files for switch moves.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are recorded as moderate because they appear to minimise risk to an acceptable level.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><b>Incorrect reading used when the Mercury RR was rejected (from 2020 audit).</b></p> <p>This was missed as 'follow up' work from the last audit and corrections were not been made in time for R14. We will be raising this with the team to ensure all necessary corrections are made in a timely manner to allow for accurate submission.</p> <p><b>57 late RR files and 17 late AC files for switch moves.</b></p> <p>We have strong controls in place which in normal circumstances minimise risk. Some late files are caused by genuine delays to ensure accuracy.</p>		N/A	Identified
<p><b>Preventative actions taken to ensure no further issues will occur</b></p>		Completion date	
<p><b>Incorrect reading used when the Mercury RR was rejected (from 2020 audit)</b></p> <p>This was missed as 'follow up' work from the last audit and corrections were not been made in time for R14. We will be raising this with the team to ensure all necessary corrections are made in a timely manner to allow for accurate submission.</p> <p><b>57 late RR files and 17 late AC files for switch moves.</b></p> <p>We will continue with our strong controls in this area.</p>		Completed.	

Gaining trader to advise the registry manager - gaining trader switch			
Non-compliance	Description		
<p>Audit Ref: 4.14</p> <p>With: Clause 16 of schedule 11.3</p> <p>From: 09-Mar-20</p> <p>To: 01-Oct-20</p>	<p>Ten late CS files sent.</p> <p>One HH CS file for 1002045936LC604 (01/10/2020) was sent with METERINSTALL, METERCOMP and METERCHANNEL rows.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Twice</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>I have rated the controls as strong because they mitigate risk to an acceptable level.</p> <p>I have recorded the audit risk rating as low because the issue noted has no impact.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><b>Ten late CS files sent.</b> The non-compliance here has no impact and was a one-off processing error due to human error.</p> <p><b>One HH CS file</b> The non-compliance here has no impact and was a one-off processing error due to human error.</p>		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><b>Ten late CS files sent.</b> We will continue with our strong controls in this area.</p> <p><b>One HH CS file</b> This processing error was due to human error by a new staff member. We have provided further training and have updated training documents to ensure correct processes are followed in all instances which will avoid these breaches in the future.</p>		Completed	

Withdrawal of switch requests		
Non-compliance	Description	
<p>Audit Ref: 4.15</p> <p>With: Clauses 17 &amp; 18 of schedule 11.3</p> <p>From: 10-Feb-20</p> <p>To: 14-Nov-20</p>	<p>144 NA (NW delivery after switch completion) switch breaches.</p> <p>Four NW (NW delivery before switch completion) switch breaches.</p> <p>11 SR (NW after initial withdrawal rejection) switch breaches.</p> <p>21 AW (AW delivery) switch breaches.</p> <p>Three late WC (acceptance withdrawal cycle resolution) switch breaches.</p> <p>One incorrect NW code</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>I have rated the controls as strong as Mercury controls are robust but due to the complexity these types of withdrawals there will always be some late switch withdrawals and acceptances.</p> <p>The audit risk rating is low as the volume of backdated switch withdrawals is low in relation to the overall volume of switches processed and the processing of these increases the submission accuracy.</p>	
Actions taken to resolve the issue		Completion date
We will continue with our strong controls in this area. Late AW and NW files are often unavoidable but necessary meaning 100% compliance in this area is not attainable.		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		N/A
		Identified

Metering information		
Non-compliance	Description	
<p>Audit Ref: 4.16</p> <p>With: Clause 21 of schedule 11.3</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>One transfer move switch sent with an incorrect last read.</p> <p>Two switch move switches sent with incorrect last reads.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>I have rated the controls as moderate as two of three of these examples were due to human error. One incorrect switch read sent by SAP requires investigation to determine why this was sent.</p> <p>The audit risk rating is assessed to be low, as the effect on reconciliation will be minor.</p>	
Actions taken to resolve the issue		Completion date
<p><b>Files sent with incorrect read values</b></p> <p>A fix was implemented in Feb20 to address these issues. As there appear to be errors still occurring, we will raise this with our IT team to review the logic and implement the necessary changes.</p>		Sep 2021
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		As above.
		Identified

Unmetered threshold		
Non-compliance	Description	
<p>Audit Ref: 5.2</p> <p>With: Clause 10.14 (2)(b)</p> <p>From: 09-Jun-17</p> <p>To: 01-Feb-21</p>	<p>Eight standard unmetered ICPs with unmetered consumption over 6,000 kWh per annum.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Twice previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	<p>The controls are rated as moderate as Mercury is actively working to resolve this and is making steady progress.</p> <p>The audit risk rating is medium as the combined volume could, if incorrect, have a material impact on reconciliation.</p>	
Actions taken to resolve the issue		Completion date
All ICPs relate to one customer. We have been working closely with the customer and distributor to prepare and establish a DUML database for these connections. A DUML audit has been booked for May 2021.		May 2021
Preventative actions taken to ensure no further issues will occur		Completion date
These ICPs all relate to one customer and are very complex in nature. For any new ICP switch ins we will work with the customer to arrange metering as required.		Ongoing
		Identified

Unmetered threshold exceeded		
Non-compliance	Description	
<p>Audit Ref: 5.3</p> <p>With: Clause 10.14 (5)</p> <p>From: 09-Jun-17</p> <p>To: 01-Feb-21</p>	<p>Eight standard unmetered ICPs with unmetered consumption over 6,000 kWh per annum were not corrected within the required timeframe.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	<p>The controls are rated as moderate as Mercury is actively working to resolve this and is making steady progress.</p> <p>The audit risk rating is medium as the combined volume could, if incorrect, have a material impact on reconciliation.</p>	
Actions taken to resolve the issue		Completion date
All ICPs relate to one customer. We have been working closely with the customer and distributor to prepare and establish a DUML database for these connections. A DUML audit has been booked for May 2021.		May 2021
Preventative actions taken to ensure no further issues will occur		Completion date
These ICPs all relate to one customer and are very complex in nature. For any new ICP switch ins we will work with the customer to arrange metering as required.		Ongoing
		Identified



Distributed unmetered load		
Non-compliance	Description	
<p>Audit Ref: 5.4</p> <p>With: Clauses 11(1) of schedule 15.3, 10.14 &amp; 15.13</p> <p>From: 01-Feb-20</p> <p>To: 01-Feb-21</p>	<p>Errors found in nine databases. The specific findings are detailed in the DUML database audit reports.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 6</p>	
Audit risk rating	Rationale for audit risk rating	
High	<p>The controls are rated as moderate as Mercury are working with the customers to improve the level of accuracy.</p> <p>The impact is assessed to be high, based on the kWh differences found in the DUML audits.</p>	
Actions taken to resolve the issue		Completion date
We are working with our customers to ensure databases are updated accurately and efficiently. We have made improvements on a number of these databases and are continuously working to improve these. Specific comments can be found in the individual DUML reports.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
We will continue to work closely with customers to improve accuracy in each of our DUML databases.		Ongoing
		Identified

Electricity conveyed & notification by embedded generators			
Non-compliance	Description		
<p>Audit Ref: 6.1</p> <p>With: Clause 10.13</p> <p>From: 01-Feb-20</p> <p>To: 08-Dec-20</p>	<p>While meters were bridged, energy was not metered and quantified according to the code for 14 ICPs.</p> <p>Some ICPs with distributed generation not quantified.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated as moderate as they are sufficient to reduce the risk most of the time.</p> <p>The audit risk rating is low:</p> <ul style="list-style-type: none"> <li>bridging only occurs where a soft reconnection cannot be performed after hours and the customer urgently requires their energy supply for health and safety reasons - for all 21 examples reviewed, corrections for consumption during the bridged period had been processed, and</li> <li>correct profiles are applied for reconciliation submissions.</li> </ul>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><b>Bridged meters</b></p> <p>Mercury will continue to bridge meters on an as need basis in the best interest of our customers. In some cases, bridging is unavoidable which means compliance is unattainable. We have strong processes in place to ensure all consumption is quantified and reported in a timely manner.</p> <p><b>DG ICPs</b></p> <p>We have reporting in place to identify ICPs where solar is present and have received no notification from the customer or network. We monitor this reporting and contact customers to arrange for import/export metering installation.</p>		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p><b>Bridged meters</b></p> <p>Agents have been provided training and simpler processes have been implemented to identify a remotely disconnected meter to prevent unnecessary after-hours manual reconnections being raised which may reduce the number of meters bridged.</p> <p>Where possible, supply will be restored without bridging meters, however the health and safety of our customers must come first.</p> <p><b>DG ICPs</b></p> <p>We will continue with our reporting and customer follow up processes mentioned above. We are also in the process of implementing letter notifications to notify customers of a meter change for ICPs where solar generation has been confirmed.</p>	<p>N/A</p> <p>June 2021</p>	
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Responsibility for metering at GIP		
Non-compliance	Description	
<p>Audit Ref: 6.2</p> <p>With: Clause 10.26 (6), (7) and (8)</p> <p>From: 31-Aug-20</p> <p>To: 28-Feb-21</p>	<p>One meter certificate expiry date is yet to be updated.</p> <p>Two meter certification expiry dates were updated late.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are assessed as weak as no updates occurred within the required timeframe.</p> <p>The risk is low because the meters were appropriately certified at all times.</p>	
Actions taken to resolve the issue		Completion date
<p><b>OHK2201MRPLGG</b></p> <p>The expiry date has now been updated.</p>		March 2021
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We update certification expiry dates as soon as we receive the meter certificates. The normal turnaround time for our contracted Approve Test House (ATH) to provide a certificate is around 21-45 days after meter calibration or inspection. This delay is causing our non-compliance in this area. We will raise this, and request more timely updates from the ATH.</p>		July 2021
		Identified

Collection of information by certified reconciliation participant		
Non-compliance	Description	
<p>Audit Ref: 6.5</p> <p>With: Clause 2 Schedule 15.2</p> <p>From: 11-Mar-20</p> <p>To: 25-Aug-20</p>	<p>ICP 0305679023LC074 was unable to be read in the previous three months and has a maximum interrogation cycle of 90 days.</p> <p>ICP 0000536540NRECD was unable to be read between 13/12/19 and May 2020 and has a maximum interrogation cycle of 45 days.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are rated as strong. Two ICPs were not read during the maximum interrogation cycle and site visits to resolve the issues has been delayed in part by the COVID-19 lockdown.</p> <p>The impact is assessed to be low, because only two meters are affected.</p>	
Actions taken to resolve the issue		Completion date
There are strong controls in normal circumstances however the Covid-19 lockdown caused unavoidable delays. We will continue to support agents and MEPs where required. We are now receiving actual data for both ICPs.		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		N/A
		Identified

Interrogate meters once		
Non-compliance	Description	
<p>Audit Ref: 6.8</p> <p>With: Clause 7(1) and (2) Schedule 15.2</p> <p>From: 01-Mar-20</p> <p>To: 31-Dec-20</p>	<p>The best endeavours requirement was not met for 34 ICPs not read during the period of supply.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as strong because they have been improved during the audit period.</p> <p>The risk is rated as low, as number of customers not read during the period of supply is small relative to the customer base.</p>	
Actions taken to resolve the issue		Completion date
This is an area of strong control for Mercury with substantial improvements from previous audit assessments. Despite this level of control, it remains extremely difficult to fulfil the best endeavours requirement when the tenure of ICPs is 1 month or less. We will continue to consider what more we can do in these circumstances.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		As above.
		Identified

Meter data used to derive volume information		
Non-compliance	Description	
Audit Ref: 9.3 With: Clause 3(5) of schedule 15.2  From: 01-Mar-20 To: 01-Mar-21	Raw meter data is rounded upon receipt and not when volume information is created. Potential impact: Low Actual impact: Low Audit history: Once Controls: None Breach risk rating: 5	
Audit risk rating	Rationale for audit risk rating	
Low	There are no controls to prevent rounding of raw meter data, the system is designed to round as soon as the data arrives. There is very little impact because no metered consumption information is “missing”, therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
We maintain that there is very little impact because there is no missing metered consumption information. Acknowledging that our application for exemption was rejected, the implication of this newly interpreted compliance requirement remains severe in terms of cost and strategy and the best solution currently remains under consideration.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		As above.
		Investigating

Calculation of ICP days		
Non-compliance	Description	
Audit Ref: 11.2 With: Clause 15.6  From: 01-May-19 To: 19-Jun-31	Inaccurate ICP days were reported for one ICP. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	Controls are currently rated as strong as they will mitigate risk to an acceptable level.  The impact is assessed to be low because only one discrepancy was identified, and it related to an unusual case of an NSP being changed with a backdated date of 17 years.	
Actions taken to resolve the issue		Completion date
The one instance of non-compliance is an extreme case. We will continue with our strong controls in this area.		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		N/A
		Identified



HHR aggregates information provision to the reconciliation manager		
Non-compliance	Description	
Audit Ref: 11.4 With: Clause 15.8  From: 01-Mar-20 To: 01-Mar-21	HHR aggregates file does not contain electricity supplied information. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1	
Actions taken to resolve the issue	Completion date	
Low	The issue relating to content of the aggregates file is an error in the code, Mercury is providing submission information as expected.	
Actions taken to resolve the issue	Completion date	Remedial action status
Non-compliance is disputed. Mercury is handling and presenting data as required by the Reconciliation Manager file specification.	N/A	Disputed
Preventative actions taken to ensure no further issues will occur	Completion date	
This is an industry known issue which The EA is aware off. Mercury will continue to prepare the aggregates file as required by the Reconciliation Manager file Specification. Mercury requests the EA to amend the code accordingly as this has existed for some time.	N/A	

Creation of submission information		
Non-compliance	Description	
Audit Ref: 12.2 With: Clause 15.4 From: 01-Mar-20 To: 01-Mar-21	At least four ICPs have solar generation but submission is not occurring. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
We have reporting in place to identify ICPs where solar is present and we have received no notification from the customer or network. We monitor this reporting and contact customers to arrange for import/export metering installation. The four examples identified in the audit were all captured in our reporting and we are taking steps to install the metering.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
We will continue with our reporting and customer follow up processes mentioned above. We are also in the process of implementing letter notifications to notify customers of a meter change for ICPs where solar generation has been confirmed.		June 2021
		Identified

Allocation of submission information		
Non-compliance	Description	
Audit Ref: 12.3 With: Clause 15.5  From: 01-Jun-19 To: 31-Aug-19	One ICP recorded with the incorrect NSP. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	Controls are rated as strong, because risks are controlled to an acceptable level. The audit risk rating is low, as this affected only a small number of ICPs, and this will be corrected in the next revision.	
Actions taken to resolve the issue		Completion date
<b>ICP 0000160705CKEE2</b> The NSP for this ICP has been corrected. This was a one-off error which we are investigating.		Completed
Preventative actions taken to ensure no further issues will occur		Completion date
<b>ICP 0000160705CKEE2</b> We have raised this with IT for investigation and will implement any required changes to ensure any future discrepancies are identified and corrected in a timely manner.		June 2021
		Cleared

Accuracy of submission information		
Non-compliance	Description	
<p>Audit Ref: 12.7</p> <p>With: Clause 15.12</p>          <p>From: 01-Mar-20</p> <p>To: 01-Mar-21</p>	<p>Inaccurate submission as follows:</p> <ul style="list-style-type: none"> <li>• Intellihub does not provide raw meter data to replace estimates for periods greater than 15 days. The quantify of estimates remaining is unknown.</li> <li>• 3 incorrect switch meter reads used in submission.</li> <li>• ICP 0000160705CKEE2 had a 16/08/19 NSP change processed from 01/01/10. This is now resolved.</li> <li>• ICPs 0327312033LC2D6 and 0000184853CTB54, did not have settlement units correctly set up. This is resolved and these ICPs have appeared in revision files.</li> <li>• 2 switch event meter readings not corrected from the 2020 audit.</li> </ul> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Controls are rated as moderate because they are effective most of the time.</p> <p>The impact is assessed to be low as there number of errors is low.</p>	
Actions taken to resolve the issue		Remedial action status

<p><b>Intellihub estimate replacements</b> We will be raising this with Intellihub and will investigate the options to ensure accuracy.</p> <p><b>Switch files sent with incorrect read values</b> A fix was implemented in Feb20 to address these issues. As there appear to be errors still occurring, we will raise this with our IT team to review the logic and implement the necessary changes.</p> <p><b>ICP 0000160705CKEE2</b> The NSP for this ICP has been corrected. This was a one-off error which we are investigating.</p> <p><b>ICPs 0327312033LC2D6 and 0000184853CTB54</b> These were investigated and corrected at the earliest opportunity and we have submitted accurate information in latest revisions.</p> <p><b>2 switch reads not corrected from 2020 audit</b> This was missed as 'follow up' work from the last audit and corrections were not been made in time for R14. We will be raising this with the team to ensure all necessary corrections are made in a timely manner to allow for accurate submission. In these two cases correct RR processes were not followed and we will be reiterating with the teams involved, the importance of following these procedures.</p>	<p>Sep 2021</p> <p>Completed</p> <p>Completed</p> <p>April 2021</p>	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><b>Switch files sent with incorrect read values</b> A fix was implemented in Feb20 to address these issues. As there appear to be errors still occurring, we will raise this with our IT team to review the logic and implement the necessary changes.</p> <p><b>ICP 0000160705CKEE2</b> We have raised this with IT for investigation and will implement any required changes to ensure any future discrepancies are identified and corrected in a timely manner.</p> <p><b>ICPs 0327312033LC2D6 and 0000184853CTB54</b> We will continue investigate all ICP inaccuracies in a timely manner to allow for accurate submission.</p> <p><b>2 switch reads not corrected from 2020 audit</b> As above</p>	<p>Sep 2021</p> <p>Sep 2021</p> <p>Ongoing</p> <p>As above.</p>	

Permanence of meter readings for reconciliation		
Non-compliance	Description	
Audit Ref: 12.8 With: Clause 4 Schedule 15.2  From: 01-Mar-19 To: 31-Mar-19	FE still present for 42.84 kWh for March 2019. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as moderate because they mitigate risk to an acceptable level.  The impact on settlement and participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
A strong validation process is already in place to ensure the forward estimates meet the 100% target. The cases above were not identified in time due to human error.		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
We will be investigating the four cases above and will implement any required process changes and will provide additional staff training as required, to prevent recurrence.		June 2021
		Identified

Historical estimate process		
Non-compliance	Description	
Audit Ref: 12.11 With: Clause 4 and 5 Schedule 15.3  From: 01-Mar-20 To: 31-Mar-20	Scenario A calculating incorrectly if a reconnection reading is not available. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as strong because they mitigate risk to an acceptable level.  The impact on settlement and participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
We have very strong controls in place for all HE scenarios. The example found is a one off and we will be reviewing processes to ensure reconnection reads are always available on the reconnection date.		June 2021
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		As above.
		Identified

Forward estimate process		
Non-compliance	Description	
Audit Ref: 12.12 With: Clause 6 Schedule 15.3  From: 01-Jun-19 To: 31-Jul-20	The accuracy threshold was not met for all months and revisions. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	Controls are rated as moderate, as they are sufficient to ensure data is within the accuracy threshold most of the time.  The audit risk rating is low as forward estimates are washed up through the revision process.	
Actions taken to resolve the issue		Completion date
We believe that we have strong controls in place as shown by high attainment percentages across the board. Processes remain in place to correct data as actual data is obtained and submissions are corrected via the washup process. Elements of the non-compliance such as irregular balancing area shapes are outside the control of Mercury and as such should not be contributing towards our rating.		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
We believe that our controls are strong in this area however we will continue to work on improvements to improve accuracy.		Ongoing
		Identified



Historical estimate reporting to RM		
Non-compliance	Description	
<p>Audit Ref: 13.3</p> <p>With: Clause 10 of Schedule 15.3</p> <p>From: 01-Mar-19</p> <p>To: 31-May-20</p>	<p>Historic estimate thresholds were not met for some revisions.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are rated as strong as the thresholds were met, and processes are in place to make estimated readings permanent.</p> <p>The audit risk rating is low, because Mercury were reasonably close to the target in all cases.</p>	
Actions taken to resolve the issue		Completion date
We will continue with our strong controls.		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
Mercury's profile shape forecasting process will be improved to increase the accuracy of the HE volumes, therefore increasing the accuracy of the revision 3 reported.		May 2021
		Identified