

Compliance plan for Meridian Energy Reconciliation Participant Audit– 2021

Relevant information	
Non-compliance	Description
<p>Audit Ref: 2.1</p> <p>With: 11.2 & 15.2</p> <p>From: 01-Jul-20</p> <p>To: 30-Jun-21</p>	<p>MERI</p> <p>Some registry information is incorrect.</p> <p>Not all corrections actioned from the last audit.</p> <p>One ICP with active vacant consumption of 3,699 kWh not submitted as the ICP was at the incorrect status.</p> <p>Some incorrect submission information recorded in section 12.7.</p> <p>MERX</p> <p>Some registry information is incorrect.</p> <p>Not all corrections actioned from the last audit.</p> <p>Some incorrect submission information recorded in section 12.7.</p> <p>PSNZ</p> <p>Some registry information is incorrect.</p> <p>Some incorrect submission information recorded in section 12.7.</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
Medium	<p>Controls are rated as moderate as they are sufficient to mitigate the risk of incorrect data most of the time, but there is room for improvement.</p> <p>The audit risk rating is assessed to medium because many of the issues identified have a moderate impact on settlement.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<p>Actions in relation to Registry and submission information inaccuracies raised in this section are outlined in the relevant sections of this report.</p> <p>We note for some issues corrections cannot be processed due to impact on other traders or customers, or corrections are outside r14.</p>		Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Actions in relation to Registry and submission information inaccuracies raised in this section are outlined in the relevant sections of this report.</p> <p>Meridian has processes in place to identify where information is incorrect and to correct this. In several sections of this report, we have detailed proposed improvements to monitoring for inaccuracies.</p>		

Electrical Connection of Point of Connection		
Non-compliance	Description	
<p>Audit Ref: 2.11</p> <p>With: Clause 10.33A</p> <p>From: 01-Jul-20</p> <p>To: 09-Sep-21</p>	<p>MERI</p> <p>Two ICPs with no metering in place and are not reconciled as unmetered load.</p> <p>Six of the 20 ICPs (30%) sampled (of a total of 65 ICPs) where certification is more than five days after the electrical connection date were confirmed to have late certification.</p> <p>56 ICPs were certified more than 5 days after reconnection.</p> <p>MERX</p> <p>38 ICPs were not certified within 5 days after reconnection.</p> <p>Three ICP's meters were not certified on unbridging.</p> <p>PSNZ</p> <p>78 reconnections were not certified within five business days.</p> <p>Three bridged meters were not recertified when the bridge was removed.</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	
Low	<p>The controls are rated as moderate and will mitigate risk most of the time.</p> <p>The audit risk rating is low as a small proportion of ICPs were affected.</p>	
Actions taken to resolve the issue		Completion date
ICPs 0083582900PC3A3 & 0000103539TRE1E that have had their meters removed from the Registry will be investigated to confirm whether these should be decommissioned.		31 Dec 2021
Preventative actions taken to ensure no further issues will occur		Completion date
We have good controls and arrangements with service providers in place to ensure meters are certified at the time of initial electrical connection when possible – situations where load is too low or there are other reasons why certification cannot take place are infrequent and processes are in place to monitor that certification is completed when it is possible.		Ongoing
Reporting and process is in place to notify MEPs regarding reconnected ICPs where meter certification is required.		Ongoing
We will review our processes and when notified of meters being unbridged to ensure this includes follow up with the MEP regarding re-certification of metering.		31 Dec 2021
		Remedial action status
		Investigating

Changes to registry information		
Non-compliance	Description	
<p>Audit Ref: 3.3</p> <p>With: 10 Schedule 11.1</p> <p>From: 01-Jul-20</p> <p>To: 08-Jul-21</p>	<p>MERI</p> <p>370 late updates to active status for reconnections.</p> <p>406 late updates to inactive status for disconnections.</p> <p>5,039 late trader updates.</p> <p>MERX</p> <p>300 late updates to active status for reconnections.</p> <p>127 late updates to inactive status for disconnections.</p> <p>1,802 late trader updates.</p> <p>PSNZ</p> <p>593 late updates to active status for reconnections.</p> <p>14 late updates to inactive new connection in progress status.</p> <p>229 late updates to inactive status for disconnections.</p> <p>1,328 late trader updates.</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	
Low	<p>Controls in this area are robust but late notification from other areas of the business or networks shows there is room for improvement.</p> <p>The audit risk rating is low as overall a high percentage of updates are on time.</p>	
Actions taken to resolve the issue		Completion date
All status updates have been processed.		
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We will continue with our existing controls to ensure Registry information is updated within 5 business days where this is within our control.</p> <p>We will review our processes and controls around selection of ANZSIC Code on customer sign up so corrections required are less frequent.</p>		28 Feb 2022
		Investigating

Provision of information to the registry manager			
Non-compliance	Description		
<p>Audit Ref: 3.5</p> <p>With: Clause 9 Schedule 11.1</p> <p>From: 01-Jul-20 To: 30-Jun-21</p>	<p>MERI</p> <p>735 late updates to active status for new connections.</p> <p>Four of the sample of 61 ICPs had incorrect active dates recorded.</p> <p>Five corrections from 2020 audit not corrected.</p> <p>MERI</p> <p>32 late updates to active status for new connections.</p> <p>One of the sample of 11 ICPs had an incorrect active date recorded.</p> <p>PSNZ</p> <p>195 late new connection updates.</p> <p>Three incorrect event dates.</p> <p>Potential impact: Medium</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, in most cases the registry was updated on time. Where information was late, circumstances beyond Meridian's direct control had contributed to the late update.</p> <p>The audit risk rating is low as the impact to the market of the ICPs not being updated within five business days is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Incorrect inactive dates identified have been or will be corrected.		30 Nov 2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Active monitoring of the AC-020 report had lapsed during the audit period. This will be re-instated for all codes to monitor for issues impacting timely Registry update and identify inaccuracies with recording of active dates.		31 Dec 2021	

ANZSIC codes		
Non-compliance	Description	
<p>Audit Ref: 3.6</p> <p>With: 9 (1(k) Schedule 11.1</p> <p>From: 01-Jul-20</p> <p>To: 30-Jun-21</p>	<p>MERI</p> <p>One ICP of a sample of 50 ICPs checked with incorrect ANZSIC codes.</p> <p>MERX</p> <p>All 20 ICPs sampled of the 103 ICPs with unknown ANZSIC codes were able to be determined.</p> <p>All ten ICPs sampled with a residential ANZSIC code were found to be incorrect and have been corrected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as weak as the Flux business rules do not ensure that the correct ANZSIC code is allocated in all instances and the “unknown” coded ICPs are not being investigated and corrected.</p> <p>The audit risk rating is low this has no direct impact on submission accuracy.</p>	
Actions taken to resolve the issue		Completion date
<p>Corrections to incorrect ANZSIC Codes identified have been completed where this is possible.</p> <p>We will review the remaining ICPs assigned a residential ANZSIC Code with Cat 2 metering and correct this where required.</p> <p>Unknown ANZSIC codes identified for MERX will be reviewed and updated.</p>		<p>Sept 2021</p> <p>31 Dec 2021</p> <p>30 Nov 2021</p>
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We will implement an improved process to ensure ICPs assigned an unknown ANZSIC code on sign up are reviewed and updated in a timely manner.</p> <p>We will review Flux constraints in relation to application of ANZSIC codes based on customer account structure to determine if changes are needed.</p>		<p>31 Dec 2021</p> <p>30 April 2022</p>

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-Jul-20</p> <p>To: 30-Jun-21</p>	<p>MERI</p> <p>Unmetered load incorrect for three ICPs.</p> <p>MERX</p> <p>Unmetered load incorrectly recorded for one ICP.</p> <p>PSNZ</p> <p>Five ICPs incorrectly have unmetered load recorded.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</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
Corrections have been made where unmetered load was found to be incorrectly recorded.		Sept/Oct 2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Monitoring of AC-020 report to identify where UML may have been removed will be implemented for PSNZ.</p> <p>Existing controls to monitor unmetered load will continue.</p>		30 Nov 2021	

Management of “active” status		
Non-compliance	Description	
<p>Audit Ref: 3.8</p> <p>With: 17 Schedule 11.1</p> <p>From: 01-Jul-20</p> <p>To: 30-Jun-21</p>	<p>MERI</p> <p>Four of the sample of 61 ICPs had incorrect active dates recorded.</p> <p>MERX</p> <p>One of the sample of 11 ICPs had incorrect active date recorded.</p> <p>Two corrections from 2020 audit not corrected.</p> <p>PSNZ</p> <p>Three ICPs had incorrect active dates applied in Flux and on the registry.</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	
Low	<p>Controls are rated as moderate. The reporting in Flux is not as robust as was in Velocity. This requires more manual management of data and therefore more room for errors.</p> <p>The audit risk rating is low, as a small number of differences for the sample checked were identified indicating that there are no systemic issues.</p>	
Actions taken to resolve the issue		Completion date
Incorrect inactive dates identified have been or will be corrected.		30 Nov 2021
Preventative actions taken to ensure no further issues will occur		Completion date
Active monitoring of the AC-020 report to had lapsed during the audit period. This will be re-instated for all codes to monitor for issues impacting timely Registry update and identify inaccuracies with recording of active dates.		31 Dec 2021
		Identified

Management of “inactive” status	
Non-compliance	Description
<p>Audit Ref: 3.9</p> <p>With: Clause 19 Schedule 11.1</p> <p>From: 18-May-20 To: 12-Jul-21</p>	<p>MERI</p> <p>Two ICPs electrically connected but recorded as “inactive-new connection in progress”.</p> <p>ICP 1002094149LC17B has an incorrect status on the registry, due to missing paperwork from the MEP. The ICP is active with volumes submitted but the registry still shows 1,12 “inactive new connection in progress” status.</p> <p>MERX</p> <p>Four ICPs electrically connected but recorded as “inactive-new connection in progress”</p> <p>28 ICPs had consumption during inactive periods, indicating that their status was incorrect. Estimated under submission of 29,873 kWh has occurred.</p> <p>PSNZ</p> <p>A disconnection status event was entered one day too early on the registry for ICP 0000581321TUD48. A correction cannot be processed because the ICP is now decommissioned.</p> <p>17 ICPs had consumption during inactive periods, indicating that their status was incorrect. Estimated under submission of 468 kWh has occurred.</p> <p>Three ICPs had incorrect statuses and status dates applied.</p> <p>Three ICPs with incorrect inactive statuses of 1,12 instead of 1,6.</p> <p>Three ICPs had inactive statuses of 1,12 when they should be active.</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
Low	<p>The controls are rated as moderate as they will mitigate risk most of the time but there is room for improvement.</p> <p>The impact is low, because the impact on settlement and participants is minor and the number of ICPs sampled with errors was a small percentage.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Incorrect ICP statuses have been updated where this is possible.		Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We have identified the reason the 4 ICPs reported were not present on our discrepancy reports and provided process clarification to the team managing ICP commissioning to reduce recurrence of the issue that caused this (date entry error).</p> <p>Active monitoring of the AC-020 will be re-instated for all codes to monitor for issues impacting Registry active status updates</p> <p>Reporting and processes to monitor and manage Inactive ICPs with consumption recorded will be reviewed for MERX and PSNZ to ensure status updates occur where genuine consumption is being recorded.</p>	<p>Complete</p> <p>31 Dec 2021</p> <p>30 Apr 2022</p>	

Losing trader response to switch request and event dates - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.2</p> <p>With: Clause 3&4 Schedule 11.3</p> <p>From: 01-Jul-20 To: 30-Jun-21</p>	<p>MERI</p> <p>Three AN files were sent with a proposed event date more than ten days after receipt of the NT.</p> <p>MERX</p> <p>Incorrect AN code applied for two ICPs out of a sample of ten checked.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Once previously</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as strong because they mitigate risk to an acceptable level.</p> <p>The audit risk rating is assessed to be none but low is the only option available as to not backdate these ICPs would have a direct impact on the customer.</p>	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We will continue with our existing controls which have been assessed as strong.</p> <p>Automatic AN generation has been reinstated for MERX.</p>		<p>Ongoing</p> <p>30 Sept 2021</p>
		Identified

Losing trader must provide final information - standard switch	
Non-compliance	Description
<p>Audit Ref: 4.3</p> <p>With: Clause 5 Schedule 11.3</p> <p>From: 01-Jul-20 To: 30-Jun-21</p>	<p>MERI</p> <p>Seven CS breaches.</p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>Incorrect last read date recorded for all three ICPs sampled from a total of 12 switch and transfer switches.</p> <p>Incorrect read types sent for two ICPs.</p> <p>Last actual read date was after the period of supply for one of five ICPs sampled.</p> <p>MERX</p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>All five transfer switch ICPs sampled of a possible 613 ICPs contained an incorrect last read date.</p> <p>PSNZ</p> <p>Three late CS files</p> <p>Four transfer CS files contained an incorrect read type.</p> <p>Three transfer CS files had the incorrect reading.</p> <p>Average daily kWh in the CS is not calculated in accordance with the Registry Functional Specification.</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>Controls are rated as moderate as controls will mitigate risk most of the time but the incorrect read type being sent for the event date requires attention.</p> <p>The audit risk rating is low because the kWh differences found are generally small.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<p>No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.</p> <p>Read changes have been completed where requested by the gaining trader.</p>		Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Average Daily Consumption</p> <p><u>MERI</u> - Due to the migration of ICPs off Velocity, the average daily consumption logic has not been changed. The issues noted with regard negative average consumption when DG is present and calculation of 0 average consumption when a zero days bill is produced are not present in Flux.</p> <p><u>MERX/PSNZ</u> – While differing in some instances from the functional specification we consider calculation of average daily kWh in our CS files is materially accurate.</p> <p>Incorrect Read/Read Type</p> <p>We will investigate whether there are any timing changes that could be made to some of the scheduled processes in Flux that may reduce occurrence of the timing anomaly that means an estimate is used for the CS file rather than an actual read.</p> <p>We will review current exception processes and system functionality for managing switching of ICPs post customer move out to identify improvements with read and read type selection.</p>	<p>30 April 2022</p> <p>30 April 2022</p>	

Retailers must use same reading - standard switch			
Non-compliance		Description	
<p>Audit Ref: 4.4</p> <p>With: Clause 6(1) and 6A Schedule 11.3</p> <p>From: 01-Jul-20</p> <p>To: 30-Jun-21</p>		<p>MERI</p> <p>Six late RR files.</p> <p>MERX</p> <p>12 late RR files.</p> <p>PSNZ</p> <p>14 late RR files.</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	
Low		<p>The controls are rated as strong, as they will mitigate risk to an acceptable level.</p> <p>The impact is low because there is a minor impact on other participants due to a small number of files being sent late.</p>	
Actions taken to resolve the issue		Completion date	Remedial action status
No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
RR files are only issued outside 4 months where there are delays obtaining actual reads – generally for manually read meters.			

Non-half hour switch event meter reading - standard switch		
Non-compliance	Description	
Audit Ref: 4.5 With: Clause 6(2) and (3) Schedule 11.3 From: 15-Jul-20 To: 06-Aug-20	MERX Four RRs incorrectly rejected. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are rated as moderate as the controls will mitigate risk most of the time, but human errors will occur. The impact is rated as low of the small volume of RR's affected	
Actions taken to resolve the issue		Completion date
No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.		
Preventative actions taken to ensure no further issues will occur		Completion date
RR Rejections under this clause are monitored monthly and feedback provided to staff members where incorrect rejections are identified.		Ongoing
		Identified

Gaining trader informs registry of switch request - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.7</p> <p>With: Clause 9 Schedule 11.3</p> <p>From: 01-Jul-20 To: 30-Jun-21</p>	<p>MERI</p> <p>Two transfer switches requested as switch moves.</p> <p>One ICP with a category 3 meter switched using a switch move.</p> <p>MERX</p> <p>Three transfer switches requested as switch moves.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Once previously</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as strong because they mitigate risk to an acceptable level.</p> <p>The audit risk rating is assessed to be none but low is the only option available as to not backdate these ICPs would have a direct impact on the customer.</p>	
Actions taken to resolve the issue		Completion date
No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.		
Preventative actions taken to ensure no further issues will occur		Completion date
We will continue with our existing controls which have been assessed as strong.		
		Identified

Losing trader provides information - switch move			
Non-compliance	Description		
<p>Audit Ref: 4.8</p> <p>With: Clause 10(1) Schedule 11.3</p> <p>From: 01-Jul-20 To: 30-Jun-21</p>	<p>MERI</p> <p>Four AN files were sent with a proposed event date more than ten days after receipt of the NT.</p> <p>24 T2 breaches.</p> <p>Two ET breaches.</p> <p>One genuine E2 breach of a sample of 20.</p> <p>MERX</p> <p>Incorrect AN code applied for one ICP out of a sample of ten checked.</p> <p>Five T2 breaches.</p> <p>Four genuine E2 breaches out of 20 sampled</p> <p>Eight of the ten ET breaches sampled were found to be genuine.</p> <p>PSNZ</p> <p>One E2 breach.</p> <p>16 late CS files (T2 breaches).</p> <p>Five ANs had proposed event dates more than ten business days after the NT receipt date and did not match the gaining trader's requested 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		
Low	<p>The controls are rated as moderate as automation has been switched off in Flux and therefore at more risk of human error and the bulk of switching is being carried out in Flux and will continue to be so going forward.</p> <p>The impact is assessed as low due to the number of ICPs affected in relation to the volume of ICPs switched. .</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
			Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We will review existing processes and controls in place to reduce instances of human error with AN date selection.</p> <p>Automated AN processing has been reinstated for MERX</p>		<p>31 Dec 2021</p> <p>30 Sept 2021</p>	

Losing trader determines a different date - switch move			
Non-compliance	Description		
<p>Audit Ref: 4.9</p> <p>With: 10(2) Schedule 11.3</p> <p>From: 01-Oct-20</p> <p>To: 31-Oct-20</p>	<p>MERI</p> <p>Proposed event date more than ten business days after the NT receipt date for one ICP.</p> <p>Potential impact: Low</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		
Low	<p>The controls are recorded as strong because they mitigate risk to an acceptable level.</p> <p>There was no impact because the switch event date matched that proposed by the gaining trader.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue with our existing controls which have been assessed as strong.			

Losing trader must provide final information - switch move	
Non-compliance	Description
<p>Audit Ref: 4.10</p> <p>With: Clause 11 Schedule 11.3</p> <p>From: 01-Jul-20 To: 30-Jun-21</p>	<p>MERI</p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>Incorrect last read date recorded for all three ICPs sampled from a total of 12 switch and transfer switches.</p> <p>All five ICPs sampled of a possible 5,435 ICPs had an incorrect read type of actual recorded.</p> <p>Last actual read date was after the period of supply for two of five ICPs sampled.</p> <p>MERX</p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>All five move switch ICPs sampled of a possible 613 transfer and switch ICPs contained an incorrect last read date.</p> <p>All five ICPs sampled of a possible 151 ICPs had an incorrect read type of actual recorded where the read was more than one day before the event date .</p> <p>PSNZ</p> <p>One switch move CS contained an incorrect read.</p> <p>Three switch move CS contained an incorrect read type.</p> <p>Average daily kWh in the CS is not calculated in accordance with the Registry Functional Specification.</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>Controls are rated as moderate as controls will mitigate risk most of the time but the incorrect read type being sent for the event date requires attention and I recommend that actual reads for the event date are used wherever possible.</p> <p>The audit risk rating is low because the kWh differences found are generally small.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<p>No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.</p> <p>Read changes have been completed where requested by the gaining trader.</p>		Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Average Daily Consumption</p> <p><u>MERI</u> - Due to the migration of ICPs off Velocity, the average daily consumption logic has not been changed. The issues noted with regard negative average consumption when DG is present and calculation of 0 average consumption when a zero days bill is produced are not present in Flux.</p> <p><u>MERX/PSNZ</u> – While differing in some instances from the functional specification we consider calculation of average daily kWh in our CS files is materially accurate.</p> <p>Incorrect Read/Read Type</p> <p>We will investigate whether there are any timing changes that could be made to some of the scheduled processes in Flux that may reduce occurrence of the timing anomaly that causes this.</p> <p>We will review current exception processes and system functionality for managing switching of ICPs post customer move out to identify improvements with read and read type selection.</p>	<p>30 April 2022</p> <p>30 April 2022</p>	

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-Jul-20 To: 30-Jun-21</p>	<p>MERI</p> <p>22 late RR files</p> <p>One of the five RRs rejections sampled incorrectly rejected causing the gaining HHR trader to gain on an inaccurate read.</p> <p>PSNZ</p> <p>30 late RR files for switch moves.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</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
No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.		
Preventative actions taken to ensure no further issues will occur		Completion date
<p>RR files are only issued outside 4 months where there are delays obtaining actual reads and to resolve customer billing issues.</p> <p>RR Rejections under clause 12(2B) are monitored monthly and feedback provided to staff members where incorrect rejections are identified.</p>		Ongoing
		Identified

Withdrawal of switch requests	
Non-compliance	Description
<p>Audit Ref: 4.15</p> <p>With: Clauses 17 and 18 Schedule 11.3</p> <p>From: 01-Oct-19</p> <p>To: 07-Jul-20</p>	<p>MERI</p> <p>Six of the 21 NW codes sampled applied incorrectly.</p> <p>One WR breach.</p> <p>One WC breach.</p> <p>Four SR breaches.</p> <p>61 NA breaches.</p> <p>Two of the ten AW files sampled were rejected in error.</p> <p>MERX</p> <p>Five of the 21 NW codes sampled applied incorrectly.</p> <p>Two WR breaches.</p> <p>11 SR breaches.</p> <p>One NW breach.</p> <p>103 NA breaches.</p> <p>Two of the ten NW requests sampled were rejected in error.</p> <p>PSNZ</p> <p>64 NWs were issued more than two calendar months after the switch date.</p> <p>13 SR breaches.</p> <p>5 WR breaches.</p> <p>Seven incorrect NW codes used.</p> <p>One late AW file.</p> <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
Low	<p>Controls are rated as moderate, as they are sufficient to ensure that most NWs contain correct codes and are sent on time.</p> <p>The impact is low because the withdrawal reasons were correct even though there was a delay.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We consider that our process and controls related to switch withdrawals work well in most instances.</p> <p>On occasion the reasons leading to withdrawal of a switch can take some time to establish (e.g wrong ICP switched in error) resulting in requests being sent outside the 2-month timeframe. The withdrawal in these instances is required to ensure a customer is correctly billed by the retailer of their choosing.</p> <p>Clarification regarding expected use of the “DF” reason code has been provided to the team.</p>	Sept 2021	

Metering information			
Non-compliance	Description		
<p>Audit Ref: 4.16</p> <p>With: Clause 21 Schedule 11.3</p> <p>From: 01-Jul-20</p> <p>To: 30-Jun-21</p>	<p>MERI and MERX</p> <p>CS reads labelled incorrectly which can cause vacant consumption to be pushed to the gaining trader.</p> <p>PSNZ</p> <p>Four CS files had an incorrect switch readings.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Twice previously</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as weak as the controls in place do not ensure that the information sent in the CS files is as accurate as possible.</p> <p>The audit risk rating is low as the RR process is used to correct volumes in most instances.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
			Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
Further information and actions regarding these issues are detailed in sections 4.3 and 4.10			

Unmetered threshold exceeded		
Non-compliance	Description	
Audit Ref: 5.3 With: 10.14 (5) From: 01-Nov-18 To: 30-Jun-21	MERI Eight standard unmetered ICPs with annual consumption over 6,000 kWh. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as moderate because these are known but, some ICPs in this category have been supplied for several years. The audit risk rating is low as only eight ICPs exceed the threshold.	
Actions taken to resolve the issue		Completion date
Actions are detailed in the table above.		
Preventative actions taken to ensure no further issues will occur		Completion date
		Identified

Distributed unmetered load	
Non-compliance	Description
<p>Audit Ref: 5.4</p> <p>With: Clause 11 Schedule 15.3, Clause 15.37B & 16A.26</p> <p>From: 01-Jul-20 To: 30-Jun-21</p>	<p>MERI</p> <p>ICP 7012020000CH14D is a DUML ICP for Tararua DC but is reconciled using the daily unmetered kWh figure from the registry and not a database and no audit has been undertaken of this load.</p> <p>ICP 0089352023PCEAD is a DUML ICP for Stratford DC but is reconciled using the daily unmetered kWh figure from the registry and not a database and no audit has been undertaken of this load.</p> <p>Inaccurate submission information for several databases.</p> <p>Two distributed unmetered database audits overdue.</p> <p>The monthly database extracts used to derive submission from are provided as a snapshot and do not track changes at a daily basis as required by the code in some instances.</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 effectiveness of the controls is recorded as moderate as Meridian are working to resolve the issues found.</p> <p>The impact on settlement is major because the incorrect submission figures are major for some databases.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<p>ICP 7012020000CH14D and ICP 0089352023PCEAD - DUMML associated with these ICPs are maintained in the council databases. We have requested the current Trader for those councils switch these ICPs to avoid operational and compliance cost of undertaking a second audit on the same database.</p> <p>Palmerston North City Council – we have been working with a wider group of stakeholders including LGNZ who have established profiles for dimming streetlights. We will follow up with LGNZ regarding whether comms have been sent to their members and engage with the PNCC about actions required for use.</p> <p>NZTA Whangarei/Kaipara – We will continue to press NZTA regarding required action to progress improvements to their RAMM database.</p> <p>Audits of existing databases with known unresolved issues will be scheduled if engagement from these customers is unsatisfactory.</p>	<p>Unknown – dependent on other trader</p> <p>30 Dec 2021</p> <p>30 Dec 2021</p> <p>31 Mar 2022</p>	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Actions being taken to address issues with DUMML databases are detailed in individual DUMML audit reports.		

Electricity conveyed & notification by embedded generators	
Non-compliance	Description
<p>Audit Ref: 6.1</p> <p>With: Clause 10.13, 10.24 and 15.13</p> <p>From: 01-Jul-20</p> <p>To: 30-Jun-21</p>	<p>MERI</p> <p>2 active ICPs have had their meters removed from the registry in 2017 and are not unmetered installations therefore there is no meter in place as required by this clause.</p> <p>ICP 0001050011WM9D7 is not quantified in accordance with the code.</p> <p>Generation not quantified or gifted for three of three HHR ICPs sampled where the Distributor indicates grid connected generation is connected.</p> <p>While meters were bridged, energy was not metered and quantified according to the code for three ICPs.</p> <p>MERX</p> <p>One ICP with an installation type of “B” without the PV1 profile.</p> <p>Ten of the 20 ICPs sampled of a possible 82 ICPs with an installation type of “B” without the PV1 or EG1 profile.</p> <p>While meters were bridged, energy was not metered and quantified according to the code for seven ICPs.</p> <p>PSNZ</p> <p>While meters were bridged, energy was not metered and quantified according to the code for eight ICPs.</p> <p>Generation not quantified or submitted for five ICPs.</p> <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
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</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>ICPs 0083582900PC3A3 & 0000103539TRE1E that have had their meters removed from the Registry will be investigated to confirm whether these should be decommissioned.</p> <p>ICP 0001050011WM9D7 – we are attempting to confirm installed capacity at this connection so volume can be quantified as unmetered load.</p> <p>A number of ICPs with generation present (but not exporting or unlikely to export) have been added to the gifted generation register for MERI/MERX and PSNZ.</p> <p>As reported meters are bridged only when necessary and this will continue to be the case.</p>	<p>31 Dec 2021</p> <p>28 Feb 2022</p> <p>Sept 2021</p>	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We have processes in place to monitor and review ICPs with DG indicated by the distributor but imp/exp metering not installed. Metering is arranged where it has been requested or where follow up with the customer confirms this is required.</p> <p>We understand where export metering is not installed or not required ICPs must be added to the gifted generation register to be exempt from the requirement to have exported electricity measured by a metering installation. We are reviewing our current process, so ICPs are added where investigation confirms this is required.</p>	<p>Ongoing</p> <p>28 Feb 2022</p>	

Certification of control devices		
Non-compliance	Description	
<p>Audit Ref: 6.3</p> <p>With: Clause 33 Schedule 10.7 and clause 2(2) Schedule 15.3</p> <p>From: 21-Jan-21</p> <p>To: 09-Sep-21</p>	<p>MERX</p> <p>ICPs 0000272750WT426, 0000656115WTB38, 0000264755WT448, and 0000252400WT6E0 had profiles requiring control device certification without a certified control device or an AMI meter installed.</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	
Low	<p>Controls are rated as strong because there were a small number of isolated exceptions.</p> <p>The audit risk rating is low because there are robust controls in place and a very small number of ICPs were affected.</p>	
Actions taken to resolve the issue		Completion date
Profiles for the 4 ICPs identified will be corrected to RPS		31 Oct 2021
Preventative actions taken to ensure no further issues will occur		Completion date
Existing controls to monitor control device certification for use of profiles will continue		Ongoing

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: 01-Dec-18</p> <p>To: 09-Sep-21</p>	<p>MERI</p> <p>ICP 0085976769LC230 was not interrogated within its maximum interrogation cycle.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as strong because they mitigate 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
0085976769LC230 – Works at this ICP preventing the meter from being interrogated due to power being off are ongoing but expected to be completed. Meter recertification is also pending but has been delayed by Alert level restrictions.		31 Dec 2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue will with our existing processes and controls.		Ongoing	

Derivation of meter readings		
Non-compliance	Description	
<p>Audit Ref: 6.6</p> <p>With: Clause 5 of Schedule 15.2</p> <p>From: 01-Jul-20</p> <p>To: 30-Jun-21</p>	<p>MERI</p> <p>Customer reads can be treated as actual reads when they are not validated against a set of actual meter reads from another source in some instances.</p> <p>MERX</p> <p>Wells meter condition information not checked for the entire audit period.</p> <p>One ICP with a customer read incorrectly identified.</p> <p>PSNZ</p> <p>Wells meter condition information not checked for the entire audit period.</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	
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The audit risk impact is expected to be low as the volume of reads affected by this is low and lessening as customers are migrated to the Flux system.</p>	
Actions taken to resolve the issue		Completion date
<p>Process and controls to review meter condition information for manually read meters has been implemented.</p> <p>Review of read history for ICP 0001030610TG787 found that a set of validated meter readings had been obtained prior to the customer read recorded on 1 June.</p>		30 Jun 2021
Preventative actions taken to ensure no further issues will occur		Completion date
As above meter condition information is now being reviewed.		
		Identified

NHH meter reading application.			
Non-compliance	Description		
<p>Audit Ref: 6.7</p> <p>With: Clause 6 Schedule 15.2</p> <p>From: 01-Jul-20</p> <p>To: 09-Sep-21</p>	<p>MERI</p> <p>For downgrades, all HHR volumes are reported up to the day of the meter change. All NHH volumes are reported, but due to system constraints the consumption is apportioned from two days after the meter change onwards instead of from the day after the meter is changed.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate because all consumption is captured and reported, but a small amount will not be recorded against the correct date.</p> <p>The impact on settlement and participants is minor, as all consumption is captured and reported. One day expected to have consumption will not have any consumption allocated, and other days in the read-to-read period will have slightly more consumption allocated.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The issue with apportionment of NHH consumption following a downgrade is expected to be resolved when this process is conducted in Flux rather than Velocity.		30 Jun 2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

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-Jul-20</p> <p>To: 31-Jul-21</p>	<p>MERI</p> <p>Nine of ten ICPs were not read during the period of supply and exceptional circumstances were not proven.</p> <p>MERX</p> <p>Two of ten ICPs sampled were not read during the period of supply and exceptional circumstances were not proven.</p> <p>PSNZ</p> <p>Two of ten ICPs sampled were not read during the period of supply and exceptional circumstances were not proven.</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		
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact is assessed to be low as the volume of unread during the period of supply represent a very small number of the overall customer base.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
As these ICPs are no longer supplied by Meridian no action can be taken			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>MERI</p> <p>Existing processes and controls will continue.</p> <p>MERX</p> <p>Implementation of a more automated and targeted process that will apply across all ICPs to manage no reads is expected to improve read attainment compliance for all obligations.</p> <p>PSNZ</p> <p>The same process that has been implemented for MERX will be implemented for PSNZ over the next 6 months.</p>		<p>Feb 2021</p> <p>31 Mar 2022</p>	

NHH meters interrogated annually			
Non-compliance	Description		
<p>Audit Ref: 6.9</p> <p>With: Clause 8(1) and (2) Schedule 15.2</p> <p>From: 01-Jul-20</p> <p>To: 31-Jul-21</p>	<p>MERI</p> <p>Exceptional circumstances and best endeavours were not proven for one of ten examples checked.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The audit risk rating is assessed as low as there is an overall high level of ICPs being read once within 12 months.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>MERI</p> <p>Existing processes and controls will continue. ICPs will be migrated to MERX where the implementation of a more automated and targeted process that will apply across all ICPs to manage no reads is expected to improve read attainment compliance for all obligations by ensuring best endeavours requirements are met.</p>		31 Dec 2021	

NHH meters 90% read rate			
Non-compliance	Description		
<p>Audit Ref: 6.10</p> <p>With: Clause 9(1) and (2) Schedule 15.2</p> <p>From: 01-Oct-19</p> <p>To: 07-Jul-20</p>	<p>MERI</p> <p>Exceptional circumstances and best endeavours were not proven for 11 of 13 examples checked.</p> <p>PSNZ</p> <p>For at least two ICPs unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The audit risk rating is assessed as low as the number of NSPs not meeting the 90% read threshold within four months is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>MERI</p> <p>Existing processes and controls will continue. ICPs will be migrated to MERX where the implementation of a more automated and targeted process that will apply across all ICPs to manage no reads is expected to improve read attainment compliance for all obligations by ensuring best endeavours requirements are met.</p> <p>PSNZ</p> <p>The same process that has been implemented for MERX will be implemented for PSNZ over the next 6 months.</p>		<p>31 Dec 2021</p> <p>31 Mar 2022</p>	

Identification of readings		
Non-compliance	Description	
<p>Audit Ref: 9.1</p> <p>With: Clause 3(3) Schedule 15.2</p> <p>From: 01-Jul-20 To: 30-Jun-21</p>	<p>Some incorrectly labelled meter readings, as follows:</p> <p>MERI</p> <p>At least three ICPs with actual readings labelled as estimates.</p> <p>At least five ICPs with estimated readings labelled as actuals.</p> <p>MERX</p> <p>At least five ICPs with estimates labelled as actuals.</p> <p>PSNZ</p> <p>Actual readings labelled as estimates for four ICPs.</p> <p>Estimated readings labelled as actuals for three ICPs.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times previously</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as weak because they do not adequately manage the risk of incorrect identification of readings.</p> <p>The audit risk impact is low as the volume of reads affected by this is low.</p>	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
Comments and proposed actions in relation to these issues are recorded in sections 4.3 and 4.10.		
		Investigating

Meter data used to derive volume information			
Non-compliance	Description		
<p>Audit Ref: 9.3</p> <p>With: Clause 3(5) Schedule 15.2</p> <p>From: 01-Jul-20</p> <p>To: 30-Jun-21</p>	<p>MERI, MERX and PSNZ</p> <p>Raw meter data is truncated upon receipt and not when volume information is created for SMCO, IHUB and FCLM meters.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>There is very little impact because no metered consumption information is “missing”, and the unmetered differences are very small, therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Flux development work scheduled to resolve this issue was delayed due to higher priority work. It remains on the development backlog but the timeframe for when this will be scheduled is currently unknown. We will continue to follow this up for resolution.		Ongoing	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
We'll review the reasons digits recorded for these providers meters do not include decimal places in the system to ensure meters for any future providers include them.		30 June 2022	

Electronic meter readings and estimated readings		
Non-compliance	Description	
Audit Ref: 9.6 With: Clause 17 Schedule 15.2 From: 01-Jul-20 To: 30-Jun-21	Not all AMI events checked. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	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 will review internal reporting available to confirm whether tamper events that require follow up can be identified successfully from those that are "false".		30 April 2022
Preventative actions taken to ensure no further issues will occur		Completion date
If this is successful, we will implement a regular reporting and follow up process.		31 July 2022

Calculation of ICP days			
Non-compliance		Description	
<p>Audit Ref: 11.2</p> <p>With: Clause 15.6 of part 15</p> <p>From: 01-Feb-20</p> <p>To: 09-Sep-21</p>		<p>MERI</p> <p>16 days were under reported in July 2020 for ICP 0272000007PN5D1 (PPNZ-PCB0012 July 2020 r7) because reads were not entered into the correct screen as part of a meter change.</p> <p>MERX</p> <p>Four days were over reported at UNET-HEN0331 for February 2020 r14 because a switch for 0000154518UN2C2 which was manually processed on the registry, had not been processed from the correct date in Flux.</p> <p>PSNZ</p> <p>One day was over submitted for HAWK-OWH0111 for May 2020 r7 because a disconnection status event was entered one day too early on the registry for ICP 0000581321TUD48. A correction cannot be processed because the ICP is now decommissioned.</p> <p>152 days were under reported at LINE-NPK0331 because the start date for ICP 0001112133WM1BA's NSP was incorrect.</p> <p>Potential impact: Low</p> <p>Actual impact: None</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	
Low		<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact is rated as low because overall the number of ICP days affected is low.</p>	
Actions taken to resolve the issue		Completion date	Remedial action status
Corrections for the errors identified are not able to be processed due to the reasons identified.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We consider our process and controls around calculation of AV-110 generally work well. Errors identified with AV-110 submissions are generally related to data entry errors and are not systemic.			

HHR aggregates information provision to the reconciliation manager		
Non-compliance	Description	
<p>Audit Ref: 11.4</p> <p>With: Clause 15.8</p> <p>From: 01-Jun-20</p> <p>To: 31-Jul-20</p>	<p>MERI</p> <p>HHR aggregates file does not contain electricity supplied information.</p> <p>PSNZ</p> <p>HHR aggregates file does not contain electricity supplied information.</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	
Low	The issue relating to content of the aggregates file is an error in the code, Meridian is providing submission information as expected.	
Actions taken to resolve the issue		Completion date
Meridian will not be taking any action in relation to this technical non-compliance.		
Preventative actions taken to ensure no further issues will occur		Completion date
		Cleared

Creation of submission information		
Non-compliance	Description	
<p>Audit Ref: 12.2</p> <p>With: Clause 15.4</p> <p>From: 01-Jan-20</p> <p>To: 09-Sep-21</p>	<p>MERI</p> <p>ICPs 0005906555RNE30, 0006300324RNC8C and 0008801022TPEF8 have 1,5 “reconciled elsewhere” status but do not have their load reconciled under another ICP. ICP 0008801022TPEF8 has no load connected.</p> <p>MERX</p> <p>28 ICPs had consumption during inactive periods, indicating that their status was incorrect. Estimated under submission of 29,873 kWh has occurred.</p> <p>PSNZ</p> <p>The NSP start date for ICP 0001112133WM1BA was incorrect, resulting in no data being submitted for some revisions between January and May 2020.</p> <p>17 ICPs had consumption during inactive periods, indicating that their status was incorrect. Estimated under submission of 468 kWh has occurred.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
Medium	<p>Validation controls exist to ensure all consumption is submitted, but improvement is required for identification and resolution of inactive consumption for MERX and PSNZ ICPs. The other exceptions were isolated, and Meridian is in the process of resolving them.</p> <p>The impact is medium based on the kWh differences.</p>	
Actions taken to resolve the issue		Completion date
<p>We are attempting to resolve ICPs recorded as reconciled elsewhere with the relevant traders.</p> <p>Submissions for ICP 0001112133WM1BA are unable to be corrected as R14 submissions have passed.</p> <p>ICPs identified for MERX and PSNZ with consumption during inactive periods will be investigated and statuses updated if consumption is genuine.</p>		<p>Ongoing</p> <p>30 Nov 2021</p>
Preventative actions taken to ensure no further issues will occur		Completion date
<p>Reporting and processes to monitor and manage Inactive ICPs with consumption recorded will be reviewed for MERX and PSNZ to ensure status updates occur where genuine consumption is being recorded.</p>		30 April 2022
		Investigating

Accuracy of submission information	
Non-compliance	Description
<p>Audit Ref: 12.7</p> <p>With: Clause 15.12</p> <p>From: 01-Jul-20</p> <p>To: 09-Sep-21</p>	<p>MERI</p> <p>Velocity records historic estimate as forward estimate where an ICP ends on an estimated closing reading, or permanent estimate readings have not been entered for ICPs not read within the previous 14 months.</p> <p>ICPs 0005906555RNE30, 0006300324RNC8C and 0008801022TPEF8 have 1,5 “reconciled elsewhere” status but do not have their load reconciled under another ICP. ICP 0008801022TPEF8 has no load connected.</p> <p>One RR file of the five rejected RR files sampled incorrectly rejected resulting in 4,858 kWh being pushed to the gaining trader.</p> <p>For downgrades, all HHR volumes are reported up to the day of the meter change. All NHH volumes are reported, but due to system constraints the consumption is apportioned from two days after the meter change onwards instead of from the day after the meter is changed.</p> <p>MERX</p> <p>Historic estimate is recorded as forward estimate where shape files from the reconciliation manager are unavailable, or permanent estimate readings have not been entered for ICPs not read within the previous 14 months.</p> <p>28 ICPs had consumption during inactive periods, indicating that their status was incorrect. Estimated under submission of 29,873 kWh has occurred.</p> <p>PSNZ</p> <p>Historic estimate is recorded as forward estimate where shape files from the reconciliation manager are unavailable, or permanent estimate readings have not been entered for ICPs not read within the previous 14 months.</p> <p>The NSP start date for ICP 0001112133WM1BA was incorrect, resulting in no data being submitted for some revisions between January and May 2020.</p> <p>17 ICPs had consumption during inactive periods, indicating that their status was incorrect. Estimated under submission of 468 kWh has occurred.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Three times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>

Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls over accuracy of submission information are moderate, as there are controls in place to validate submission information and identify and correct errors.</p> <p>The audit risk rating is assessed to be medium based on the volumes associated with the exceptions identified, particularly for inactive consumption.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We have commented on specific issues raised in the relevant sections of this report.			Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

Permanence of meter readings for reconciliation		
Non-compliance	Description	
<p>Audit Ref: 12.8</p> <p>With: Clause 4 of Schedule 15.2</p> <p>From: Feb-20 to Apr-20 r14</p>	<p>MERI</p> <p>Some estimates not replaced by revision 14, and under certain circumstances historic estimate is labelled as forward estimate.</p> <p>MERX</p> <p>Some estimates not replaced by revision 14, and under certain circumstances historic estimate is labelled as forward estimate.</p> <p>PSNZ</p> <p>Some estimates not replaced by revision 14, and under certain circumstances historic estimate is labelled as forward estimate.</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	
Low	<p>Controls are rated as moderate because in most cases readings are permanent by revision 14, the main issue is that historic estimate is sometimes labelled as forward estimate.</p> <p>Total forward estimate for the 3-month period reviewed is 3,192,822 kWh. The impact is assessed to be low, because based on the sample checked, forward estimate remains due to incorrect labelling rather than being genuine forward estimate.</p>	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We will review reporting and process to enter permanent estimates where an actual read has not been obtained before r14.</p> <p>We understand the labelling of calculated volumes as FE rather than HE has no impact on submitted volumes or the market. The issue is identified and will be prioritised for investigation and a solution in due course.</p>		<p>31 July 2022</p> <p>Unknown</p>
		Investigating

Reconciliation participants to prepare information		
Non-compliance	Description	
<p>Audit Ref: 12.9</p> <p>With: Clause 2 Schedule 15.3</p> <p>From: 01-Jul-20 To: 09-Sep-21</p>	<p>MERI</p> <p>0331837361LCD62 has metering category 3 and RPS profile and NHH submission type.</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	
Low	<p>The controls are rated as strong, this is an isolated exception for a meter which should be downgraded and have a NHH submission type and profile, but there have been delays in completing the downgrade.</p> <p>There is no impact on settlement, therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
We are continuing to work through the downgrade of this ICP with the MEP and the customer.		31 Mar 2022
Preventative actions taken to ensure no further issues will occur		Completion date
		Identified

Historical estimates and forward estimates		
Non-compliance	Description	
<p>Audit Ref: 12.10</p> <p>With: Clause 3 of schedule 15.3</p> <p>From: 01-Oct-19</p> <p>To: 09-Sep-21</p>	<p>MERI</p> <p>Historic estimate is labelled as forward estimate where an ICP switches out on an estimated reading, and where permanent estimate readings have not been entered.</p> <p>MERX</p> <p>Historic estimate is labelled as forward estimate where SASV are not provided for the NSP and profile by the reconciliation manager, and where permanent estimate readings have not been entered.</p> <p>PSNZ</p> <p>Historic estimate is labelled as forward estimate where SASV are not provided for the NSP and profile by the reconciliation manager, and where permanent estimate readings have not been entered.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>There is no impact on settlement, therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
The issue regarding switch estimates not being treated as permanent will be resolved when transition of all NHH ICPs to Flux is complete.		30 Mar 2022
Preventative actions taken to ensure no further issues will occur		Completion date
We will review reporting and process to enter permanent estimates ICPs where an actual read has not been obtained before r14.		31 July 2022
We understand the labelling of calculated volumes as FE rather than HE has no impact on submitted volumes or the market. The issue is identified and will be prioritised for investigation and a solution in due course.		Unknown

Forward estimate process			
Non-compliance	Description		
<p>Audit Ref: 12.12</p> <p>With: Clause 6 of Schedule 15.3</p> <p>From: Apr-21 r1 and May-21 r1</p>	<p>MERI</p> <p>The accuracy threshold was not met for all months and revisions.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as moderate, as they are sufficient to ensure data is within the accuracy threshold most of the time, with exceptions occurring for irrigators, and new ICPs with significant loads. Initial data is replaced with revised data and washed up.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue with our current controls in this area			

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-Feb-20</p> <p>To: 31-Mar-21</p>	<p>MERI</p> <p>Historic estimate thresholds were not met for some revisions.</p> <p>MERX</p> <p>Historic estimate thresholds were not met for some revisions.</p> <p>PSNZ</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: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as moderate, as they are sufficient to mitigate the risk of not meeting the threshold most of the time, but there is room for improvement.</p> <p>The audit risk rating is low, as Meridian were reasonably close to the target in all cases.</p>	
Actions taken to resolve the issue		Completion date
Refer to comments in 12.8 and 12.10		
Preventative actions taken to ensure no further issues will occur		Completion date
Refer to comments in 12.8 and 12.10		
		Investigating