

Compliance plan for Legacy Metering – 2019

Participants to Provide Accurate Information		
Non-compliance	Description	
<p>Audit Ref: 2.5</p> <p>With: Clause 11.2 and Clause 10.6</p> <p>From: 12-Jun-18</p> <p>To: 30-Jan-19</p>	<p>Invalid certification for two ICPs due to uncertainty being greater than 0.6% certification not corrected since the last audit.</p> <p>Potential impact: Medium</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 two installations in question had total errors within the allowable 2.5%. I have recorded the impact as minor and the audit risk rating as low.</p>	
Actions taken to resolve the issue		Completion date
Our advice from the ATH was that the certification still stands. Other notes below on this point. The data provided to the registry (so far as we continue to be advised) is that it is correct.		1/3/2019
Preventative actions taken to ensure no further issues will occur		Completion date
The MEP will continue to monitor data received to the best of its technical knowledge and follow up directly with ATHs if there is anything that looks incorrect. The MEP will also undertake desktop audits (documentation, photographs etc) to ensure to the best of its technical ability that the data received is robust.		1/3/2019
		<p><u>Post audit comment</u></p> <p>Table 1 states that the maximum uncertainty allowable is 0.6%. An extract of the table is pasted below.</p>

Registry Notification of Metering Records		
Non-compliance	Description	
Audit Ref: 3.2 With: Clause 2 of Schedule 11.4 From: 01-Aug-18 To: 01-Dec-18	185 registry updates later than 15 business days. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are in place to ensure the timeliness of updates, but LMGL is often prevented from updating the registry due to late nomination or late field notification. The impact on other participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
Reminders to Retailers as per previous Audit reports has little impact. Usually the offenders are only a couple of Retailers.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
LMG will continue to monitor and update all metering data as soon as it has access to the nominations and metering information. Reminders and follow-ups in place with retailers and ATHs. Routine reports from all ATHs in place.		1/3/2019
		Identified

Metering Installation Design & Accuracy		
Non-compliance	Description	
<p>Audit Ref: 4.3</p> <p>With: Clause 4(1) of Schedule 10.7</p> <p>From: 01-Aug-18</p> <p>To: 30-Jan-19</p>	<p>Delta ATH not calculating uncertainty in accordance with the Code.</p> <p>Total uncertainty greater than 0.6% for ICPs 0000004050DE261 and 0000004057DEFAB.</p> <p>Two design reports no recorded</p> <p>Potential impact: Medium</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	
Low	<p>I have recorded the control effectiveness as weak because this matter has been present and not resolved for several years.</p> <p>The impact is minor; therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
The main point is that the ATH has advised that their calculations are correct. MEPs (like LMG) rely on technical advice of the ATH and the certificates they issue. The controls are strong as we review the certification and records provided by the ATH. <i>IF</i> there is a breach – this is consequential.		Complete
Preventative actions taken to ensure no further issues will occur		Completion date
The MEP will continue to monitor data received to the best of its technical knowledge and follow up directly with ATHs if there is anything that looks incorrect. The MEP will also undertake desktop audits (documentation, photographs etc) to ensure to the best of its technical ability that the data received is robust.		1/3/2019
		Investigating

Changes to Registry Records		
Non-compliance	Description	
<p>Audit Ref: 4.10</p> <p>With: Clause 3 of Schedule 11.4</p> <p>From: 01-Aug-18</p> <p>To: 30-Jan-19</p>	<p>Some records updated on the registry later than 10 business days.</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	
Low	<p>I have recorded the controls as strong in this area.</p> <p>The late new connection updates have a minor impact on participants, customers and settlement, therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
So far as is known any outstanding updates have been completed		Completed
Preventative actions taken to ensure no further issues will occur		Completion date
LMG will continue to monitor and update all metering data as soon as it has access to the nominations and metering information. Reminders and follow-ups in place with retailers and ATHs. Routine reports from all ATHs in place.		1/3/2019
		Identified

Provision of Registry Information			
Non-compliance	Description		
<p>Audit Ref: 6.2</p> <p>With: Clause 7 (1), (2) and (3) of Schedule 11.4</p> <p>From: 01-Oct-17</p> <p>To: 31-May-18</p>	<p>Some registry records incomplete or incorrect.</p> <p>Potential impact: Medium</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		
Low	<p>I have recorded the controls as strong in this area. LMGL is identifying errors and investigating them as soon as practicable.</p> <p>Very few of the discrepancies have an impact on participants, customers or settlement. The only relevant ones in this regard are tariff related and there were only a small number. The audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Ongoing process of follow ups with retailer (esp) and ATHs to determine the veracity of the data. Subsequent to the Audit there has been a large amount of work to clean up the above numbers.		Now	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Ongoing process of follow ups with retailer (esp) and ATHs to determine the veracity of the data.		Ongoing	

Cancellation of Certification		
Non-compliance	Description	
<p>Audit Ref: 6.4</p> <p>With: Clause 20 of Schedule 10.7</p> <p>From: 15-Jun-17</p> <p>To: 13-Feb-19</p>	<p>Certification cancelled for following ICPs and the registry was not updated within 10 business days:</p> <p>5 ICPs with low burden</p> <p>29,353 ICPs with incorrect statistical sampling certification applied</p> <p>Potential impact: High</p> <p>Actual impact: Medium</p> <p>Audit history: Twice</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>	
Audit risk rating	Rationale for audit risk rating	
Medium	<p>I have recorded the controls as weak because some issues identified in the last audit have not been addressed and more issues have arisen.</p> <p>The impact could be significant, particularly the ICPs certified for 7 years where the results show the population is not accurate when the entire sample is considered. Certified metering can end up with a lower priority for replacement than uncertified metering. The audit risk rating is medium.</p>	
Actions taken to resolve the issue		Completion date
<p>This is disputed and LMGL does not accept that the certification is cancelled.</p> <ul style="list-style-type: none"> Statistical sampling has been undertaken correctly. (As advised by the ATH's and certification and further documentation has been supplied There is no requirement in the Code to burden CTs (as advised by the ATH's) 		Now
Preventative actions taken to ensure no further issues will occur		Completion date

Certification and Maintenance			
Non-compliance	Description		
<p>Audit Ref: 7.1</p> <p>With: Clause 10.38 (a), clause 1 and clause 15 of Schedule 10.7</p> <p>From: 01-Oct-17</p> <p>To: 13-Feb-19</p>	<p>Certification expired or cancelled for 30,482 ICPs.</p> <p>Potential impact: High</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>Whilst a considerable amount of effort has gone into the certification program the statistical sampling process has some non-compliant steps, therefore I have recorded the control effectiveness as weak in this area. There are also some expired Category 2 installations where the non-compliant practices have been present for several years.</p> <p>The accuracy of the 4,826 installations cancelled due to incorrect statistical sampling is poor based on the sample results. This has an impact on settlement accuracy. There is also a settlement impact from those ICPs where low burden is present and not addressed. There is further impact on participants whenever one of these ICPs is reconnected; because the trader is then non-compliant for not ensuring certification occurs within five days of electrical connection.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Project 1: This is across two MEP identifiers in the registry from one population. See later comments.</p> <p>Project 2: 100 meters tested as required. Refer later notes. LMGL strongly disputes this and believes itself and the party that carried out the testing and certification process has complied with the wording of the Code.</p> <p>'Settlement Accuracy' – It is an incorrect assertion that settlement accuracy is impacted. 'Certification' and 'Accuracy' are too separate things. Especially when accessed across a group rather than individual meters; as permitted by the codes. This comment is misleading to the market.</p>		Done	Disputed
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Cat 2 sites are regularly monitored and SR's issued and updated proactively. Non completions are monitored and reissued if appropriate. Considerable progress has been made on this total industry issue. 'Access' in its fullest definition of the word is at the heart of the reasons for not being able to certify the Cat2 sites.</p>		Ongoing from 2017	

Certification Tests			
Non-compliance	Description		
Audit Ref: 7.2 With: Clause 10.38(b) and clause 9 of Schedule 10.6 From: 07-Aug-18 To: 30-Jan-19	Register advance and prevailing load tests not conducted for four installations. 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	Remedial action status
The ATH advises that the certification for 0000101517EN109 is still valid. ICP: 0060059625HB21B (revisited and completed 10/4/2019) and 0001812940HB92C (revisited and completed 4/4/2019)		Complete	Disputed
Preventative actions taken to ensure no further issues will occur		Completion date	<u>Post audit comment</u>
MEP continues to monitor certificates and query ATH where unsure of any information received.		Ongoing	The registry has not been updated with the revised certification dates for ICPs 0060059625HB21B and 0001812940HB92C. ICP 0000551859HBDBA is now disconnected. ICP 0000101517EN109 has a statement in the certification report that the load check was not conducted.

Category 1 Inspections		
Non-compliance	Description	
Audit Ref: 8.1 With: Clause 45 of Schedule 10.7 From: 01-Jan-18 To: 31-Dec-18	Incorrect Category 1 sample selection 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
Additional inspections were undertaken to bring a second population inspected up to the required number and the report was lodged with the Authority as required. Our understanding is that the inspection for 2018 is compliant.		Completed
Preventative actions taken to ensure no further issues will occur		Completion date
Selection methodology now corrected.		2019 Programme
		Cleared