

Compliance plan for Legacy Metering Group Limited - 2017

Registry Notification of Metering Records			
Non-compliance	Description		
<p>Audit Ref: 3.2</p> <p>With: Clause 2 of Schedule 11.4</p> <p>From: 01-Dec-16</p> <p>To: 31-Aug-17</p>	<p>345 registry updates later than 15 business days.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>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.</p> <p>The impact on other participants is minor; therefore, the audit risk rating 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	Identified
<p>Principally ATH or other participant caused. LMGL prides itself on quick turnaround once compliant information is received.</p> <p>On occasion the paperwork from the field is late. Also nominations are sometimes late from the Retailers.</p> <p>As LMG undertakes legacy metering work for all of Contact Energy legacy sites and is nominated after work is completed. This is an ongoing issue to manage.</p> <p>The preventative actions that LMGL will take are:</p> <ol style="list-style-type: none"> (1) Ensure that there is a nomination in place for every Service Request received (2) Engage with the primary ATH concerned so that they are ensuring there is a match of Service Request to open job and that dates are within timeframes permitted (3) Engage with the ATH to ensure techs return paperwork more promptly. (This it must be noted is improving but still sees the odd exception). 		Immediate	

Design Reports for Metering Installations		
Non-compliance	Description	
Audit Ref: 4.1 With: Clause 2 of Schedule 10.7 From: 13-Jun-17 To: 25-Aug-17	Design reports not obtained or recorded for 3 Category 2 metering installations Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are in place and have achieved compliance in most cases. The impact on other participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
Design reports must be produced and LMG has attempted with the ATH to get this type of basic information sorted. As per previous Audits as well.		
Preventative actions taken to ensure no further issues will occur		Completion date
LMGL has design reports for all ATHs. This specifically relates to C&I TOU installs carried out by Northpower. LMGL has continued to engage with Northpower for the provision of the correct documentation. The Auditor has been appraised of the issue. LMGL no longer uses Northpower for C&I TOU installs.		1/12/17
		Identified

Metering Installation Design & Accuracy	
Non-compliance	Description
Audit Ref: 4.3 With: Clause 4(1) of Schedule 10.7 From: 13-Jun-17 To: 25-Aug-17	ATHs are not always recording the design report reference. Delta and NPOW ATHs not calculating uncertainty in accordance with the Code Potential impact: Medium Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating

Low	I have recorded the controls as moderate because there is room to improve the records provided by ATHs and their processes. The impact is minor; therefore the audit risk rating is low		
Actions taken to resolve the issue		Completion date	Remedial action status
LMG will communicate again with the ATHs concerned about the need for design report and supporting calculation documentation and process conformity to the standards.		Immediately	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
LMG will continue to engage with the ATHs concerned about the need for design report and supporting calculation documentation and process conformity to the standards. LMGL is under the understanding that the ATH in question have now solved both their process and paperwork issues causing this violation. It should be noted that it was a systemic issue.		Immediately	

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-16</p> <p>To: 31-Jul-17</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: Twice</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
The late field notification ICPs is an ongoing issue for the industry. The changes proposed in the Code to require nominations to be in place prior to work being undertake will help address the current situation.		Per promulgation of Code changes.
Preventative actions taken to ensure no further issues will occur		Completion date
<p>On occasion the paperwork from the field is late. In addition, nominations are sometimes late from the Retailers.</p> <p>As LMG undertakes legacy metering work for all of Contact Energy legacy sites. This requires an MEP switch to occur should LMG replace metering assets. These nomination from retailers can be late.</p> <p>The preventative actions that LMGL will take are:</p> <ol style="list-style-type: none"> (1) Ensure that there is a nomination in place for every Service Request received (if not already the MEP) (2) Engage with the primary ATH concerned so that they are ensuring there is a match of Service Request to open job and that dates are within timeframes permitted (3) Engage with the ATH to get their techs to return the paperwork more promptly. This it must be noted is improving but still sees the odd exception. 		01/01/2018
		Identified

Accurate and Complete Records

Non-compliance	Description		
<p>Audit Ref: 5.1</p> <p>With: Clause 4(1)(a) and (b) of Schedule 10.6, and Table 1, Schedule 11.4</p> <p>From: 01-Dec-16</p> <p>To: 31-Aug-17</p>	<p>Certification records not provided for two metering installations</p> <p>Meter certification records not provided for 3 metering installations.</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>I have recorded the controls as moderate in this area because there is a heavy reliance on ATH practices and there is room to improve monitoring of compliance</p> <p>Without complete and accurate records there is a minor risk that incorrect certification could occur, therefore the audit risk rating is recorded as low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>This relates to certificates not being provided in time to the Auditor, as opposed to not being able to provide them at all.</p> <p>LMGL re-engage with the ATH in question to remind them of the need for promptness in being able to turn around requests for completion paperwork</p>		01/01/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We will re-engage with all ATH's at a senior level in order to ensure that certification records are to be provided upon request.</p>		Immediately	

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-Dec-16</p> <p>To: 31-Aug-17</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
LMGL continues to identify and investigate errors. Where found, LMGL reverts to the ATH in order to obtain the correct data.		Immediately	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will re-engage with all ATH's at a senior level in order to ensure that certification records are correct and that the appropriate traceability is in place.		01/01/2018	

Cancellation of Certification			
Non-compliance	Description		
<p>Audit Ref: 6.4</p> <p>With: Clause 20 of Schedule 10.7</p> <p>From: 30-Jun-17</p> <p>To: 18-Oct-17</p>	<p>Certification cancelled for one ICP and the registry was not updated within 10 business days.</p> <p>Potential impact: Medium</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>I have recorded the controls as moderate because most issues are identified. Additional controls may be required to identify installations certified as a lower category.</p> <p>Metering category 2 has a greater accuracy tolerance than Category 3, so impact on settlement could be minor. The audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status

On inheriting this old issue for the market LMG immediately performed investigations with the network, site customer and retailer. The chosen option by the retailer is a remotely read meter so that the customer does not pay for site alterations or move to a more expensive TOU retail electricity plan. This means that they (GENE) will be appointing AMS as the MEP forthwith. This should have occurred under the previous Retailer and MEP a long time ago. LMG has resolved the issue in the short time they have had it.	Immediately.	Identified This is recorded as identified until the trader nominates the new MEP and the registry is updated
Preventative actions taken to ensure no further issues will occur	Completion date	
LMG was provided with a Cat2 certificate for this site. Further investigation revealed the capacity issue. LMGL will continue to review all CT metered metering installation certificates to ensure that the correct category is chosen by the ATH. Where discrepancies are found LMGL will immediately update the registry, cancelling the certificate and revert to the testhouse and any other parties to rectify the site and paperwork.	On going	

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-Dec-16</p> <p>To: 18-Oct-17</p>	<p>Certification expired for 26,267 ICPs.</p> <p>Potential impact: High</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
Medium	<p>I have recorded the controls as moderate in this area because certification has been expired for a number of years for some ICPs and because some of the expired installations were fully certified at one point.</p> <p>The impact on settlement is recorded as moderate because of the increased likelihood of failure or inaccuracy for metering installations with expired certification, therefore the audit risk rating is medium.</p>	
Actions taken to resolve the issue		Completion date
<p>Certification progress and attention to this task is rapid in comparison to the history of the sites with others in the preceding decades. The Compliance Programme is at an advanced stage and results should be known before the end of the year. This continues to be subject to ATH resource availability and prioritisation of this work and LMG in general in comparison to their much larger MEP clients and their demands. LMG has also been striking a very large % of UTIs. In excess of 65%. This has also added greatly to both the time and cost aspects of delivery.</p>		
Preventative actions taken to ensure no further issues will occur		Completion date
<p>A very high level of “Unable to recover metering” has been encountered. To date over, more than twice the number of sites have been attended compared with the number of sites actually required – and this is still progressing.</p> <p>To prevent further occurrence:</p> <ol style="list-style-type: none"> 1. UTI information will be obtained from retailers (where available) 2. Sites will be excluded where there is no opportunity for removing meters 3. The initial number of sites issued will be in a higher ratio than the recovery requirement (e.g. 1.8:1) 		1/12/2017
		Identified

Certification as a Lower Category		
Non-compliance	Description	
<p>Audit Ref: 7.6</p> <p>With: Clauses 6(1)(b) and (d), and 6(2)(b) of Schedule 10.7</p> <p>From: 30-Jun-17</p> <p>To: 18-Oct-17</p>	<p>Monitoring not conducted for one installation certified as a lower category</p> <p>Potential impact: Medium</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>I have recorded the controls as moderate because additional controls may be required to identify installations certified as a lower category.</p> <p>Metering category 2 has a greater accuracy tolerance than Category 3, so impact on settlement could be minor. The audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
<p>On inheriting this old issue for the market LMG immediately performed investigations with the network, site customer and retailer. The chosen option by the retailer is a remotely read meter so that the customer does not pay for site alterations or move to a more expensive TOU retail electricity plan. This means that they (GENE) will be appointing AMS as the MEP forthwith. This should have occurred under the previous Retailer and MEP a long time ago. LMG has resolved the issue in the short time they have had it.</p>		
Preventative actions taken to ensure no further issues will occur		Completion date
<p>LMG was provided with a Cat2 certificate for this site. Further investigation revealed the capacity issue.</p> <p>LMGL will continue to review all CT metered metering installation certificates to ensure that the correct category is chosen by the ATH. Where discrepancies are found LMGL will immediately update the registry, cancelling the certificate and revert to the testhouse and any other parties to rectify the site and paperwork.</p>		On going.
Identified		

Alternative Certification Requirements	
Non-compliance	Description

Audit Ref: 7.9 With: Clauses 32(2), (3) and (4) of Schedule 10.7 From: 15-Jun-17 To: 20-Jun-17	Invalid alternative certification applied Potential impact: Medium Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 4		
Audit risk rating	Rationale for audit risk rating		
Low	I have recorded the controls as weak because alternative certification should not have been applied to these installations and the Code clearly only allows one reason for the application of alternative certification. The test results show that the installations are both within 2.5% but one is over recording by 1.21% and this may be closer to zero once the low burden issue is addressed. The audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
0006593950RN692 has extenuating circumstances that have already been commented on in the audit document that warranted the alternate certification.			Unknown The non-compliance relates to ICPs:
Preventative actions taken to ensure no further issues will occur		Completion date	0000100223UN118 0103992006LCF3F
The audit note is incorrect. LMGL has provided the EA with the two ICPs ‘Alternative Certification’ documents that show that the CTs were not ‘comparatively tested’ and the reasons for the ‘Alternative Certification’ method.		Complete	It is accepted that the alternative certification is valid for 0006593950RN692

Metering Installations Incorporating a Meter	
Non-compliance	Description
<p>Audit Ref: 7.15</p> <p>With: Clause 24(3) of Schedule 10.7</p> <p>From: 31-Jan-17</p> <p>To: 25-Aug-17</p>	<p>Meters not certified for four metering installations</p> <p>Potential impact: Medium</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>I have recorded the controls as moderate because improvements are required to ensure all meters are certified.</p> <p>Without certification there is a minor risk of non-compliant metering being installed. The audit risk rating is low.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
This appears to be a documentation issue with a certifying ATH (Northpower). All meters provided to the field are certified in the test labs and subsequently issued. LMGL is engaging with the issuing laboratory and Northpower in order to establish the certification details for the installed devices.	Immediately	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We will re-engage with all ATH's at a senior level in order to ensure that certification records are correct and complete. LMGL will also discuss with the contracted testhouses the approach whereby they complete the documentation, rather than provide "subcontracted" field data.	01/01/2018	

Metering Installations Incorporating a Measuring Transformer		
Non-compliance	Description	
Audit Ref: 7.16 With: Clause 28(1) of Schedule 10.7 From: 31-Jan-17 To: 25-Aug-17	CTs not certified for three metering installations Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	I have recorded the controls as moderate because improvements are required to ensure all components are certified. Without certification there is a minor risk of non-compliant components being installed. The audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
Refer previous comments re the ATHs in question and their need to prove they have made the devices and sites compliant.		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
This is about having paperwork that shows that correct calculation methods are used by the ATH. The auditor found the issues at the ATH for their paperwork and process and then checked with the affected MEP. Consequently, the MEP was considered to be in breach. We are advised that the ATH in question has now corrected the tech processes and their paperwork to eliminate this from occurring again.	Complete	

Metering Installations Incorporating a Data Storage Device			
Non-compliance	Description		
Audit Ref: 7.17 With: Clause 36(1) of Schedule 10.7 From: 31-Jan-17 To: 25-Aug-17	Data storage devices not certified for three metering installations Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	I have recorded the controls as moderate because improvements are required to ensure all components are certified. Without certification there is a minor risk of non-compliant components being installed. The audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Refer the comments in Audit ref 7.15. The devices were lab certified prior to install. The field certification at install by the field ATH was not completed correctly. LMGL is engaging with the ATH to rectify this data.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will re-engage with all ATH's at a senior level in order to ensure that certification records are correct and complete. LMGL will also discuss with the contracted testhouses the approach whereby they complete the documentation, rather than provide "subcontracted" field data.		Immediately.	