

Compliance plan for Meridian Energy 2018

Relevant information			
Non-compliance	Description		
Audit Ref: 2.1 With: 11.2 & 15.2 From: 01-Dec-17 To: 31-Oct-18	Some errors found in registry data. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate as they identify most of the errors but not all. The audit risk rating is low as the discrepancies identified will only have a minor effect on submission.		
Actions taken to resolve the issue		Completion date	Remedial action status
Refer to comments in the relevant sections of this report.		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Electrical Connection of Point of Connection	
Non-compliance	Description
Audit Ref: 2.11 With: Clause 10.33A From: 29-Sep-17 To: 27-Aug-18	Seven ICPs were certified later than 5 days after electrical connection. 109 ICPs which had expired and/or interim certification were reconnected. Potential impact: Low Actual impact: None Audit history: Three times Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate. The new connection process has good controls to ensure that MEPs are in place for new connections. Meridian is strengthening their controls for reconnections to ensure that reconnections requiring certification are identified and recertified by the MEPs. The audit risk rating is low as a small proportion of ICPs were affected.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have good controls in place to ensure meters are certified at the time of initial electrical connection when possible – situations where load is too low to certify are infrequent and processes are in place to ensure certification is completed when it is possible. As reported we have implemented a new process to notify MEPs of any ICPs that have been reconnected that require recertification. We note that in these circumstances it will be difficult to comply with the timeframe of 5 BD due to customer contractual requirements that notice is given at least 10BD before access is required for this purpose.		N/A Oct 18	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Changes to registry information	
Non-compliance	Description
<p>Audit Ref: 3.3</p> <p>With: 10 Schedule 11.1</p> <p>From: 03-Jan-18</p> <p>To: 04-Sep-18</p>	<p>Registry information not updated within 5 business days of the event.</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 the timeliness to update the registry is high and showing an improved performance year on year, especially with those events that have a direct impact on submission accuracy. I found some late updates often related to data corrections, which improved overall data accuracy.</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 that ensure Registry information is updated within 5 business days where this is within our control.		Ongoing	

Provision of information to the registry manager			
Non-compliance	Description		
<p>Audit Ref: 3.5 With: 9 Schedule 11.1</p> <p>From: 06-Dec-17 To: 30-Aug-18</p>	<p>Some registry information was not updated within 5 business days of the event.</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
			Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
As recommended in last year's audit we have implemented regular reporting to monitor IED dates populated by distributors.	Ongoing	
We have implemented automated job closure functionality which should reduce instances of incorrect active dates caused by human error.	Ongoing	
We will continue with our existing controls that ensure Registry information is updated within 5 business days where this is within our control.	Ongoing	

ANZSIC codes			
Non-compliance	Description		
<p>Audit Ref: 3.6</p> <p>With: 9 (1(k) Schedule 11.1</p> <p>From: 01-Dec-17</p> <p>To: 31-Oct-18</p>	<p>Two active occupied ICPs had an unknown ANZSIC code.</p> <p>One ICP had an incorrect ANZSIC code but is no longer supplied by Meridian.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Multiple</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Reporting is in place to identify discrepancies, and the control rating is strong.</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	Remedial action status
<p>The ANZSIC code for ICP 0000052673NTFC1 has been confirmed and updated</p> <p>ICP 0000054581NT990 is now Inactive – Vacant.</p>		04/12/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have controls in place to review unknown ANZSIC codes periodically and we will continue with this.		Ongoing	

Management of “active” status			
Non-compliance	Description		
Audit Ref: 3.8 With: 17 Schedule 11.1 From: 09-Jul-18 To: 16-Jul-18	ICP 0001394423UN83B has an incorrect active date on the registry. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as the checks in place identify most, but not all potential errors. The audit risk rating is low, as one error was identified, and the difference was seven days.		
Actions taken to resolve the issue		Completion date	Remedial action status
The incorrect active date for ICP 0001394423UN83B was a result of human error. This has been corrected.		Complete	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Population of active dates for new connections are now automated which should reduce instances of incorrect dates caused by human error. We have implemented a regular check of active dates against IED and meter cert dates to identify irregularities.		July 2018 Ongoing	

Management of “inactive” status	
Non-compliance	Description
Audit Ref: 3.9 With: 19 Schedule 11.1 From: 01-Dec-17 To: 31-Oct-18	Five status updates to inactive had incorrect status dates applied. 11 ICPs did not have their status returned to active where consumption during a period with inactive status was detected. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as moderate.</p> <p>Processes to manage routine status changes are robust, and automated processes have reduced data processing errors. The errors related to manually processed corrections, and corrections for ICPs with consumption during inactive periods.</p> <p>The audit risk rating is low, as a small number of ICPs were affected. There may be a small impact on settlement if the whole read period in which consumption occurred is inactive.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Relevant staff manually processing disconnections have been reminded of the importance of entering the correct inactive dates in the system and double checking where this is not clear on paperwork.</p> <p>We will review our monitoring process to see whether it is possible to identify where ICPs should be returned to active status (or not)</p> <p>We acknowledge the issue relating to the use of a read in the CS file that is not a read taken on the switch event date. We will investigate feasibility of changes to our existing system to resolve this</p> <p>The issue will be resolved when the switching process for all NHH ICPs is conducted from the Flux system.</p>		<p>Dec 2018</p> <p>30 April 2019</p> <p>30 April 2019</p> <p>April 2020</p>	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

Losing trader must provide final information - standard switch	
Non-compliance	Description
<p>Audit Ref: 4.3</p> <p>With: 5 Schedule 11.3</p> <p>From: 06-Jan-18</p> <p>To: 30-Aug-18</p>	<p>Some CS read and average daily kWh information recorded in CS files is incorrect.</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 errors are likely to occur where a customer account has been closed prior to the switch out.</p> <p>The audit risk rating is low as the kWh differences found are generally small.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We have identified the CS read issue occurs only on TR switches where a final read is pending (at a customers request) when the NT file is received. We will investigate an exception process to manage this scenario.		30 June 2019	Investigating
We are confirming the logic used to calculate average daily consumption for the examples identified to confirm whether this is a data or logic issue.		28 Feb 2019	
Preventative actions taken to ensure no further issues will occur		Completion date	

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: 31-Mar-18</p> <p>To: 31-Mar-18</p>	<p>One RR issued to Meridian was rejected in error.</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	The controls are rated as strong, because in most cases RR files are processed correctly. The impact is assessed to be low, the difference between the CS and requested RR readings was 50 kWh.		
Actions taken to resolve the issue		Completion date	Remedial action status
The incorrectly rejected RR was due to human error and not a systemic issue.		N/A	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
We will continue with existing controls in this area.	Ongoing	

Non-half hour switch event meter reading - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.5</p> <p>With: Clause 6(2) and (3) Schedule 11.3</p> <p>From: 08-Mar-18</p> <p>To: 11-Aug-18</p>	<p>Five RRs issued to Meridian under clause 6(2) and (3) of Schedule 11.3 were invalidly rejected.</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 rated as moderate because most RRs issued under clause 6(2) and (3) of Schedule 11.3 were accepted or validly rejected. Where RRs were reissued, they were usually accepted.</p> <p>The impact is rated as low because a small number of RRs were rejected and not reissued.</p>	
Actions taken to resolve the issue		Completion date
		Identified
Preventative actions taken to ensure no further issues will occur		Completion date
Relevant staff have been reminded of Code obligations in relation to the acceptance of RR's under clauses 6(2) and (3)		Complete

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-Feb-18 and 01-Oct-18</p>	<p>Switch move NTs were sent for two contract customer groups, where the customers were not moving in effective from the switch date.</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, because the correct switch type is used in most cases.</p> <p>The audit risk rating is low, because there is no impact on settlement or other participants, and it helps to ensure ICPs are switched on the correct date. There is some impact on market switching statistics.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The issue identified is widely used by Traders as a workaround to ensure, where required by customer contracts (or in some cases losing trader systems) NHH ICPs are switched as at a particular contracted date.</p> <p>It is Meridian's general practice to only use this work around where necessary to ensure customers are not unduly impacted by limitations with the TR switching process or Trader systems.</p> <p>We have raised this issue in our submission on the Authority's switch process review.</p>		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Losing trader provides information - switch move	
Non-compliance	Description
<p>Audit Ref: 4.8</p> <p>With: Clause 10(1)</p> <p>Schedule 11.3</p> <p>From: 11-Feb-18 and 18-Feb-18</p>	<p>Incorrect AN response codes were applied for two switch moves.</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>The controls over AN responses are strong. They are automated and sufficient to ensure that the correct response code will be applied most of the time.</p> <p>The impact is assessed as low. Information available on the registry confirmed that the two ICPs with incorrect response codes had advanced metering.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
We will undertake further analysis to determine whether the application of incorrect AN response codes is a systemic issue and refer to our vendor if required.	30 April 2019	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	

Losing trader must provide final information - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.10</p> <p>With: 11 Schedule 11.3</p> <p>From: 02-Jan-18</p> <p>To: 29-Aug-18</p>	<p>Some CS read and average daily kWh information recorded in CS files is incorrect.</p> <p>One late CS file.</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 errors are likely to occur where a customer account has been closed prior to the switch out.</p> <p>The audit risk rating is low as the kWh differences found are generally small.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
We acknowledge the issue relating to the use of a read in the CS file that is not a read taken on the switch event date. We will investigate feasibility of changes to our existing system to resolve this.	30 April 2019	Investigating
The issue will be resolved when the switching process for all NHH ICPs is conducted from the Flux system.	April 2020	
We are confirming the logic used to calculate average daily consumption for the examples identified to confirm whether this is a data or logic issue	28 Feb 2019	

Preventative actions taken to ensure no further issues will occur	Completion date	

Losing trader provision of information - gaining trader switch		
Non-compliance	Description	
Audit Ref: 4.13 With: Clause 15 Schedule 11.3 From: 14-Jun-18 To: 18-Jun-18	One late AN file for a HH switch. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are rated as strong, because most AN files were issued on time and all AN files contained the correct content. The impact was low, because the AN was issued two business days late.	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
We consider adequate controls are in place		Ongoing
		Identified

Withdrawal of switch requests	
Non-compliance	Description
Audit Ref: 4.15 With: Clauses 17 and 18 Schedule 11.3 From: 29-Jan-18 To: 10-Jul-18	Three NWs had incorrect withdrawal codes applied. 151 NWs were issued late. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2

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. The incorrect NW codes were caused by data entry errors, and the late files reviewed related to complex cases.</p> <p>The impact is low, the affected NWs were rejected and resent with the correct codes, and a small percentage of withdrawals were issued late.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Relevant staff members have been reminded of the correct withdrawal code to use when issuing switch withdrawals as part of retention process.		Complete	Identified
As reported switch withdrawals requested outside the 60 day timeframe generally relate to issues such as the incorrect ICP being switched and are usually customer impacting. Meridian will continue to request switch withdrawals where necessary to resolve these types of customer impacting issues.			
Preventative actions taken to ensure no further issues will occur		Completion date	

Unmetered threshold	
Non-compliance	Description
<p>Audit Ref: 5.2</p> <p>With: Clause 10.14 (2)(b)</p> <p>From: 01-Dec-17</p> <p>To: 31-Oct-18</p>	<p>14 unmetered ICPs have estimated daily kWh of 3,000-6,000 kWh but have not been confirmed to have an approved load type.</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>Controls are rated as moderate. Although a small number of ICPs are affected, all have been supplied for more than two years.</p> <p>The impact is assessed to be low, because there are a small number of ICPs affected and consumption is below 6,000 kWh per annum per ICP.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Actions are in progress as recorded in the table above.	Ongoing	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	

Unmetered threshold exceeded		
Non-compliance	Description	
Audit Ref: 5.3 With: 10.14 (5) From: 01-Dec-17 To: 31-Oct-18	Five standard unmetered ICP 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 most ICPs falling into this category are identified and resolved. This is evident with the year on year reduction of these ICPs. However, some ICPs in this category have been supplied for several years. The audit risk rating is low as only six ICPs exceed the threshold and these are in the process of being resolved.	
Actions taken to resolve the issue	Completion date	Remedial action status
We will continue work to resolve these unmetered loads	Ongoing	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	

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-Sep-17 To: 30-Sep-18</p>	<p>12 of 17 distributed unmetered databases not accurate.</p> <p>Two distributed unmetered databases not yet audited.</p> <p>One database audited late.</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>Actions being taken to address issues with DUML databases are detailed in individual DUML audit reports</p> <p>We are working to establish useable DUML databases for NZTA - Kaitoke and Northland.</p>		Ongoing	Investigating
		Ongoing	
Preventative actions taken to ensure no further issues will occur		Completion date	

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-Dec-17 To: 31-Oct-18</p>	<p>While meters were bridged, energy was not metered and quantified according to the code for four ICPs.</p> <p>ICP 0000100018WP6F5 is settled by difference without an exemption being in place.</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>Controls are rated as strong as they are sufficient to reduce the risk most of the time.</p> <p>One ICP is settled by difference without an exemption being in place.</p> <p>Bridging only occurs where a soft reconnection cannot be performed after hours and the customer urgently requires their energy supply for health and safety reasons. In all examples reviewed, corrections had been processed.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
As reported meters are bridged when necessary and this will continue to be the case.		Ongoing	Identified
We will consider an exemption for ICP 0000100018WP6F5		28 Feb 2019	
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue with existing controls to ensure unmetered consumption that occurs when a meter is bridged is accounted for in the settlement process.		Ongoing	

Certification of control devices			
Non-compliance	Description		
<p>Audit Ref: 6.3</p> <p>With: Clause 33</p> <p>Schedule 10.7 and clause 2(2) Schedule 15.3</p> <p>From: 03-Jun-16</p> <p>To: 30-Sep-18</p>	<p>Seven ICPs had a profile 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: Once</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 as they are sufficient to mitigate the risk most of the time.</p> <p>The audit risk rating is low because Meridian has robust controls in place and a very small number of ICPs were affected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We have manually updated profiles for the seven ICPs identified. Issues obtaining a reading were delaying the correction of these.		Complete	Cleared

Preventative actions taken to ensure no further issues will occur	Completion date	
Existing controls will continue	Ongoing	

Derivation of meter readings			
Non-compliance	Description		
Audit Ref: 6.6 With: Clause 5 of Schedule 15.2 From: 01-Aug-17 To: 30-Sep-18	Customer reads are treated as actual reads when they are not validated against a set of actual meter reads from another source in some instances. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as weak as Velocity validates all customer reads against validated reads regardless of source. The audit risk impact is low as the volume of reads affected by this is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
System functionality has been changed so that customer and photo reads are always treated as estimates in the settlement process.		Nov 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Interrogate meters once	
Non-compliance	Description
Audit Ref: 6.8 With: Clause 7(1) and (2) Schedule 15.2 From: 01-Aug-17 To: 30-Sep-18	Some ICPs were not read during the period of supply. Potential impact: Low Actual impact: Low Audit history: Four times previously Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong because they will mitigate the risk to an acceptable level, but ICPs may remain unread and the best endeavours requirement may not be met where ICPs are supplied for a short period.</p> <p>The impact is assessed as low because in over half the cases reviewed, exceptional circumstances existed, and/or the best endeavours requirement had been met.</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	
Strong controls are in place and we will continue with these.		Ongoing	

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: 18-Aug-13</p> <p>To: 30-Sep-18</p>	<p>One ICP where exceptional circumstances were not met.</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 they will mitigate the risk to an acceptable level, but one example found the ICP remains unread and the best endeavours requirement has not been met.</p> <p>The impact is assessed as low as only one example was found of ten checked indicating the volume of such instances is small.</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	
Strong controls are in place and we will continue with these.		Ongoing	

Correction of NHH meter readings		
Non-compliance	Description	
Audit Ref: 8.1 With: Clause 15.2(2) and 15.12 of part 15, 19(1) of Schedule 15.2, 2(1)(b) of schedule 15.3 and 15.2(2) of part 15 From: 09-Aug-18 To: 14-Aug-18	A NHH correction for a bridged period for ICP 0000555986NR419 was not processed accurately. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as strong as they are sufficient to mitigate the risk most incorrect data most of the time. The impact is low because one ICP was affected and the difference was approximately 180 kWh.	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
We will continue with our existing controls in this area.		Ongoing
		Identified

Identification of readings		
Non-compliance	Description	
Audit Ref: 9.1 With: Clause 3(3) Schedule 15.2 From: 01-Aug-17 To: 30-Sep-18	Customer reads are treated as actual reads when not validated against a set of validated actual reads from another source in some instances. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Weak Breach risk rating: 3	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as weak as Velocity validates all customer reads against validated reads regardless of source. The audit risk impact is low as the volume of reads affected by this is low.	

Actions taken to resolve the issue	Completion date	Remedial action status
System functionality has been changed so that customer and photo reads are always treated as estimates in the settlement process.	Nov 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

NHH metering information data validation			
Non-compliance	Description		
Audit Ref: 9.5 With: Clause 16 Schedule 15.2 From: 01-Aug-17 To: 30-Sep-18	Zero consumption not monitored for all ICPs. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as they will mitigate risk most of the time but not in all cases of zero consumption occurring. The impact is low as drops in consumption will identify most instances.		
Actions taken to resolve the issue	Completion date	Remedial action status	
We are working to refine our zero consumption reporting so this is more meaningful.	July 2019	Investigating	
Preventative actions taken to ensure no further issues will occur	Completion date		
We will continue with our existing controls in this area.	Ongoing		

Electronic meter readings and estimated readings			
Non-compliance	Description		
Audit Ref: 9.6 With: Clause 17 Schedule 15.2 From: 01-Dec-17 To: 31-Oct-18	EMS did not check event logs for phase failure for some meter types prior to July 2018. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, because event information is reviewed for all MEPs except Arc, and Meridian is attempting to obtain meter event information from Arc. EMS' agent audit assessed the controls over event logs as strong. The impact is assessed to be low. The EMS issue relating to checking meters for phase failure was cleared from July 2018, and corrections were processed.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have recently been notified that Arc will begin providing time sync and power loss/restore information in December. We will put in place processes to review and take action on relevant events.		28 February 2019	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	

Buying and selling notifications	
Non-compliance	Description
Audit Ref: 11.1 With: Clause 15.3 From: 01-Feb-18 To: 01-Feb-18	No trading notification was provided for TOC TON and DST profiles. Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	There is no impact Meridian Energy confirmed that the reconciliation manager's system recorded the profile correctly, because allocation data received from the reconciliation manager included this profile.		
Actions taken to resolve the issue		Completion date	Remedial action status
Meridian does not intend to take any action. There is no facility to submit the notification required by this clause where a trading notification already exists for the NSP and no impact.		N/A	Disputed
Preventative actions taken to ensure no further issues will occur		Completion date	

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-Jun-17</p> <p>To: 01-Aug-18</p>	<p>ICP days incorrect due to meter start read being omitted from reconciliation for one example.</p> <p>Two changes from HHR to NHH, and four changes from NHH to HHR had incorrect meter installation dates recorded in Velocity, resulting in one ICP day being omitted per ICP.</p> <p>Where ICP statuses or status dates are recorded incorrectly, incorrect ICP days may be reported.</p> <p>Potential impact: Low</p> <p>Actual impact: None</p> <p>Audit history: Once 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 six out of eight of the upgrade/downgrade examples checked were processed incorrectly.</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
While we did review both our upgrade and downgrade processes following the last audit it appears the changes made have not resolved all the identified issues. We will conduct a further detailed review of these processes.	July 2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

HHR aggregates information provision to the reconciliation manager		
Non-compliance	Description	
Audit Ref: 11.4 With: Clause 15.8 From: 01-Aug-17 To: 31-Oct-18	HHR aggregates file does not contain electricity supplied information. Potential impact: None Actual impact: None Audit history: Three times previously Controls: Strong Breach risk rating: 1	
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	Remedial action status
Meridian will not be taking any action in relation to this technical non compliance.	N/A	Disputed
Preventative actions taken to ensure no further issues will occur	Completion date	

Accuracy of submission information		
Non-compliance	Description	
Audit Ref: 12.7 With: Clause 15.12 From: 01-Dec-17 To: 31-Oct-18	Some submission information was inaccurate. Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls over accuracy of submission information are moderate, as there are controls in place to validate submission information and identify and correct errors. The impact is rated as low, most of the issues identified affected low volumes or ICP days and a small number of ICPs.	
Actions taken to resolve the issue		Completion date
We have commented on specific issues raised in the relevant sections of this report.		
Preventative actions taken to ensure no further issues will occur		Completion date
		Identified

Permanence of meter readings for reconciliation		
Non-compliance	Description	
Audit Ref: 12.8 With: Clause 4 of Schedule 15.2 From: 01-Aug-17 To: 30-Sep-18	Some estimates not replaced at R14. Potential impact: Medium Actual impact: Medium Audit history: Four times previously Controls: Moderate Breach risk rating: 4	
Audit risk rating	Rationale for audit risk rating	
Medium	Controls are rated as moderate as they are sufficient to ensure estimates are replaced by revision 14 most of the time, but there is room for improvement. Total forward estimate for the three months reviewed was 3,466,792 kWh – 1,257,311 kWh for January 2017, 866,985 kWh for February 2017 and 1,342,496 for March 2017.	

Actions taken to resolve the issue	Completion date	Remedial action status
We have implemented a change to use actual validated reads in the switching process where these are available. This is expected to reduce FE volumes still present at the 14mth revision.	Nov 2018	Investigating
We will investigate viability of a system change to treat final switch estimates as permanent estimates in the settlement process.	Mar 2018	
Preventative actions taken to ensure no further issues will occur	Completion date	

Forward estimate process		
Non-compliance	Description	
<p>Audit Ref: 12.12</p> <p>With: Clause 6 of Schedule 15.3</p> <p>From: 01-Aug-17</p> <p>To: 30-Sep-18</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: Four 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.</p> <p>Initial data is replaced with revised data, and washed up.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Participant comment	Proposed or actual date	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We will continue with our current controls in this area.	Ongoing	

Compulsory meter reading after profile change		
Non-compliance	Description	
<p>Audit Ref: 12.13 With: Clause 7 Schedule 15.3</p> <p>From: 01-Aug-17 To: 30-Sep-18</p>	<p>Reads or permanent estimates were not applied to the profile change date for two ICPs downgraded from HHR to NHH, and three meters upgraded from NHH to HHR.</p> <p>Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate 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 an actual read is entered on the day a profile change takes effect, except where there have been manual processing errors during upgrades to HHR and downgrades to NHH.</p> <p>The audit risk rating is low, as a small number of ICPs are affected.</p>	
Actions taken to resolve the issue		Completion date
Refer to our comments under 11.2		
Preventative actions taken to ensure no further issues will occur		Completion date
		Identified

Historical estimate reporting to RM		
Non-compliance	Description	
<p>Audit Ref: 13.3 With: Clause 10 of Schedule 15.3</p> <p>From: 01-Aug-17 To: 30-Sep-18</p>	<p>Historic estimate thresholds were not met for some revisions.</p> <p>Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate 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	Remedial action status
<p>We have implemented a change to use actual validated reads in the switching process where these are available. This is expected to reduce FE volumes still present at the 14mth revision.</p> <p>We will investigate viability of a system change to treat final switch estimates as permanent estimates in the settlement process.</p>	<p>Nov 2018</p> <p>Mar 2018</p>	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	