

# Compliance plan for Meridian Energy – 2020

Relevant information			
Non-compliance	Description		
<p>Audit Ref: 2.1</p> <p>With: 11.2 &amp; 15.2</p> <p>From: 01-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>Some registry information is incorrect.</p> <p>DUML ICPs 0000545297NR91E, 0000500236NR1F1 and 0000500015NRA63 have the unmetered flag incorrectly set to “N” on the registry.</p> <p>Correction not apportioned to the correct months for one of the 12 ICPs sampled.</p> <p>Metering not yet replaced, therefore correction not made for ICP 0000931760NV71C where the metering is under recording by 18%.</p> <p>Corrections not applied for six of the 11 bridged meters sampled resulting in under submission of 1,783 kWh.</p> <p>Incorrect shape files being used for the WAIK and COUP NSPs resulting in an estimated over submission of 3,000 kWh.</p> <p>Two ICPs allocated to the incorrect NSP.</p> <p>Three downgraded ICPs where NHH volume recorded on 11/02/20 will be submitted for 12/02/20.</p> <p><b>MERX</b></p> <p>The correction is not for the correct period for ICP 0005758831RN460.</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>		
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Medium</b>	<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>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>

<p>Corrective and preventative actions in relation to Registry information discrepancies are included in the relevant sections of this report.</p> <p><b>MERI</b></p> <p>DUML ICPs 0000545297NR91E, 0000500236NR1F1 and 0000500015NRA63 are now represented as unmetered on the Registry – the presence of dummy meters was preventing this.</p> <p>ICP 0000931760NV71C - CT's have been replaced at this ICP however no details have been provided by the MEP regarding correction required to historic consumption due to the metering installation being defective. This is being followed up with AMCI.</p> <p>Historic corrections for the 6 bridged meters identified have been applied.</p> <p>Apportionment of the correction identified was as far back in 14mth washup cycle as allowed at the time the error was identified.</p> <p>Incorrect shape files being used for the WAIK and COUP NSPs – Recorder data was corrected to remove the missed off switching. Data has been recalculated and will be washed up.</p> <p>ICPs allocated to incorrect NSP – Refer comments in section 11.2</p> <p>ICPs downgraded ICPs – system limitations prevent an ICP from being both HH and NHH on the same day. This same limitation is present on the Registry where an ICP cannot change submission type part way through the day. In the case of a downgrade the ICP is HH until the end of the day on which the downgrade took place and NHH from the beginning of the following day. All consumption is submitted.</p> <p><b>MERX</b></p> <p>ICP 0005758831RN460 – the correction for this ICP was allocated over the time period the ICP was traded by MERX.</p>	<p>Aug 2020</p> <p>Sept 2020</p> <p>Aug 2020</p> <p>N/A</p> <p>July 2020</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><b>Defective and bridged meters</b></p> <p>Processes to manage corrections for defective and bridged meters are being refreshed to ensure these are clear for both systems and for where the period of correction spans both systems. The refreshed processes will be rolled out to all relevant staff.</p> <p>A quality assurance programme is being developed and will include monitoring to ensure staff are following approved processes.</p> <p><b>Incorrect shape files being used for the WAIK and COUP NSPs</b></p> <p>The validation process for streetlight profiles has been reviewed and improvements implemented.</p>	<p>31 Dec 2020</p> <p>March 2021</p> <p>July 2020</p>	

Retailer responsibility for electricity conveyed - access to metering installations			
Non-compliance	Description		
<p>Audit Ref: 2.6</p> <p>With: Clause 10.7(2),(4),(5) and (6)</p> <p>From: 01-Oct-19</p> <p>To: 26-Aug-20</p>	<p><b>MERI</b></p> <p>MERI has been unable to arrange meter access to 447 ICPs at the request of MEPs as at 26/08/20. Meridian has attempted to gain access to all the affected ICPs and continues to do so.</p> <p><b>MERX</b></p> <p>MERI has been unable to arrange meter access to 56 ICPs at the request of MEPs as at 26/08/20. Meridian has attempted to gain access to all the affected ICPs and continues to do so.</p> <p>Potential impact: Medium</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		
<b>Low</b>	<p>Meridian has strong controls in place. This is a technical non-compliance because the code specifies that Meridian “must” provide access, rather than use best or reasonable endeavours to provide access.</p> <p>The impact is low, access is generally required to complete meter changes.</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 processes for arranging access to customer premises where this is required.		Ongoing	

Electrical Connection of Point of Connection		
Non-compliance	Description	
<p>Audit Ref: 2.11</p> <p>With: Clause 10.33A</p> <p>From: 01-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>Seven ICPs were certified later than 5 days after electrical connection.</p> <p>60 ICPs which had expired and/or interim certification were reconnected.</p> <p><b>MERX</b></p> <p>Nine ICPs which had expired and/or interim certification were reconnected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are 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.</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
0000160583CK020 - a defective metering installation investigation report was carried out by AMCI for this ICP. Permanent estimation of consumption has been completed for the period 19/09/19 – 10/08/20 and historic submissions will be corrected through the wash up process.		Sept 2020
Preventative actions taken to ensure no further issues will occur		Completion date
<p>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</p> <p>Reporting and process is in place to provide a list of reconnected ICPs with uncertified metering to MEPs. This reporting is being modified to include MERX ICPs.</p>		<p>Ongoing</p> <p>Dec 2020</p>

Changes to registry information			
Non-compliance	Description		
<p>Audit Ref: 3.3</p> <p>With: 10 Schedule 11.1</p> <p>From: 01-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>348 late updates to active status for reconnections.</p> <p>271 late updates to inactive status for disconnections.</p> <p>6,015 late trader updates.</p> <p><b>MERX</b></p> <p>109 late updates to active status for reconnections.</p> <p>20 late updates to inactive status for disconnections.</p> <p>144 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		
<b>Low</b>	<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	Remedial action status
All status updates have been processed.		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><b>MERI</b></p> <p>We will continue with our existing controls that ensure Registry information is updated within 5 business days where this is within our control.</p> <p><b>MERX</b></p> <p>Automated job completion for disconnections and reconnections is currently being developed and is expected to improve timeliness of active and inactive status updates for MERX.</p>		<p>Ongoing</p> <p>March 2021</p>	

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-Oct-19 To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>503 late updates to active status for new connections.</p> <p>Seven ICPs had incorrect active dates recorded.</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	
<b>Low</b>	<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
<p>Corrections have been made to active dates identified as incorrect.</p> <p>115 ICPs created by EASH – we understand the metering installation for these ICPs are currently billed and reconciled under existing ICPs but a “split” is required. AMS and EASH were in discussions re apportionment of costs associated with this work and we are awaiting the outcome.</p>		Oct 2020
		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We are monitoring the AC-020 report to identify discrepancies and correct any active dates incorrectly entered as a result of human error and to identify any ICPs that may have been connected and where no notification has been received.</p>		Ongoing

ANZSIC codes			
Non-compliance	Description		
<p>Audit Ref: 3.6</p> <p>With: 9 (1(k) Schedule 11.1</p> <p>From: 01-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>Three ICPs with incorrect ANZSIC codes.</p> <p><b>MERX</b></p> <p>Five ICPs with incorrect ANZSIC codes.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are strong. There are preventative controls are in place to ensure that ANZSIC codes are initially recorded accurately, and monitoring controls are periodically used to check and correct ANZSIC codes.</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
We have reviewed all ICPs identified as potentially incorrect and corrected where required.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We will continue with our current controls which are reported as strong.</p> <p>During the audit period and following clarification from the Authority we have revised our application of ANZSIC codes to ensure these are correct in respect of the primary activity of the <u>customer</u> at an ICP rather than activity at the ICP itself. We suggest clarification may be required to all participants who may have differing interpretation re application of ANZSIC code.</p>		Ongoing	

Changes to unmetered load		
Non-compliance	Description	
Audit Ref: 3.7 With: Clause 9(1)(f) of Schedule 11.1 From: 01-Oct-19 To: 07-Jul-20	<b>MERI</b> Unmetered load incorrect for eight ICPs. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
Unmetered load has been corrected for the 8 ICPs identified		Aug 2020
Preventative actions taken to ensure no further issues will occur		Completion date
We will continue with existing controls in relation to unmetered load. We are also reviewing the AC-020 report regularly to identify instances where unmetered load may be incorrect.		Ongoing
		Cleared



Management of "active" status		
Non-compliance	Description	
<p>Audit Ref: 3.8</p> <p>With: 17 Schedule 11.1</p>        <p>From: 01-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <ul style="list-style-type: none"> <li>Five reconnections have incorrect active status dates recorded.</li> <li>7 new connections had incorrect status dates recorded.</li> <li>Two ICPs with incorrect statuses.</li> </ul> <p><b>MERX</b></p> <ul style="list-style-type: none"> <li>Two ICPs with incorrect statuses.</li> </ul> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Controls are rated as moderate. Preventative controls are in place; status updates are at least partially automated in both Velocity and Flux through the B2B processes. Work queues are created where information is incomplete or requires checking.</p> <p>Controls would improve to strong if new connection dates were checked by comparing them to distributor and MEP date, and active records created to produce service orders were monitored to ensure that they were removed.</p> <p>The audit risk rating is low, as a small number of differences were identified.</p>	
Actions taken to resolve the issue		Completion date
Corrections to all incorrect status/dates have been processed		Oct 2020
Preventative actions taken to ensure no further issues will occur		Completion date
<p><b>MERI</b></p> <p>We are developing reporting to monitor ICPs that are made active to complete customer onboarding for inactive ICPs to ensure these are returned to inactive where required. This is a workaround to a system control to prevent ICPs reconnected during the switching process from being and not made active.</p>		31 Jan 2020
<p><b>MERX</b></p> <p>We will clarify with staff managing the revenue assurance process the requirement for status to be updated where investigation of disconnected consuming ICPs confirms the ICP is connected.</p>		31 Oct 2020

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-Oct-19 To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>13 late CS files.</p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p><b>MERX</b></p> <p>Nine late CS files.</p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>At least three CS files had actual readings labelled as estimates.</p> <p>At least one incorrect CS read.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated as moderate because improvements have been made to the time stamping of MERX readings, which has led to improvements in switch reading accuracy. Other controls are relatively sound apart from the average daily consumption, but there were no inaccurate average daily consumption figures.</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
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	

<p><b>Average daily consumption</b> – as reported, and 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. A high proportion of TR DG switches that occurred during the audit period will be between MERI and MERX.</p> <p><b>Timeliness of CS files</b> – As reported we have daily processes to monitor ICPs in the switching process using the Registry switch timer functionality and check files that are 2 days away from being due so that any issues holding up the sending of these can be identified and resolved. Following recent changes to the Registry switch breach rules relating to the timer we have amended our daily process and will be monitoring compliance monthly to ensure the daily process is working as expected.</p> <p><b>Actual readings labelled as estimates in CS file</b> - all examples of this identified were linked to the rolling forward of 23:59:59 reads which has now been resolved.</p>	<p>Ongoing</p> <p>April 2020</p>	
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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-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>For one accepted RR the actual reading was recorded as an estimate.</p> <p>28 late RR files.</p> <p><b>MERX</b></p> <p>Four late RR files.</p> <p>At least three RR files had estimates labelled as actuals.</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		
<b>Low</b>	<p>The controls are rated as moderate, because they are sufficient to ensure most fields in most files are accurate.</p> <p>The impact is low because there is a minor impact on other participants and on settlement due to incorrect labelling of reads and late RR files.</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.			Choose an item.
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><b>Timeliness of RR files</b> – Meridian has controls to identify gain reads that may be problematic as early as possible however where there are delays in obtaining a read this does result in the late sending of RRs in those circumstances.</p> <p><b>Estimates labelled as actuals</b> – This is caused by a limitation in system functionality regarding selection of read type in the RR process and has been raised for resolution with our system provider.</p>		April 2021	

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: 15-Apr-20</p> <p>To: 15-Apr-20</p>	<p><b>MERX</b></p> <p>An RR for ICP 0000222351UNBFD issued under clause 6(2) and (3) of Schedule 11.3 was invalidly rejected.</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		
<b>Low</b>	<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. The RR was invalidly rejected due to a processing error.</p> <p>The impact is rated as low because one RR was invalidly rejected and the difference in readings was 6 kWh.</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	
Refresher training is scheduled to cover Code obligations related to read disputes including the requirement to accept under this clause.		November 2020	

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-Oct-19 To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>One late AN file.</p> <p><b>MERX</b></p> <p>Two late AN files.</p> <p>Two incorrect AN codes.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls 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 due to the small number of issues.</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 existing controls		Ongoing	

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-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>171 late CS files.</p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>Estimates labelled as actuals for at least one ICP.</p> <p><b>MERX</b></p> <p>38 late CS files.</p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>At least two CS files had actual readings labelled as estimates.</p> <p>At least four incorrect CS reads.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Controls are rated as moderate because improvements have been made to the time stamping of MERX readings, which has led to improvements in switch reading accuracy. Other controls are relatively sound apart from the average daily consumption, but there were no inaccurate average daily consumption figures.</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
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
		Remedial action status
		Identified

<p><b>Average daily consumption</b> – as reported, and 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><b>Timeliness of CS files</b> – As reported we have daily processes to monitor ICPs in the switching process using the Registry switch timer functionality and check files that are 2 days away from being due so that any issues holding up the sending of these can be identified and resolved. Following recent changes to the Registry switch breach rules relating to the timer we have amended our daily process and will be monitoring compliance monthly to ensure the daily process is working as expected.</p> <p><b>Actual readings labelled as estimates and read one day early in CS file</b> - all examples of this identified were linked to the rolling forward of 23:59:59 reads which has now been resolved.</p>	<p>Ongoing</p> <p>April 2020</p>	
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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-Oct-19 To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>The RR for ICP 0000137970TR94A was incorrectly rejected.</p> <p>42 late RR files</p> <p><b>MERX</b></p> <p>At least three RR files had estimates labelled as actuals.</p> <p>At least four RRs were incorrectly rejected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are rated as weak, because they are not sufficient to ensure that the agreed switch reading is consistently recorded, particularly where differences are small.</p> <p>The impact is low. The difference in read types has no impact on submission but there is minor incorrect submission due to invalid rejections of RR files.</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	
<p><b>Timeliness of RR files</b> – Meridian has controls to identify gain reads that may be problematic as early as possible however where there are delays in obtaining a read this does result in the late sending of RRs in those circumstances.</p> <p><b>Estimates labelled as actuals</b> – This is caused by a limitation in system functionality regarding selection of read type in the RR process and has been raised for resolution with our system provider.</p> <p><b>RR's incorrectly rejected</b> - Refresher training is scheduled to confirm all relevant staff understand Code obligations regarding acceptance of RR's.</p>		<p>April 2021</p> <p>November 2020</p>	

Gaining trader informs registry of switch request - gaining trader switch			
Non-compliance	Description		
Audit Ref: 4.12 With: Clause 14 Schedule 11.3  From: 01-Oct-19 To: 07-Jul-20	<b>MERI</b> Three late NT files. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Delays with the contract execution process can delay issuing of NT files for HH switches in some instances. The 3 NT files identified as late were all issued as soon as confirmation was received of the acquisition of the relevant ICPs.			

Gaining trader to advise the registry manager - gaining trader switch			
Non-compliance	Description		
<p>Audit Ref: 4.14</p> <p>With: Clause 16 Schedule 11.3</p> <p>From: 01-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>Six late CS files.</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		
<b>Low</b>	<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
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><b>Timeliness of CS files</b> – As reported we have daily processes to monitor ICPs in the switching process using the Registry switch timer functionality and check files that are 2 days away from being due so that any issues holding up the sending of these can be identified and resolved. Following recent changes to the Registry switch breach rules relating to the timer we have amended our daily process and will be monitoring compliance monthly to ensure the daily process is working as expected.</p>		Ongoing	

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><b>MERI</b></p> <p>71 NWs were issued late.</p> <p><b>MERI</b></p> <p>11 late NW files.</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		
<b>Low</b>	<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). The withdrawal in these instances is usually required to ensure a customer is correctly billed by the retailer of their choosing.</p>		Ongoing	

Metering information		
Non-compliance	Description	
Audit Ref: 4.16 With: Clause 21 Schedule 11.3  From: 11-May-19 To: 30-Aug-19	<b>MERX</b> At least five incorrect CS reads. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	Controls are rated as moderate at the time of the audit. They were weak until the time stamping of AMI reads was improved. The audit risk rating is low as the kWh differences found are generally small.	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
As reported, the timestamping issue that was causing inaccuracies with the switch event meter read provided in CS files has been resolved.		April 2020
		Identified

Unmetered threshold exceeded		
Non-compliance	Description	
Audit Ref: 5.3 With: 10.14 (5) From: 01-Nov-18 To: 05-Sep-20	Nine 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	
<b>Low</b>	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 nine ICPs exceed the threshold and these are in the process of being resolved.	
Actions taken to resolve the issue		Completion date
Refer our comments in the table above regarding progress to resolve.		
Preventative actions taken to ensure no further issues will occur		Completion date
Controls in new connection process to prevent new UML being connected that is over the threshold allowed in the Code.		Ongoing
Regular monitoring of UML identifies any ICPs switched in with connected load that is potentially over threshold so this can be validated and action to resolve taken where possible.		Ongoing

Distributed unmetered load		
Non-compliance	Description	
<p>Audit Ref: 5.4</p> <p>With: Clause 11 Schedule 15.3, Clause 15.37B &amp; 16A.26</p> <p>From: 01-Oct-19 To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>Inaccurate submission information for several databases.</p> <p>One distributed unmetered database not yet audited since the DUML audit regime came into effect.</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.</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	
<b>High</b>	<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
<p>Actions being taken to address issues with DUML databases are detailed in individual DUML audit reports.</p> <p>A DUML database for NZTA Kaitoke has been identified and will be audited before the end of the year.</p> <p>NZTA Waipukurau – the audit of this database was delayed as work on the council and NZTA databases in the Hawkes Bay region was being undertaken. This was expected to be completed by July however was delayed due to COVID. Work to establish a new database for ICP 7012031000CH80C is expected to be completed by the end of November and an audit will be completed as soon as possible after that.</p> <p>Greater Wellington Regional Council – the audit report will be finalised and submitted.</p>		<p>N/A</p> <p>Dec 2020</p> <p>Dec 2020</p> <p>31 Oct 2020</p>
Preventative actions taken to ensure no further issues will occur		Completion date
<p>Actions being taken to address issues with DUML databases are detailed in individual DUML audit reports</p>		

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-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>Electricity not quantified from the time generation is installed for up to 50 ICPs.</p> <p>While meters were bridged, energy was not metered and quantified according to the code for 12 ICPs.</p> <p>ICP 0000840407WE388 is calculated by subtraction without an exemption being in place.</p> <p><b>MERX</b></p> <p>Up to 103 ICPs with an installation type of "B" without the PV1 or EG1 profile.</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	
<b>Low</b>	<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
<p>As reported meters are bridged when necessary and this will continue to be the case.</p> <p>ICP 0005786762RNB36 –Electrical work is required by the owner of this property before import/export metering can be installed and they have not been engaging with us on this. We will continue to follow this up.</p> <p>ICP 0000840407WE388 – an exemption application was submitted to the Authority in May 2020 – this is being reviewed at the December 2020 compliance committee meeting.</p>		<p>Ongoing</p> <p>Dec 2020</p>
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We are reviewing current reporting available and confirming responsibility for MERI and MERX in relation to ICPs with DG indicated on the registry so these are regularly reviewed, and steps taken to arrange import/export metering where required (i.e. where DG is confirmed as installed and is capable of exporting to the network).</p>		31 Jan 2021
Remedial action status		
Identified		



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: 01-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></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: Three times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are 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
A permanent estimate has been created for the 7 ICPs identified so profile changes can be processed.		October 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Existing controls to monitor control device certification will continue.			

Collection of information by certified reconciliation participant			
Non-compliance	Description		
Audit Ref: 6.5 With: Clause 2 Schedule 15.2  From: 01-Nov-19 To: 15-Jun-20	Data not collected within the maximum interrogation cycle for two ICPs. Event log not downloaded for ICP 0000657986UN559. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
0000167766TR717, 0000545312NR81F. Attempts were made to interrogate both meters, but both has issues that prevented data downloading. Faults were logged with the MEPs. ICP 0000657986UN559. The data is downloaded and provided by an ATH. The ATH has indicated they will provide events in the future.		June 2020	Identified
		June 2020	
Preventative actions taken to ensure no further issues will occur		Completion date	
A process to improve the tracking of manual reads and events has been introduced.		June 2020	

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-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>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.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are recorded as moderate 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	Remedial action status
This issue will be resolved when all ICPs have been migrated to Flux.		Sept 2021	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: 15-Nov-19</p> <p>To: 27-May-20</p>	<p><b>MERI</b></p> <p>One ICP was not read during the period of supply and exceptional circumstances were not proven.</p> <p><b>MERX</b></p> <p>Two of four 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		
<b>Low</b>	<p>Controls are rated as moderate as whilst MERI's processes are strong, MERX processes are weak. This is expected to improve with reporting enhancements planned.</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><b>MERI</b></p> <p>Existing controls will continue.</p> <p><b>MERX</b></p> <p>Development of a partially automated "no read" process in Flux is in progress with delivery scheduled by the end of the year.</p>		31 Dec 2020	

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-Oct-19</p> <p>To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>Exceptional circumstances and best endeavours were not proven for eight of ten examples checked.</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		
<b>Low</b>	<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
Resolution of long term unread ICPs is a priority for Meridian and we are applying resource to focus on this. 80% of ICPs in the long-term unread bucket are across 10 customers (primarily account managed councils) and we will be working with those customers to obtain reads for these problematic sites.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><b>MERX</b></p> <p>Development of a partially automated “no read” process in Flux is in progress with delivery scheduled by the end of the year.</p>		31 Dec 2020	

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><b>MERI</b></p> <p>Exceptional circumstances and best endeavours were not proven for nine of ten examples checked.</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		
<b>Low</b>	<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
<p>7 of the 10 examples have now had reads taken.</p> <p>The remaining 3 are long term unread and as per our comments in section 6.9 are a priority to resolve.</p> <p>We note that for the period reviewed, COVID restrictions did have an impact on manual meter read activity and this has contributed to a higher than usual number of ICPs not read at 4 months.</p>		<p>Sept 2020</p> <p>Ongoing</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><b>MERI</b></p> <p>We will continue with our current processes and controls.</p> <p><b>MERX</b></p> <p>Development of a partially automated “no read” process in Flux is in progress with delivery scheduled by the end of the year.</p>		<p>Ongoing</p> <p>31 Dec 2020</p>	

HHR interrogation data requirement		
Non-compliance	Description	
Audit Ref: 6.13 With: Clause 11(2) Schedule 15.2  From: 01-Feb-19 To: 16-Jun-20	Event log not downloaded during interrogation of ICP 0000657986UN559. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.  The impact on settlement and participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
The data is downloaded and provided by an ATH. The ATH has indicated they will provide events in the future.		June 2020
		Identified

Identification of readings		
Non-compliance	Description	
<p>Audit Ref: 9.1</p> <p>With: Clause 3(3) Schedule 15.2</p> <p>From: 01-Oct-19</p> <p>To: 07-Jul-20</p>	<p>Some incorrectly labelled meter readings, as follows:</p> <p><b>MERI</b></p> <p>At least four ICPs with actual readings labelled as estimates.</p> <p><b>MERX</b></p> <p>At least six ICPs with estimates labelled as actuals.</p> <p>At least five ICPs with actuals labelled as estimates.</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	
<b>Low</b>	<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
Refer to sections 4.3, 4.4, 4.10 and 4.11 for comments in relation to errors identified with labelling of switch event meter reads.		
		Identified



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-Oct-19 To: 07-Jul-20</p>	<p><b>MERI</b></p> <p>Raw meter data is truncated upon receipt and not when volume information is created for Arc and AMS (for Smartco meters) provided reads.</p> <p><b>MERX</b></p> <p>Raw meter data is truncated upon receipt and not when volume information is created for Arc and AMS (for Smartco meters), Intellihub and WEL network MEP provided reads.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as moderate 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
		Identified
Preventative actions taken to ensure no further issues will occur		Completion date
We are investigating why Flux is truncating reads for some MEPs and will request a system change to resolve this following that investigation.		April 2021

NHH metering information data validation		
Non-compliance	Description	
Audit Ref: 9.5 With: Clause 16 Schedule 15.2  From: 01-Oct-19 To: 07-Jul-20	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	
<b>Low</b>	Controls are rated as moderate as they will mitigate risk most of the time but not in all cases of zero consumption occurring for MERI customers. Reporting is being improved in Flux and this is expected to address the present gap.  The impact is low as drops in consumption will be identified most instances.	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
<b>MERI</b> Existing zero consumption monitoring for high risk metering (i.e. Arc controllers) will continue. We are still investigating development of a refined report to identify invalid zero consumption so these can be addressed prior to ICP migration to Flux.		Dec 2020
<b>MERX</b> Zero consumption monitoring is in place for all ICPs as reported		Ongoing

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-19</p> <p>To: 01-May-20</p>	<p><b>MERI</b></p> <p>Incorrect ICP days for ICP 1001257822LCC15 submitted against NSP TKV0011 in error.</p> <p>Incorrect ICP days for ICP ICP 0006651984AL7C1 due to the incorrect submission flag on the registry.</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: Three times previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are recorded as moderate 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
<p>The issues for ICP 1001257822LCC15 and ICP 0006651984AL7C1 were a result of human error and were identified and corrected through our internal controls.</p> <p>Actions related to management of status and status dates are recorded in section 3.8.</p>		Complete	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Actions related to management of status and status dates are recorded in section 3.8.</p>			

HHR aggregates information provision to the reconciliation manager			
Non-compliance	Description		
Audit Ref: 11.4 With: Clause 15.8 From: 01-Jan-19 To: 31-May-20	HHR aggregates file does not contain electricity supplied information. Potential impact: None Actual impact: None Audit history: Multiple 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.			Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

Allocation of submission information		
Non-compliance	Description	
Audit Ref: 12.3 With: Clause 15.5 From: 01-Feb-19 To: 01-Jun-20	Two ICPs allocated to the incorrect NSP. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls over accuracy of submission information are rated as moderate, as there are controls in place to validate submission information and identify and correct errors. The audit risk rating is low as only two ICPs were identified with NSP errors and both were identified and eventually corrected through the validation processes in place.	
Actions taken to resolve the issue		Completion date
ICP 1001257822LCC15 - Refer section 11.4 for comments		
Preventative actions taken to ensure no further issues will occur		Completion date
		Oct 2020
		Identified

Accuracy of submission information		
Non-compliance	Description	
Audit Ref: 12.7 With: Clause 15.12 From: 01-May-19 To: 07-Jul-20	Some submission information was inaccurate. Potential impact: Medium Actual impact: Medium Audit history: Twice previously Controls: Moderate Breach risk rating: 4	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	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 audit risk rating is assessed to medium as the proportion of the sampled ICPs that did not have bridged meters that had not had corrections processed correctly was more than 50% of the sample checked.	
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	
<p>Audit Ref: 12.8</p> <p>With: Clause 4 of Schedule 15.2</p> <p>From: 01-Dec-18</p> <p>To: 19-Apr-31</p>	<p><b>MERI</b></p> <p>Some estimates not replaced at R14.</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	
<b>Low</b>	<p>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.</p> <p>The audit risk rating is assessed as low as the total forward estimate quantity for the 5-month period evaluated was just under 1.4GWh, which is much lower than reported in the last audit report.</p>	
Actions taken to resolve the issue		Completion date
The issue regarding switch estimates not being treated as permanent will be resolved when all ICPs are transitioned to Flux.		Sept 2021
Preventative actions taken to ensure no further issues will occur		Completion date
Flux capability to treat estimates as permanent where long term unread ICPs exist remains a gap that will be assessed for a solution in due course.		Sept 2021
		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: 07-Jul-20</p>	<p>Incorrect labelling of HE as FE.</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	
<b>Low</b>	<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 all ICPs are transitioned to Flux.		Sept 2021
Preventative actions taken to ensure no further issues will occur		Completion date
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 investigated and assessed for a solution in due course.		Unknown



Forward estimate process		
Non-compliance	Description	
Audit Ref: 12.12 With: Clause 6 of Schedule 15.3 From: 01-Oct-19 To:07-Jul-20	<b>MERI</b> The accuracy threshold was not met for all months and revisions. Potential impact: Low Actual impact: Low Audit history: Multiple times previously Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	Controls are rated as moderate, as they are sufficient to ensure data is within the accuracy threshold most of the time. Initial data is replaced with revised data and washed up.	
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 current controls in this area.		Ongoing

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-Jan-19</p> <p>To: 01-Mar-20</p>	<p><b>MERI</b></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	
<b>Low</b>	<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		
		Identified