

MEP COMPLIANCE PLAN 2020

FOR

NORTHPOWER LTD

Non-compliance	Description		
<p>Audit Ref: 4.1 With: <i>Clause 2 of Schedule 10.7</i></p> <p>From: 02-Jul-19 To: 01-Jul-20</p>	<p>Incomplete Detail in the Metering Installation Design Reports</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 because basic design information is in place however there are improvements that can be made to bring the designs into line with current code requirements. A relatively small number of ICPs are affected by this non-compliance. There was no impact on settlement. The audit risk rating is recorded as low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Northpower MEP does not install new metering or modify existing metering, and as such changes are limited to like-for-like replacements for compliance purposes. The meter installation designs available on the Northpower web site are to support sub-contractors completing category 1 metering installation re-certification using Northpower legacy meters for Northpower MEP only. Category 3 and above HV sites are re-certified by AccuCal under their test house.</p> <p>The field contractors will be reminded of the requirement to fully and properly complete the meter installation reports when they carry out recertification of any metering installations at an ICP.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Northpower MEP will monitor all meter installation reports returned by field contractors for completeness. Any reports found to be incomplete will be returned to the contractor so that all applicable tests and information required is correctly recorded on the report.</p>			

Non-compliance	Description		
<p>Audit Ref: 4.3 With: <i>Clause 4(1) of Schedule 10.7</i></p> <p>From: 02-Jul-19 To: 01-Jul-20</p>	<p>Incomplete detail in Metering Installation Certificate – missing meter certificate numbers</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 assessed as moderate because a process is in place is in place however it appears it is not being followed. Simple improvements can be made to the process to enable code requirement to be achieved. A relatively small number of ICPs are affected by this non-compliance. There was no impact on settlement. The audit risk rating is recorded as low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The ATH field contractors will be reminded of the requirement to fully and properly complete the meter installation reports when they carry out recertification of any metering installations at an ICP.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Northpower MEP will monitor all meter installation reports returned by the field contractors for completeness. Any reports found to be incomplete will be returned to the contractor so that all applicable tests and information required is correctly recorded on the report.</p>			

Non-compliance	Description		
<p>Audit Ref: 4.10 With: <i>Clause 3 of Schedule 11.4</i></p> <p>From: 02-Jul-19 To: 01-Jul-20</p>	<p>8.2 % of update entries to the registry are later than 10 business days</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 assessed as strong because considerable effort is made to overcome shortcomings in the Northpower meter displacement process and transfer to other MEPs. The audit risk rating is recorded as low as there is negligible impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Often the reason for the late Registry update is due to a third party contractor not providing the inspection and certification reports in a timely manner to allow the Registry metering data to be updated within the 10 business day Code requirement. We will reinforce our requirements to our contractors, but with a severe shortage of adequately qualified personnel available in the market to complete metering related work, it is a challenge to enforce this deadline whilst retaining resources.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Wherever possible Northpower MEP is endeavouring to update the Registry within the timeframe required by the Code. The contractors used by the Test House for meter certification activities do not always provide the information to Northpower MEP in a timely manner to enable Code updates within the required timeframe.</p> <p>Northpower MEP will remind all metering contractors used by the Test House of the timeframe requirements under their agreements with us, and provide context that this is necessary to ensure that Northpower MEP can comply with its Code obligations.</p>			

Non-compliance	Description		
<p>Audit Ref: 7.1 With: <i>Clause 10.38 (a), clause 1 and clause 15 of Schedule 10.7</i></p> <p>From: 02-Jul-19 To: 01-Jul-20</p>	<p>Certification Expired for 1365 metering installations during the audit period</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
<p>Medium</p>	<p>Controls are assessed as moderate because despite the considerable efforts made to improve the position during the audit period, there is still a significant risk of the position deteriorating. The audit risk rating is recorded as medium due to the accumulative numbers of category 2 and above metering installations which may have an impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>During the audit period the total Connected Expired metering installations dropped to a low of 681 (January 2020) compared to the Dec 2018 total of 1,046. Unfortunately a large number of metering installations previously certified under the statistical sampling regime expired in the February to April 2020 period which pushed the total expired certification metering installations to a high of 1,500.</p> <p>This has now reduced to 1,366 metering installations in mid-August. Of these, 126 or 9.2% are sitting with the retailer to provide access to the metering installation or address safety issues with their customer.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>A further two dedicated Test House field staff have been employed during August to complement the existing Test House contractors in a concerted effort to reduce the number of connected expired metering installations. We also follow up retailers periodically to resolve access or safety issues.</p>			

Non-compliance	Description		
<p>Audit Ref: 7.15 With: <i>Clause 26(1) of Schedule 10.7</i></p> <p>From: 02-Jul-19 To: 01-Jul-20</p>	<p>Certification Expired for 1368 category 1 meters and 32 category 2 meters during the audit period.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
<p>Low</p>	<p>Controls are assessed as weak because there is nothing in place to avoid meter certificates expiring. The audit risk rating is recorded as low as the likelihood of significant meter inaccuracy is relatively low and that there is a low chance that this non-compliance on its own may have an impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>During the audit period the total Connected Expired metering installations dropped to a low of 681 (January 2020) compared to the Dec 2018 total of 1,046. Unfortunately a large number of metering installations previously certified under the statistical sampling regime expired in the February to April 2020 period which pushed the total expired certification metering installations to a high of 1,500.</p> <p>This has now reduced to 1,366 metering installations in mid-August.</p>			Identified
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<p>Audit Ref: 7.16 With: <i>Clause 28(1) of Schedule 10.7</i></p> <p>From: 02-Jul-19 To: 01-Jul-20</p>	<p>Certification expired for 32 category 2 CTs during the audit period.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
<p>Low</p>	<p>Controls are assessed as weak because there is nothing in place to avoid CT certificates expiring. The audit risk rating is recorded as low as the likelihood of CTs being inaccurate is relatively low and that there is a low chance that this non-compliance on its own may have an impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Northpower currently engages AccuCal to complete mid-life inspection and recertification work for those metering installations of category 3 and above HV. This has allowed Northpower to meet the Code requirements for these ICPs.</p> <p>Unfortunately there is a lack of appropriately skilled resource available in the market to complete the same work at category 2 and 3 LV metering installations. Northpower MEP continues to look for contractors who can complete this work.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Northpower has actively approached other MEPs and retailers to encourage them to displace the Northpower owned metering assets at these category 2 and above metering installations. This has been partly successful with 65 ICP moved to other MEPs since 1/1/2019.</p> <p>Northpower will continue to encourage the displacement of our metering assets, and the transfer of the MEP responsibilities, at these ICPs while attempting to find a qualified resource who can undertake the required inspection/recertification work under the Code.</p>			

Non-compliance	Description		
<p>Audit Ref: 7.19 With: <i>Clause 18 of Schedule 10.7</i></p> <p>From: 02-Jul-19 To: 01-Jul-20</p>	<p>170 active interim certified metering installations during the audit period</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are assessed as moderate because even with some improvement during the audit period, there is risk due to the overall slow progress of addressing these certifications. The audit risk rating is recorded as low despite the length of time these metering installations have been out of certification there has been no evidence that this may have an impact on settlement outcomes.</p>		
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<p>During the audit period the total Connected Expired metering installations dropped to a low of 681 (January 2020) compared to the Dec 2018 total of 1,046. Unfortunately a large number of metering installations previously certified under the statistical sampling regime expired in the February to April 2020 period which pushed the total expired certification metering installations to a high of 1,500.</p> <p>This has now reduced to 1,366 metering installations in mid-August. Of these, 126 or 9.2% are sitting with the retailer to provide access to the metering installation or address safety issues with their customer.</p>			Identified
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<p>A further two dedicated Test House field staff have been employed during August to complement the existing Test House contractors in a concerted effort to reduce the number of connected expired metering installations. We also follow up retailers periodically to resolve access or safety issues.</p>			

Non-compliance	Description		
<p>Audit Ref: 8.2 With: <i>Clause 46(1) of Schedule 10.7</i></p> <p>From: 02-Jul-19 To: 01-Jul-20</p>	<p>32 x category 2 and 1 x category 3 metering installations were not inspected when due during the audit period. Their certifications were cancelled</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are assessed as moderate because process and procedures are in place however they were not able to be executed. The audit risk rating is recorded as low as there is a small likelihood that this may have an impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Northpower currently engages AccuCal to complete mid-life inspection and recertification work for those metering installations of category 3 and above HV. This has allowed Northpower to meet the Code requirements for these ICPs.</p> <p>Unfortunately there is a lack of appropriately skilled resource available in the market to complete the same work at category 2 and 3 LV metering installations. Northpower MEP continues to look for contractors who can complete this work.</p>			Identified
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