

Compliance plan for AMS – 2018

| Participants to Provide Accurate Information | | | |
|---|---|-----------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 2.5</p> <p>With: Clause 11.2 and Clause 10.6</p> <p>From: 01-Dec-17</p> <p>To: 12-Nov-18</p> | <p>Registry not always updated as soon as practicable.</p> <p>Sum-check process does not identify “negative” errors as a failure.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p> | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Medium | <p>Controls are recorded as moderate because there is room to improve the timeliness of registry updates and the sum-check failure threshold.</p> <p>The impact on other participants could be moderate due to the use of potentially incorrect data, thinking it is correct; therefore, the audit risk rating is medium.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| <p>AMS were made aware this is a problem for the first time this audit. AMS fail any sum check that is greater than 0.1, any sum check that results in a negative value is considered a pass. This is due to the way the system was built at the time.</p> <p>To fix this we require a change in the core system, a project will be raised to complete this work.</p> | | May 2019 | Investigating |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Once system correct issue will not occur as this is a fully automated process. | | May 2019 | |

| Payment of Costs to Losing MEP | | |
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| Non-compliance | Description | |
| <p>Audit Ref: 3.1</p> <p>With: Clause 10.22</p> <p>From: 01-Feb-17</p> <p>To: 11-Oct-17</p> | <p>Payment not made to the losing MEP within 20 business days.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: None</p> <p>Breach risk rating: 5</p> | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | <p>AMCI dispute this non-compliance. I have relied on the Authority's advice that payment is required, therefore I have recorded that controls are not in place to ensure payment is made within 20 business days.</p> <p>The impact on one other participant is minor; therefore, the audit risk rating is low.</p> | |
| Actions taken to resolve the issue | | Completion date |
| <p>VAMS disputes this non-compliance, The last email received from the losing MEP regarding this was the 17 October 2016. VAMS believe there was no breach because the losing MEP are still claiming lease fees on the CT's, and the other components were displaced, therefore, they are not entitled to claim compensation. There has been no further correspondence from FCLM since 2017, and no requests in the 2018 audit period.</p> <p>AMCI also requested a further breakdown of the initial compensation tabled (not invoiced) from FCLM to validate the chargeable amount but that was not forthcoming. Correction to audit report – no invoice was received from FCLM just a spreadsheet with an initial high-level costs breakdown - costs which we questioned and required more details on.</p> | | Ongoing |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| <p>We will review each request for compensation on a case by case basis and if the claim meets the requirements of the code, VAMS will pay as required. There were no claims during the 2018 audit period.</p> | | <p>Ongoing</p> <p>The breakdown of costs was checked during the audit of the losing MEP and the breakdown complies with the Code.</p> <p>I have changed the wording in the report to "claim" rather than "invoice".</p> <p>The wording of the Code does not contain conditions; therefore this matter is not "cleared" because payment has not been made.</p> |

| Registry Notification of Metering Records | | |
|---|--|-----------------|
| Non-compliance | Description | |
| <p>Audit Ref: 3.2</p> <p>With: Clause 2 of Schedule 11.4</p> <p>From: 01-Dec-17</p> <p>To: 30-Sep-18</p> | <p>Some registry updates later than 15 business days.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p> | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | <p>Controls are in place to ensure the timeliness of updates, but AMS is often prevented from updating the registry due to late field notification.</p> <p>The impact on other participants is minor; therefore, the audit risk rating is low.</p> | |
| Actions taken to resolve the issue | | Completion date |
| Late nominations by traders still a problem for VAMS, Our update percentage would be over 99% for both NGCM and AMCI if retailers nominated on time. | | Ongoing |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| <p>We continue to produce and share with the retailers a weekly report showing all ICPs where nominations are outstanding. This has proven to be effective in prompting retailers to nominate on time, just not 100% effective.</p> <p>For AMCI we are moving towards not accepting SRs from the Retailer without a matching nomination from that retailer.</p> | | Ongoing |
| | | Identified |

| Metering Installation Design & Accuracy | | |
|---|--|-----------------|
| Non-compliance | Description | |
| <p>Audit Ref: 4.3</p> <p>With: Clause 4(1) of Schedule 10.7</p> <p>From: 29-Aug-13</p> <p>To: 30-Oct-18</p> | <p>Error and uncertainty calculations not conducted correctly for one Category 2 metering installation.</p> <p>Uncertainty higher than 0.6% for 5 installations certified by Wells.</p> <p>ICP 0000012022EA0B0 has an error greater than 2.5%.</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>I have recorded the controls as moderate because there is room to improve the records provided by ATHs and their processes.</p> <p>There could be a minor impact on metering installation accuracy; therefore, the audit risk rating is low</p> | |
| Actions taken to resolve the issue | | Completion date |
| <p>The commissioning report for the Delta job includes the temperature and humidity, we understand Delta are still disputing this. There has been a change to Delta staff so this will be a good time to push them again to follow correct procedure.</p> <p>From an AMCI perspective we have requested Vircom who utilise Delta in the C&I space a sub-contracted ATH to ensure this issue is resolved to Vircom ATH standards. For ICP0000012022EA0B0 further comment has been requested from the certifying test house Vircom.</p> | | March 2019 |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| <p>Vector run monthly technical compliance forums at our offices in Wellington, where all ATHs attend. We will put a standing business item on the agenda around metering installation certificates, this will allow ATHs to discuss issues they are having and share ideas.</p> <p>AMCi will not be accepting Delta paperwork until this is resolved.</p> | | February 2019 |
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| Changes to Registry Records | | |
|---|---|-----------------|
| Non-compliance | Description | |
| <p>Audit Ref: 4.10</p> <p>With: Clause 3 of Schedule 11.4</p> <p>From: 01-Dec-17</p> <p>To: 31-Oct-18</p> | <p>Some records updated to the registry later than 10 business days.</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>I have recorded the controls as moderate in this area because there is room for improvement.</p> <p>Late updates for new connections can have a minor impact on participants and settlement, therefore the audit risk rating is low.</p> | |
| Actions taken to resolve the issue | | Completion date |
| <p>NGCM: Late nominations by traders still a problem for VAMS, Our update percentage would be over 99% if retailers nominated on time.</p> <p>AMCI: Late nominations by traders is also a factor for AMCI but additional to this is certification updates made to existing legacy Stream sites with updated certification information which ended up triggering false metering update period – average of 327 is the result of these NHH legacy updates</p> | | Ongoing |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| <p>We continue to produce and share with the retailers a weekly report showing all ICPs where nominations are outstanding. This has proven to be effective in prompting retailers to nominate on time, just not 100% effective.</p> | | Ongoing |
| | | Identified |

| Responsibility for Metering at ICP | | | |
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| Non-compliance | Description | | |
| Audit Ref: 4.12 With: Clause 11.18B(3) From: 01-Dec-17 To: 31-Oct-18 | Trader not advised to carry out final meter read for decommissioned ICPs. Potential impact: None Actual impact: None Audit history: Multiple times Controls: Strong Breach risk rating: 1 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | I have not identified any controls NGCM could put in place to achieve compliance with this clause. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| This appears to contradict Clause 11.18(3) which states 'If an ICP is to be decommissioned, the trader who is responsible for the ICP must, a) Arrange for a final interrogation to take place before or on removal of the meter and, b) Advise the MEP responsible for the ICP that it is to be decommissioned. We raised this with the EA on 15 Feb 2017. | | Ongoing | Disputed |
| | | | <u>Auditor comment</u> The contradiction in the Code is taken into account with regard to this non-compliance when the final next audit date recommendation is made. |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| As per above | | N/A | |

| Provision of Registry Information | | | |
|---|---|-----------------|------------------------|
| Non-compliance | Description | | |
| Audit Ref: 6.2 With: Clause 7 (1), (2) and (3) of Schedule 11.4 From: 01-Dec-17 To: 31-Oct-18 | Some registry records incomplete or incorrect. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Medium | I have recorded the controls as moderate in this area. There are still a small number of areas where improvement can be made. Some of the discrepancies have a moderate impact on participants, customers or settlement. The relevant ones in this regard are tariff related. The audit risk rating is medium. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| We are continually addressing the discrepancies on the table, the following are proving difficult to clear so we are looking at other ways to we meet our compliance obligations. As stated previously; <ul style="list-style-type: none"> Discrepancies such as 'ICPs have CN only (residential)'. Where they are residential we are working with the retailers to correct the register content code. Where the Retailer has used the wrong ANSIC code, (actually industrial or irrigation sites) we will request they update to the correct code. 'Generation ICP with no injection register' This is because Distributor setting load type to 'B' but Retailer has never raised a job for imp/exp metering. Profile requiring a certified control device and flag is "N" We identified an issue where some of the paperwork did not contain the correct flag, this was mostly where the load control device was internal. For an LCD Cert flag to be returned as Y, an LCD must be provided in the return data set. If an ATH returned LCD Cert flag as Y with no LCD present they received a rejection message and couldn't close the job, so they were incorrectly set to 'N'. We will be bulk uploading these shortly to correct the data in the registry. AMCI have shown an overall improvement in exceptions and inaccurate records - current processes require daily Registry case exception handling which has supported better overall controls. | | April 19 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |

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| Ongoing reconciliation with the registry to minimise these. I have escalated this with the MEP team to increase the effort in this area to ensure we have correct data in our systems and the registry. | Ongoing | |
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| Correction of Errors in Registry | | | |
|---|--|-----------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 6.3</p> <p>With: Clause 6 of Schedule 11.4</p> <p>From: 01-Dec-17</p> <p>To: 31-Oct-18</p> | <p>Discrepancies not resolved within 5 business days.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p> | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Medium | <p>I have recorded the controls as moderate in this area. There are still a small number of areas where improvement can be made.</p> <p>Some of the discrepancies have a moderate impact on participants, customers or settlement. The relevant ones in this regard are tariff related. The audit risk rating is medium.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| <p>We strive to resolve all discrepancies within the 5 day window however we accept we are not always resolving these issues within the required time frame. We continue to look for ways to improve the way we report and subsequently resolve these.</p> <p>AMCI: Daily registry case exception handling supports faster delivery of correct information to Registry.</p> | | Ongoing | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Continue pushing hard to get resolution within the 5 days. | | Ongoing | |

| Cancellation of Certification | | | |
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| Non-compliance | Description | | |
| <p>Audit Ref: 6.4</p> <p>With: Clause 6 of Schedule 11.4</p> <p>From: 01-Dec-17</p> <p>To: 31-Oct-18</p> | <p>Certification cancelled, and registry not updated for:</p> <p>NGCM - 2,290 Category 1 ICPs with inspections not conducted</p> <p>AMCI – 333 Category 1 ICPs with inspections not conducted</p> <p>AMCI - 3 installations with inspections completed early</p> <p>AMCI - 2 installations with inspections completed late</p> <p>NGCM - 5 three phase installations with only one phase metered</p> <p>NGCM - 8 Category 2 installations with overdue inspections</p> <p>NGCM - 65 installations where meters were bridged</p> <p>AMCI - 1 installation with an error greater than that allowed</p> <p>NGCM – 6 installations with low burden</p> <p>AMCI – 9 installations with low burden</p> <p>NGCM – 132 installations certified as a lower category but monitoring report wasn't produced for July and August 2018</p> <p>NGCM – ICP 0005170923RN2E6 with an error over 30%</p> <p>NGCM - Uncertainty higher than 0.6% for 5 installations certified by Wells.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p> | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Medium | <p>I have recorded the controls as weak in this area. Many of the examples found were present during previous audits and risks are not being mitigated.</p> <p>The issues found can all potentially have a moderate impact on other participants and on settlement. The audit risk rating is medium.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |

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| <ul style="list-style-type: none"> • Due to a miscommunication with the Authority, AMS and AMCI only inspected around 70% of the required minimal number of ICPs during the 2017 period. As we are currently working with the Authority to identify possible ways to mitigate this breach, we have not updated the certification cancellation in the registry yet. • Installations certified as a lower category but monitoring report wasn't produced for July and August 2018, this is due to an IT error that caused the report to not email automatically. Whilst we understand that according to the code, these sites are now cancelled, they have been monitored and are within their required limits. • X3 installations that cannot be corrected without input from the customer are UTI'd now and referred back to the Retailer. • AMCI: The early and late reported inspections reported have been reviewed and the certification will be cancelled) where applicable. AMCI: With respect to site with low burdening further review of the Code highlights that the requirement for additional burdening is clear for sites certified via the selected component certification method but unclear with respect to the CAT2 comparative certification method as the CTs are not, according to ATH and MEP, Code interpretation being certified so the additional burdening of none TWS CAT2 CTs don't apply. For these CAT2 sites the overall error on the site is within the allowed category tolerance. • AMCI: Metrix have informally highlighted their objection to this requirement for CAT2 sites. | Ongoing | Investigating |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| <ul style="list-style-type: none"> • AMCI - Action has been taken to rectify – Overall we issue inspection work 3 months in advance and provide a target date with Code required window period. • AMCI - Low burdened sites will be followed up with the appropriate ATH and corrected. Advice | Ongoing | |

| Certification and Maintenance | | | |
|--|--|-----------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 7.1</p> <p>With: Clause 10.38 (a), clause 1 and clause 15 of Schedule 10.7</p> <p>From: 12-Aug-14</p> <p>To: 31-Oct-18</p> | <p>Certification expired for 43,294 NGCM ICPs.</p> <p>Certification expired for 13 AMCI ICPs.</p> <p>Potential impact: High</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p> | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Medium | <p>I have recorded the controls as moderate in this area because certification has been expired for a number of years for some ICPs and because some of the expired installations were fully certified at one point.</p> <p>The impact on settlement is recorded as moderate because of the increased likelihood of failure or inaccuracy for metering installations with expired certification. The test results for the 4,988 ICPs certified by statistical sampling showed that 8 of 206 failed the 2.5% threshold at full load. If this result is applied to all 41,848 ICPs with expired certification, assuming annual consumption of 10,000 kWh per annum, the total “error” outside 2.5% could be at least 80,000 kWh per annum, assuming the error was 0.5%, which is very conservative. The audit risk rating is recorded as medium.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |

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|---|-----------------|------------|
| <ul style="list-style-type: none"> • For the 41,848 previously interim certified installations that have now expired, AMS will be conducting a statistical sampling program on the entire population. We have been pushing really hard to get these recertified but have hit many barriers that we have regularly shared with the Electricity Authority. So whilst our ideal scenario would be to recertify all 42,000 with smart meters, a stat sampling program is our best hope at certifying. • We are working to update the near 5,000 ICPs that were stat sampled, we would normally do this immediately following but our bulk upload tool had issues and IT have had issues getting it working. • NGCM has 1,446 previously fully certified ICPs with expired certification, and we have identified a gap in our process. The majority of these ICPs were unsuccessfully attempted as part of our deployment program which was focussing on expired interim certified meters. So rather than going back into the mix, they were put in a bucket that neither deployment nor BAU was watching. We will close this gap and get these into the compliance team for recertification. <p>AMCI: Non-compliance is at a level of less than 1% of total installation base;</p> <p>AMCI: Due to the loss of one active metering test house and a requirement to re-allocate at least 200 existing compliance work orders to alternative metering field service providers this has resulted in a larger amount of sites falling non-compliant before recertification – these re-allocated jobs are currently being completed and we expect this occurrence to become an exception again.</p> | Ongoing | Identified |
| <p>Preventative actions taken to ensure no further issues will occur</p> | Completion date | |
| <p>If we can achieve a successful stat sampling program this will clear the previously expired interim certified meters.</p> <p>We have identified a lot of data entry errors from the previously certified, uncertified ICPs, this is likely from newer staff members or incorrect expiry dates returned from ATH's not being picked up. We will review our training of new staff to ensure they capture these and clear up the backlog.</p> <p>AMCI: 11 remaining expired sites all have actions against them to recertify, decommission or change MEP status/responsibility. The majority of these ICPs are either undergoing major 11kV upgrade or site have the sites have safe site access issues (5 x ICPs at Centreport/BNZ in Wellington). This site will be demolished in due course.</p> | Ongoing | |

| Certification as a Lower Category | | |
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| Non-compliance | Description | |
| <p>Audit Ref: 7.6</p> <p>With: Clauses 6(1)(b) and (d), and 6(2)(b) of Schedule 10.7</p> <p>From: 01-Jul-18</p> <p>To: 31-Aug-18</p> | <p>Monitoring not conducted and reported for 132 ICPs certified as a lower category during July and August 2018.</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 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 could be minor if the threshold was exceeded and not identified; therefore, the audit risk rating is low.</p> | |
| Actions taken to resolve the issue | | Completion date |
| <p>The monitoring report is automatically generated and emailed to the tech team for review. The email automation had issues earlier in the year which was fixed but it failed again. Manual reports are now being retrieved and sent to the Tech team but two months were missed. Cause of fault is system limitation and new system expected soon, in the meantime a report will be manually extracted every month.</p> <p>Current ICPs will be cancelled and recertified however the latest report shows ICPs are still within the required limits.</p> | | March 19 |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| Once new system is in place and report fully automated again, issue will be cleared. | | June 19 |
| | | Identified |

| Statistical Sampling | | |
|---|---|------------------|
| Non-compliance | Description | |
| Audit Ref: 7.13 With: Clause 16(5) of Schedule 10.7 From: 24-Aug-18 To: 11-Nov-18 | Registry not updated following statistical sampling certification Potential impact: Low Actual impact: Low Audit history: None Controls: None Breach risk rating: 5 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | Controls do not appear to be in place for population of the registry following statistical sampling. The impact on participants is minor because traders have a responsibility to ensure certification is current following reconnection, and incorrect registry records may incur rework, therefore the audit risk rating is low. | |
| Actions taken to resolve the issue | | Completion date |
| We are working to update the ICPs that were stat sampled, we would normally do this immediately following but our bulk upload tool had issues and IT have had issues getting it working. This update is currently in progress and we expect it to occur in December. We do not agree with the auditors scoring of 'Controls = none', we just have an issue at the moment. As these are all older legacy meters, we will be looking to upgrade them to smart as soon as possible, if they are upgraded by other MEPs in the meantime then this is good for the industry. | | 31 December 2018 |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| Once bulk update tool restored, Bulk updating of ICPs will be quick. | | March 19 |

| Compensation Factors | | | |
|--|---|-----------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 7.14</p> <p>With: Clause 24(3) of Schedule 10.7</p> <p>From: 01-Dec-17</p> <p>To: 12-Nov-18</p> | <p>One incorrect compensation factor for NGCM.</p> <p>Incorrect compensation factors of 1 for AMCI.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p> | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | <p>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 could be minor if a trader uses the incorrect registry factor, therefore the audit risk rating is low.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| <p>NGCM correction factor now corrected.</p> <p>AMCI: All compensations factors currently listed as unity will be updated to actual CF by AMCI</p> <p>AMCI: This issue relates to sites that ae either read and compensated by the VAMS DA or the meters are internally programmed by the ATH hence requiring o external compensation – a decision was made to send unity to communicate the fact that the data was already compensated.</p> | | March 2019 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| AMCI: Going forward all sites irrespective of DA will have the compensation factor recorded in the Registry – no unity | | March 2019 | |

| Interim Certification | | |
|---|---|-----------------|
| Non-compliance | Description | |
| <p>Audit Ref: 7.19</p> <p>With: Clause 18 of Schedule 10.7</p> <p>From: 01-Apr-15</p> <p>To: 12-Nov-18</p> | <p>41,848 ICPs with expired interim certification.</p> <p>Potential impact: High</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p> | |
| Audit risk rating | Rationale for audit risk rating | |
| Medium | <p>I have recorded the controls as moderate in this area because certification has been expired for a number of years for these ICPs.</p> <p>The impact on settlement is recorded as moderate because of the increased likelihood of failure or inaccuracy for metering installations with expired certification. The test results for the 4,988 ICPs certified by statistical sampling showed that 8 of 206 failed the 2.5% threshold at full load. If this result is applied to all 41,848 ICPs with expired certification, assuming annual consumption of 10,000 kWh per annum, the total "error" outside 2.5% could be at least 80,000 kWh per annum, assuming the error was 0.5%, which is very conservative. The audit risk rating is recorded as medium.</p> | |
| Actions taken to resolve the issue | | Completion date |
| <p>We continue to manage these sites with retailers and recertify as soon as practicable. Reporting to, and consultation with the EA regarding any blockers to compliance will be maintained until completed.</p> <p>In early 2019 we will undertake a statistical sampling program on the remaining population with the aim to recertify these meters, following successful programs from other MEPS.</p> <p>Again we do not agree with the auditors scoring, We have been very pro-active in displacing these meters and have primarily been held up for reasons out of our control. Not sure we should be held accountable in these situations, we believe our controls are strong.</p> <p>Also we don't agree that the above calculation can be easily extrapolated due to the randomness of stat sampling.</p> | | June 2019 |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| <p>We are actively managing recertification of these meters with Retailers, and we will run a recertification through stat sampling beginning early 2019.</p> | | Ongoing |
| | | Identified |

| Category 1 Inspections | | | |
|--|---|-----------------|------------------------|
| Non-compliance | Description | | |
| Audit Ref: 8.1 With: Clause 45 of Schedule 10.7 From: 01-Jan-17 To: 31-Dec-17 | Insufficient Category 1 sample inspections conducted. 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 recorded as strong because AMS believed their process was compliant. 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 |
| With Electricity Authority's legal team for review | | Ongoing | Investigating |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Outcome of investigation will determine way forward but for now, we will inspect sufficient ICPs for each MEP. | | Ongoing | |

| Category 2 to 5 Inspections | | | |
|---|--|--|--|
| Non-compliance | Description | | |
| Audit Ref: 8.2 With: Clause 46(1) of Schedule 10.7 From: 01-Dec-17 To: 12-Nov-18 | Inspections not conducted within the required window for: <ul style="list-style-type: none"> 8 NGCM installations where inspections were not conducted 2 AMCI installations with inspections completed early 1 AMCI installation with inspection not conducted. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Medium | I have recorded the controls as moderate in this area for NGCM because reporting is in place but 8 ICPs were overlooked. AMCI's inspection controls are rated as moderate to strong because there is a regime in place and only a small number were outside the window. The issues found can potentially have a moderate impact on other participants and on settlement. The audit risk rating is medium. | | |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|--|-----------------|------------------------|
| AMCI: Certification has been cancelled where applicable and recertification action has been taken | Dec 2018 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| AMCI: We include the entire window period that an inspection can be conducted for any particular site – this allows the ATH to have visibility of the start and end period for valid inspections to take place | Dec 2018 | |

| Investigation of Faulty Metering Installations | | |
|---|--|------------------------|
| Non-compliance | Description | |
| <p>Audit Ref: 9.1</p> <p>With: Clause 10.43(4) and (5)</p> <p>From: 01-Dec-17</p> <p>To: 12-Nov-18</p> | <p>Faulty meters not reported to traders within 20 business days for 8 NGCM ICPs.</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>I have recorded the controls as moderate in this area because there is room to improve the timeliness of notifications.</p> <p>The impact on settlement is recorded as minor because retailers have processes to estimate the data for the period meters are bridged.</p> | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| <p>VAMS attends a failed remote reconnect and bridges the ICP- As a result of a failed remote reconnect VAMS attends site. The on-site process is to call VAMS Data Services team to resolve comms and remotely re-connect. If the tech cannot establish comms and remotely re-connect he may be asked to bridge. VAMS will return the following day to un-bridge and recertify. The issue at site is a comms issue not a faulty meter. Once un-bridged, the meter will correctly record consumption.</p> <p>Action to ensure that if bridged metering does not get re-certified next day, that installation is immediately cancelled. A new report has been created which will identify these on a weekly basis.</p> | Ongoing | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |

| | | |
|--|---------|--|
| As presented before, we are often kept out of the loop when it comes to bridging of meters. We will raise this again with other participants to ensure they inform the MEP if they bridge a meter. | Ongoing | |
|--|---------|--|

| Testing of Faulty Metering Installations | | |
|---|--|-----------------|
| Non-compliance | Description | |
| Audit Ref: 9.2 With: Clause 10.44 From: 01-Dec-17 To: 12-Nov-18 | Statement of situation not arranged for NGCM ICPs. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | I have recorded the controls as moderate in this area because there is room to improve the notification process. The impact on settlement is recorded as minor because retailers have processes to estimate the data for the period meters are bridged. | |
| Actions taken to resolve the issue | | Completion date |
| Often bridging occurs without the MEP being informed, usually by networks doing after hours work or Retailers contracting directly with ATHs. Where we are involved or aware of bridging, we have a process to attend and recertify next day. We will investigate this particular situation as it does not appear our current process is being followed, findings will be fed back to staff and training given. | | Feb 2019 |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| Investigation of process to ensure bridging is captured when we as MEP are involved in the bridging, or informed immediately afterward. Review process to request and provide statement of situation to relevant parties where appropriate. | | Feb 2019 |
| | | Identified |

| Statement of Situation | | |
|---|---|---|
| Non-compliance | Description | |
| <p>Audit Ref: 9.3</p> <p>With: Clause 10.46(2)</p> <p>From: 30-Jul-18</p> <p>To: 12-Nov-18</p> | <p>Statement of situation not provided to the Authority within 3 business days for one ICP.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p> | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | <p>The controls are recorded as moderate because 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 |
| AMCI – This clause states that the MEP needs to provide notification to all affected participants but with respect to the EA on request. AMCI's interpretation of this was that the SOS to the EA is on request only. | | Ongoing |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| AMCI: Going forward we will also be notifying the EA of all situations which require a SOS whether the notice is requested by the EA or not | | Nov 2018 |
| | | Clause 10.46(2)(b)(i) requires notification to the Authority for Category 3 and above ICPs. |

| Electronic Interrogation of Metering Installations | | |
|--|---|-----------------|
| Non-compliance | Description | |
| Audit Ref: 10.5 With: Clause 8(2) of schedule 10.6 From: 01-Dec-16 To: 30-Sep-17 | 2,375 metering installations not read within the maximum interrogation cycle. Potential impact: Medium Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | I have recorded the controls as moderate in this area because there is room to tighten the timeframes for resolution of these matters. The impact on settlement is recorded as minor because of the low number involved; therefore, the audit risk rating for most retailers is low. For AMI only retailers, the impact would be major and the audit risk rating high. | |
| Actions taken to resolve the issue | | Completion date |
| <p>We are actively managing these and for 1748, we are in discussions with the relevant retailers for information to identify whether site is faulty or switched off by the customer. We have communicated many of these to retailers and have had no reply, without their support we cannot determine if there is a fault or if the power is off. We also need a service request to attend site to repair.</p> <p>We accept there are some ICPs that have been inactive for a long period and we are pushing hard to get the correct information to ensure the AMI flag is correctly updated.</p> <p>It should be noted that in some circumstances, where the power is switched off for long periods, i.e. holiday home, the retailers do not want the flag changed as they know once power is restored, the site will start communicating and delivering reads. Changing the flag to 'N' puts the responsibility on them to manually read the meter, which is an unnecessary cost.</p> <p>The EAs memo states "If communications cannot be restored", in these instances it can/will be restored, just after a prolonged period. The code does not take this scenario into consideration.</p> <p>We believe this issue needs further discussion within the industry to find a suitable compromise.</p> | | Ongoing |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| | | Identified |

| | | |
|---|---------|--|
| <p>The above table is a back log of ICPs which will be cleared once we can determine the cause for the non-communication. In many cases it is due to the meter being switched off by the customer, because of this, we can't determine whether it is a comms fault of our meter or that the power is off, until the retailer provides this information.</p> <p>Our current process automatically sets the flag based on predetermined rules and any exceptions are then managed manually.</p> | Ongoing | |
|---|---------|--|

| Time Errors for Metering Installations | | | |
|--|--|-----------------|---|
| Non-compliance | Description | | |
| <p>Audit Ref: 10.7</p> <p>With: Clause 8(4) of Schedule 10.6</p> <p>From: 01-Dec-17</p> <p>To: 12-Nov-18</p> | <p>266 examples of clock errors outside the allowable thresholds in the most recent reports.</p> <p>Potential impact: Medium</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 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 |
| While clause 8 (4) of schedule 10.6 requires MEPs to ensure the time is not outside the allowable thresholds, clause 8 (5)(d) of schedule 10.6 makes allowance for instances where the time drift is outside the allowable limits. Therefore we do not agree we are in breach here as we comply with clause 8 (5)(d) of schedule 10.6. | | Ongoing | Disputed |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| We already have a process that monitors meters that regularly drift over the allowed threshold, these meters are dealt with as per clause 10.43, and are typically replaced. | | Ongoing | This scenario is similar to many others in the Code, where there is a compliance threshold then there are additional clauses to describe actions and notifications when compliance is not achieved. |