

Compliance plan for Mercury NZ (Metrix) MEP - 2017

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: 29-Aug-13</p> <p>To: 23-Jun-17</p>	<p>All practicable steps not taken to ensure data is correct and that incorrect data is corrected as soon as practicable.</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 are still a small number of areas where improvement can be made. Certification date accuracy is a good example.</p> <p>Very few of the registry related discrepancies have an impact on participants, customers or settlement. The only relevant ones in this regard are tariff related and there were only a small number. The issue of incorrectly timestamped AMI data has a minor impact on participants and possibly settlement. The audit risk rating is low.</p>	
Actions taken to resolve the issue		Remedial action status
This issue affects less than 1% (approximately) of the readings that Metrix provides. We're in the process of upgrading our Meter Data Management System at present, and this issue is not replicated in the new system (reads will only be sent stamped with the date they were collected).		Investigating
Preventative actions taken to ensure no further issues will occur		Completion date
Data discrepancies that have market impact are identified and dealt with as high priority.		Estimated March 2018

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-Aug-16</p> <p>To: 23-Jun-17</p>	<p>Ten 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 Metrix is often prevented from updating the registry due to late nomination or late updates from traders.</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
Metrix will continue to work with Traders and Contractors to support timely updates to the Registry. Quality checks will remain in place to ensure discrepancies are resolved before updates are made.		On-going
Preventative actions taken to ensure no further issues will occur		Completion date
Metrix will continue to work with Traders to ensure nominations are in place before issuing field work.		October 2017
		Investigating

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: 01-Aug-16</p> <p>To: 23-Jun-17</p>	<p>Error and uncertainty calculations do not consider site-specific conditions. Therefore, Metrix is not ensuring the sum of the measured error and uncertainty does not exceed the maximum permitted error.</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 this matter has been present for several years now and it appears there are solutions available.</p> <p>The impact on accuracy and therefore settlement is minor because there were only 17 metering installations certified during the audit period without uncertainty calculations being conducted and the total error is within the allowable threshold.</p>	
Actions taken to resolve the issue		Completion date
Metrix will continue to communicate with Wells to ensure they are working towards meeting this requirement.		October 2017
Preventative actions taken to ensure no further issues will occur		Completion date
Regularly review capabilities of ATH's and ensure they are only performing work where they meet compliance		November 2017
		Identified

Changes to Registry Records		
Non-compliance	Description	
<p>Audit Ref: 4.10</p> <p>With: Clause 3 of Schedule 11.4</p> <p>From: 01-Aug-16</p> <p>To: 23-Jun-17</p>	<p>Some records updated on 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 to improve and shorten the notification process for new connections.</p> <p>The late updates for new connections occurred after the trader had populated their records, therefore the impact on participants, customers or settlement is minor, therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
Metrix continued to correctly update discrepancies through Data Cleanse activity which resulted in late updates. Metrix will continue to work with contractors and Mercury to support timely updates to the Registry for New Connections.		December 2017
Preventative actions taken to ensure no further issues will occur		Completion date
Metrix will continue to perform weekly KPI reporting on Registry update timeframes. This will help improve early identification where timeframes begin to deteriorate. High and medium priority data cleansing activity is completed which has resulted in 90%+ clean records. Discrepancies are resolved prior to updates made on the Registry.		On-going
		Identified

Provision of Registry Information		
Non-compliance	Description	
<p>Audit Ref: 6.2</p> <p>With: Clause 7 (1), (2) and (3) of Schedule 11.4</p> <p>From: 01-Aug-16</p> <p>To: 23-Jun-17</p>	<p>Some registry records incomplete or incorrect.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: 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 are still a small number of areas where improvement can be made. Certification date accuracy is a good example.</p> <p>Very few of the discrepancies have an impact on participants, customers or settlement. The only relevant ones in this regard are tariff related and there were only a small number. The audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
Data Cleanse activity is completed which has resulted in 90%+ clean records.		March 2017
Preventative actions taken to ensure no further issues will occur		Completion date
<p>Metrix will continue to work with contractors to provide better clarity in paperwork and ensure they are meeting this requirement.</p> <p>Discrepancies are identified and resolved prior to updates made on the Registry, which has resulted in better quality of data uploaded.</p>		October 2017
		Investigating

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-Aug-16</p> <p>To: 23-Jun-17</p>	<p>Discrepancies not resolved within 5 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 are still a small number of areas where improvement can be made. Certification date accuracy is a good example.</p> <p>Very few of the discrepancies have an impact on participants, customers or settlement. The only relevant ones in this regard are tariff related and there were only a small number. The audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Metrix will continually work towards bringing this within compliance. Metrix identify daily reconciliation exceptions and resolved as soon as possible, some discrepancies require collaboration with other market participants to enable resolution, and this is not always performed in a timely manner and Metrix does not wish to update the Registry, until it is confident that the update is of high quality.		December 2017	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Streamline monthly reconciliation and ensure exceptions are resolved within 5 business days.</p> <p>Metrix will continue to resolve discrepancies prior to updates made on the Registry, which will not impact the total number of monthly discrepancies.</p>		December 2017	

Cancellation of Certification															
Non-compliance		Description													
Audit Ref: 6.4 With: Clause 20 of Schedule 10.7 From: 09-Apr-15 To: 26-Apr-17		Certification not cancelled on the registry for 60 ICPs where AMI meters were bridged, and nine metering installations where low burden is present Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2													
Audit risk rating		Rationale for audit risk rating													
Low		I have recorded the controls as moderate in this area because they are reactive processes. Metrix could initiate liaison with traders to identify process improvements for bridging. The impact on settlement is unknown in relation to bridging, but this is a trader responsibility not an MEP responsibility. The installations with low burden are all recording within the allowable 2.5% therefore the impact on settlement is minor. The responsibility for Metrix is to cancel certification on the registry once they know certification is cancelled and the impact of not doing this is minor, therefore the audit risk rating is low.													
Actions taken to resolve the issue		Completion date	Remedial action status												
We are investigating the 78 sites mentioned above and will work with Traders to ensure they advise Metrix when an installation has been bridged. We have worked through the 78 sites mentioned above and found that we have had to cancel certification for 26 icps and follow up with Traders to send through consumer and access information so that we can determine if site has been bridged and un-bridge and recertify. <table><tr><td>10</td><td>No Access</td></tr><tr><td>10</td><td>Bridging did not take place</td></tr><tr><td>25</td><td>Recertified</td></tr><tr><td>1</td><td>Decommissioned</td></tr><tr><td>6</td><td>ATH's to reconfirm certification duration</td></tr><tr><td>26</td><td>Cancelled certification on the grounds of this MEP audit 13/07/2017</td></tr></table>		10	No Access	10	Bridging did not take place	25	Recertified	1	Decommissioned	6	ATH's to reconfirm certification duration	26	Cancelled certification on the grounds of this MEP audit 13/07/2017	October 2017	Investigating
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Preventative actions taken to ensure no further issues will occur		Completion date													

<p>Bridging – Metrix has instructed contracted ATHs to recertify installations when meters are unbridged.</p> <p>Metrix monitor events to identify meters that have been bridged and ask the Trader to confirm bridging and raise a site visit to unbridge and recertify.</p> <p>When Metrix are requested to bridge installations, we will follow up with the Traders to ensure they raise another job to have the installation unbridged and recertified</p> <p>Metrix will retrain staff to ensure appropriate process is followed in the event of bridged meters.</p> <p>Burden - Metrix understanding is that burden needs to be applied when an individual component is being certified (EIPC Schedule Part 10, Schedule 10.7, Clause 31, (7)). The comparative method of certification does not certify the component. Metrix ATH is confident that sufficient testing is carried out to ensure that installations are classed as within the applicable accuracy tolerances set out in Table 1 of Schedule 10.1, IE they meet the requirements of EIPC Schedule Part 10, Schedule 10.7, Clause 20, 1,(b).</p>	October 2017	
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Certification and Maintenance		
Non-compliance	Description	
<p>Audit Ref: 7.1</p> <p>With: Clause 10.38 (a), clause 1 and clause 15 of Schedule 10.7</p> <p>From: 01-Jan-01</p> <p>To: 30-Jun-17</p>	<p>Certification expired, cancelled or late for 2,747 ICPs.</p> <p>Potential impact: High</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
Medium	<p>I have recorded the controls as moderate in this area because certification has been expired for a number of years for some ICPs and because some of the expired installations were fully certified at one point.</p> <p>The impact on settlement is recorded as moderate because of the increased likelihood of failure or inaccuracy for metering installations with expired certification, therefore the audit risk rating is medium.</p>	
Actions taken to resolve the issue		Remedial action status
Metrix are aware of the interim and expired sites and have a project in place through deployment to replace Legacy meters with AMI and recertify the installation. Majority of the remaining sites with expired and interim certification are also due to consumer turndowns.		Identified
Preventative actions taken to ensure no further issues will occur		Completion date

<p>Metrix are proactively monitoring the RSP notification files in conjunction with internal reporting to manage certification.</p> <p>Metrix have in place a CAT2 recertification project to recertify Category 2 sites over the next 4 years before they expiry.</p>	On-going	
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Interim Certification		
Non-compliance	Description	
<p>Audit Ref: 7.19</p> <p>With: Clause 18 of Schedule 10.7</p> <p>From: 01-Jan-01</p> <p>To: 30-Jun-17</p>	<p>1,690 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, therefore the audit risk rating is medium.</p>	
Actions taken to resolve the issue		Completion date
Metrix are aware of the interim certified sites and have a project in place through deployment to replace Legacy meters with AMI and recertify the installation. Majority of the remaining sites with expired and interim certification are also due to consumer turndowns.		December 2017
Preventative actions taken to ensure no further issues will occur		Completion date
Metrix have a process in place to capture interim certification and work through discrepancies with Contracted ATH's before the Registry is updated		December 2017
		Identified

Electronic Interrogation of Metering Installations		
Non-compliance	Description	
<p>Audit Ref: 10.5</p> <p>With: Clause 8 of Schedule 10.6</p> <p>From: 01-Aug-16</p> <p>To: 23-Jun-17</p>	<p>Some installations not interrogated within the maximum interrogation cycle.</p> <p>Potential impact: High</p> <p>Actual impact: Medium</p> <p>Audit history: None</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 because reporting is not available with regard to the maximum interrogation cycle</p> <p>The impact on settlement is considered moderate, because some traders will be required to estimate data. The impact on traders and customers is also moderate because some customers will be required to switch retailers if AMI data is not available. The audit risk rating is medium.</p>	
Actions taken to resolve the issue		Completion date
Metrix has ensured that all customers receive a regular report detailing sites that have not had readings for 30 consecutive days, and has provide clear instructions to all Traders that they must arrange manual readings for these sites. Metrix is also implementing new reporting capabilities, as part of our Meter Data Management System upgrade, which will enable us to build stronger controls around the performance of meters against their maximum interrogation cycle.		Estimated; March 2018
Preventative actions taken to ensure no further issues will occur		Completion date
When sites are manually read, the maximum interrogation cycle and AMI no comms flag will be updated accordingly.		October 2017