

Compliance plan for Mercury NZ Limited

Relevant Information		
Non-compliance	Description	
Audit ref: 2.1 With: Clause 10.6,11.2 & 15.2 From/to: 1/6/16-31/5/17	Some registry discrepancies. 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	The controls are moderate and most issues have been identified. The impact on settlement is minor, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
Overall we have made significant improvement in this area, particularly ANZSIC codes. We are in the process of making the relevant corrections.	30.09.2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We have increased our focus on compliance and are continually reviewing our processes to ensure that we are meeting the requirements of the Code.	Ongoing	

Electrical Connection of an ICP		
Non-compliance	Description	
Audit ref: 2.9 With: Clause 10.32 of part 10 From/to: 1/07/16-23/01/17	1 backdated electrically connected ICP. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	This occurred because the AMCI contractor went ahead with the installation of before the previous NHH had been removed. This is not a widespread issue hence I rate the controls as moderate. This was one ICP therefore the impact is minor and risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
This was a one off issue which has been corrected.	Completed	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Metering Certification		
Non-compliance	Description	
Audit ref: 2.10 With: Clause 10.33(2) of part 10 From/to: 3/06/16-21/04/17	4 ICPs not certified within 5 business days of energisation. 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	The controls are moderate particularly in relation to HHR new connections where meter certification sometimes occurs after energisation. The sample checked over 7 months found 4 ICPs with late certification, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We are in the process of investigating what is causing the issue with late certifications with a view to strengthening our controls. Where relevant we will liaise with the MEPs and contractors to stress the importance of providing us with relevant information and documents in an accurate and timely manner.	30.09.2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Based on the outcome of our investigation we will improve our current process.	Before end of 2017	

Changes to registry information		
Non-compliance	Description	
Audit ref: 3.3 With: Clause 10 of schedule 11.1 From/to: 1/11/16-31/5/17	Registry not updated within 5 business days of the event. 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	The controls are moderate due to the errors occurring with MEP nominations The sample checked found the overall level of compliance has improved, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We are reviewing our processes in this area.	30.09.2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
We are also investigating our system to ascertain whether any fixes are required.	Before end of 2017	

Provision of information to the registry		
Non-compliance	Description	
Audit ref: 3.5 With: Clause 9 of schedule 11.1 From/to: 1/11/16-31/5/17	Registry information not provided within 5 business days of commencement of supply. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach Risk Rating: 1	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have recorded the controls as strong as the processes in place to manage new connections are robust and this is reflected in the short cycle time and 87% compliance achievement. The sample checked found the overall level of compliance has improved, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We have achieved a high level of compliance in this area and we have a focus on continued improvement. We note that we are reliant on Distributors and contractors (which in some cases are one in the same and have a monopoly) and there is no system or process change we can make to remedy this.		No action planned
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments.		

ANZSIC codes		
Non-compliance	Description	
Audit ref: 3.6 With: Clause 9(1)(k) of schedule 11.1 From/to: 1/6/16-31/5/17	1,664 active ICPs with no or incorrect ANZSIC codes assigned. 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	The controls are moderate for the management of ANZSIC codes. Improvements to the management of this area are under way and the overall level of accuracy has continued to improve year on year, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
Working to resolve the issue of two ICPs with no ANZSIC code, as noted above. We are in the process of updating the T994 codes.	Before end of 2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We've identified that vacant ICPs were not including in our reporting for ANZSIC codes and this affected our T994 numbers.	Completed	

Changes to unmetered load		
Non-compliance	Description	
Audit ref: 3.7 With: Clause 9(1)(f) of schedule 11.1 From/to: 1/6/1/16-31/5/17	Unmetered loads populated incorrectly for three ICPs. 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 rated the controls as moderate as the registry discrepancy process picks the majority of errors up. Mercury are focussing on getting the UML records accurate. Overall there has been an improvement in this area, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
Issues with ICP 0502786092LC34D and 0000002011TR196 have been corrected. For ICP 1000510806PC47F, we are currently in discussions with the EA and AMS to try and arrange for the logger to be certified. Can't change flag if no meter claimed, can't claim meter until certified.	Before end of 2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
A robust process is in place; we will monitor and review the process as required.		

Management of "active" status		
Non-compliance	Description	
Audit ref: 3.8 With: Clause 17 of schedule 11.1 From/to: 1/11/16-31/5/17	Six newly connected ICPs with incorrect active dates. Incorrect active date recorded for some reconnected ICPs. Potential impact: Low Actual impact: Unknown Audit history: None Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as moderate due to the manual processes in place for HHR new connections and some incorrect active dates being applied for NHH new connections. The sample checked found the overall level of compliance has improved, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
Investigating, will make corrections if required.	30.09.2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments.		

Management of "inactive" status		
Non-compliance	Description	
Audit ref: 3.9 With: Clause 19 of schedule 11.1 From/to: 1/07/16-31/5/17	Incorrect status recorded for one HHR ICP. Potential impact: Low Actual impact: None Audit history: Twice Controls: Strong Breach Risk Rating: 1	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as moderate. This ICP was an exception and the issue found is not indicative of a systematic issue and therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
As noted in 2.9, this occurrence was an anomaly and has been corrected.	Completed	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Change of MEP		
Non-compliance	Description	
Audit ref: 3.11 With: Clause 10.22(1)(a) From/to: 1/07/16-31/5/17	The sending of erroneous MEP nominations when an ANZSIC code is being updated. No MEP rejection process in place. Potential impact: Low Actual impact: None Audit history: Once Controls: Weak Breach Risk Rating: 3	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as weak as there is no process to manage MEP rejections. I have recorded the audit risk rating as low as the effect of this is unlikely to have a direct impact on settlement outcomes.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We have identified the issue of erroneous MEP nominations as a system issue and are currently investigating solutions with our IT team.	First half of 2018	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
We are developing a process for MEP rejections including creating reporting.	Before end of 2017	

Losing trader response to switch request and event dates- standard switch		
Non-compliance	Description	
Audit ref: 4.2 With: Clauses 3 & 4 of schedule 11.3 From/to: 1/06/16-31/5/17	Incorrect sending of the AA and PD AN response codes for transfer switches. Potential impact: None Actual impact: None Audit history: None Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as moderate as the correct code is being sent for all but two scenarios. I have recorded the audit risk rating as low as there is no direct effect on settlement outcomes in relation to this clause.	
Actions taken to resolve the issue	Completion date	Remedial action Status
System enhancement required to rectify AA issue. Regarding PD code being sent in error, we note that this is not a breach, however it is Mercury's policy to withdraw in these circumstances, this was human error.	First half of 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Losing trader must provide final information- standard switch		
Non-compliance	Description	
Audit ref: 4.3 With: Clause 5 of schedule 11.3 From/to: 1/06/16-31/5/17	Incorrect last read date and average daily consumption figures being sent in some instances. Some late CS files. Potential impact: Low Actual impact: Low Audit history: Once Controls: Weak Breach Risk Rating: 6	
Audit Risk Rating	Rationale for audit risk rating	
Medium	I have rated the controls as weak as the volume of late CS files has increased despite the SAP logic being changed. I have recorded the audit risk rating as medium as other traders rely on the CS content being correct and if this is inaccurate this can have a direct effect on settlement outcomes.	
Actions taken to resolve the issue	Completion date	Remedial action Status
System enhancement required to rectify the incorrect last read date issue.	First half of 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Regarding late CS files, we have increased our focus on sending quicker, we also have a system enhancement in the pipeline with will assist in improving our compliance.	Before end of 2017	

Retailers must use same reading-standard switch		
Non-compliance	Description	
Audit ref: 4.4 With: Clauses 6 of schedule 11.3 From/to: 1/06/16-31/5/17	One RR sent without being processed via the registry. 24 late RR files sent. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as moderate as overall the controls are robust, but the processing of an RR offline indicates some opportunities for improvement. I have recorded the audit risk rating as low as the volume of RR's processed in relation to the errors found will have minimal effect on settlement outcomes.	
Actions taken to resolve the issue	Completion date	Remedial action Status
Mercury was advised by the EA that we were not to send or accept RR files that are initiated greater than four months from the event date per the Code. While our preference was to accept the read amendment, we followed the EA's advice and rejected the RR file. We came to an agreement with the gaining retailer outside the RR process. Going forward we will ensure that read amendments are managed through the RR file process, regardless of the age of the switch.	Completed	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We believe the industry should move towards switching out on actual reads for all smart-metered sites.		

NHH switch event meter reading- standard switch		
Non-compliance	Description	
Audit ref: 4.5 With: Clauses 6(2) & (3) of schedule 11.3 From/to: 23/06/17-28/03/17	One RR incorrectly rejected by Mercury. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as moderate as overall the controls are robust, but the rejection of a valid RR request indicates some opportunities for improvement. I have recorded the audit risk rating as low as the volume off RR's processed in relation to the errors found will have minimal effect on settlement outcomes.	
Actions taken to resolve the issue	Completion date	Remedial action Status
This one instance occurred due to human error. We are reviewing our processes and training.	31.08.2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Losing trader provides information-switch move		
Non-compliance	Description	
Audit ref: 4.8 With: Clauses 10 of schedule 11.3 From/to: 1/06/16-31/5/17	PD code not used for Move switch ICPs. One late AN file. Some late CS files. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as moderate as the sample of late CS files checked indicated the report is incorrectly recording these. I have recorded the audit risk rating as low as the analysis indicated that the bulk of AN and CS files are being sent on time therefore there is little or no impact on reconciliation.	
Actions taken to resolve the issue	Completion date	Remedial action Status
Regarding PD code being sent in error, it is Mercury's policy to withdraw in these circumstances, this was human error. Regarding the one late AN file, we have reviewed our processes and have improved our management of the breach report. No AN was sent for ICP 0009003503NV035 as a result of human error; we have reviewed our process and training.	Completed	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Regarding late CS files, we have increased our focus on sending quicker, we also have a system enhancement in the pipeline with will assist in improving our compliance.	Before end of 2017	

Losing trader determines a different switch date-switch move		
Non-compliance	Description	
Audit ref: 4.9 With: Clauses 10 (2) of schedule 11.3 From/to: 1/06/16-31/5/17	46 ICPs where the event date was set earlier than the gaining traders. 1,183 ICPs where the event date was set greater than 10 days from the gaining traders request date. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach Risk Rating: 3	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as weak as the logic in place is incorrect and there are no checks to confirm its validity. I have recorded the audit risk rating as low as the those set with an earlier date are not being switched with an earlier date, and those with an event date set greater than ten days are being completed earlier than this.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We have identified this as a system issue and are working with our IT team to rectify.	First half of 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Losing trader must provide final information-switch move		
Non-compliance	Description	
Audit ref: 4.10 With: Clauses 11 of schedule 11.3 From/to: 1/06/16-31/5/17	Incorrect last read date and average daily consumption figures being sent in some instances. Estimated reads sent for the incorrect event date. Potential impact: Low Actual impact: Low Audit history: Once Controls: Weak Breach Risk Rating: 6	
Audit Risk Rating	Rationale for audit risk rating	
Medium	I have rated the controls as weak as these were issues identified last year and they are still evident this year. I have recorded the audit risk rating as medium as other traders rely on the CS content being correct, and if this is inaccurate this can have a direct effect on settlement outcomes in relation to this clause.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We have identified this as a system issue and are working with our IT team to rectify.	First half of 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Gaining trader changes to switch meter reading- switch move		
Non-compliance	Description	
Audit ref: 4.11 With: Clauses 12 of schedule 11.3 From/to: 1/06/16-31/5/17	33 late RR files sent. 1 late AC file sent. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach Risk Rating: 1	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as moderate as overall the controls are robust and backdated move switches will cause some late RR requests. I have recorded the audit risk rating as low as the volume off RR's is minor compared to the volume of switches processed.	
Actions taken to resolve the issue	Completion date	Remedial action Status
As with 4.4, We will raise this with the EA to get guidance on how to be compliant in situations where a RR is required but it is outside of the allowed timeframe.	Before end of 2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Gaining trader to notify registry-gaining trader switch		
Non-compliance	Description	
Audit ref: 4.14 With: Clauses 16 of schedule 11.3 From/to: 1/006/16-11/4/17	20 late CS files sent. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as moderate as they are manual with and open to human error. I have recorded the audit risk rating as low as the HHR CS is for notification purposes only. Submission is unaffected by a late CS.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We have improved our process and the team that handles HHR switching now has visibility on switch files on the registry. we will monitor and review the process as required.	Completed	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Withdrawal of switch requests		
Non-compliance	Description	
Audit ref: 4.15 With: Clauses 17 & 18 of schedule 11.3 From/to: 1/006/16-31/5/17	19 switch withdrawals sent later than 2 months of the event date. 2 incorrect switch withdrawal codes sent. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach Risk Rating: 1	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as strong as the process to manage switch withdrawals is well understood and those backdated were actioned as soon as possible. I have recorded the audit risk rating as low as these are actioned as soon as possible with the intent that submission is as accurate as possible.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We have a robust process in place. The 2 instances of incorrect codes were due to human error. Although technically non-compliant, these withdrawals needed to be done and we are open to guidance from the EA on whether there are compliant work-arounds for these circumstances.	Before end of 2017	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Distributed unmetered load			
Non-compliance	Description		
Audit ref: 5.4 With: Clauses 11(1) of schedule 15.3, 10.14 & 15.13 From/to: 01/6/16 – 31/5/17	Some incorrect submission information for DUMML ICPs. Potential impact: High Actual impact: Low Audit history: Multiple times Controls: Moderate Breach Risk Rating: 2		
Audit Risk Rating	Rationale for audit risk rating		
Low	The controls are rated as moderate as all databases have been audited and corrections are made as soon as possible. The impact on settlement is minor, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action Status
Refer to DUMML audit reports. We have corrected where possible and are liaising with the respective customers to address any outstanding issues.		Before end of 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Refer above comments			

Electricity conveyed & notified by embedded generators		
Non-compliance	Description	
Audit ref:6.1 With: Clause 10.13 and clause 15.2 From/to: entire audit period	Energy is not metered and quantified according to the code where meters are bridged. NHH ICPs with distributed generation do not have the PV profile recorded on the registry. Potential impact: Low Actual impact: Low Audit history: Three times previously Controls: Moderate Breach Risk Rating:2	
Audit Risk Rating	Rationale for audit risk rating	
Low	Bridging only occurs where a soft reconnection cannot be performed after hours and the customer urgently requires their energy supply for health and safety reasons. PV1 profile is correctly reported on reconciliation submissions.	
Actions taken to resolve the issue	Completion date	Remedial action Status
Process in place to reconcile estimated bridged usage.	Completed.	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
We have corresponded with the EA regarding the distributed generation PV issue. We can update the profile field in the Trader section of the registry, however due to system limitations we can't update the relevant field in SAP (there is not enough space to fit the required characters). If the registry and SAP don't align then our system will fall over. A system change is required.	First half of 2018	

Responsibility for metering at GIP		
Non-compliance	Description	
Audit ref: 6.2 With: Clause 10.26(7) of Part 10 From/to: 14 April 2017 onwards	Meter certification expired in April 2017 for AT10111 and AT10112. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	Certification expired recently, and only two NSPs are affected.	
Actions taken to resolve the issue	Completion date	Remedial action Status
The meters were certified however due to human error were not uploaded via the EA portal. We were alerted to this by the EA in July 2017 and we took the appropriate steps to rectify.	Completed	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We have improved our process to avoid upload errors occurring in the future.	Completed	

Responsibility for metering at GIP		
Non-compliance	Description	
Audit ref: 6.2 With: Clause 10.26(11) of Part 10 From/to: 1/6/16-31/5/17	One certification expiry date change was processed late. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach Risk Rating: 1	
Audit Risk Rating	Rationale for audit risk rating	
Low	There are strong controls in place, but one notification missed being updated on time due to an oversight. The meter was appropriately certified.	
Actions taken to resolve the issue	Completion date	Remedial action Status
As noted above, we have improved our process to ensure that we are compliant going forward.	Completed	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments	Completed	

Derivation of meter readings		
Non-compliance	Description	
Audit ref:6.6 With: Clause 5 of schedule 15.2 From/to: prior to June 2017	Photo readings were recorded as actual readings. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating:2	
Audit Risk Rating	Rationale for audit risk rating	
Low	It is expected a relatively small number of ICPs will not have their meters read during the period of supply.	
Actions taken to resolve the issue	Completion date	Remedial action Status
Following clarification from the EA we are no longer entering customer photo reads as actual readings.	Completed	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments	Completed	

Interrogate meters once		
Non-compliance	Description	
Audit ref:6.8 With: Clause 7(1) & (2) of schedule 15.2 From/to: 1/6/16-31/5/17	No reporting in place to quantify ICPs not interrogated at least once during the period of supply. Potential impact: Low Actual impact: Unknown Audit history: Seven times previously Controls: Weak Breach Risk Rating:3	
Audit Risk Rating	Rationale for audit risk rating	
Low	It is expected a relatively small number of ICPs will not have their meters read during the period of supply.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We are now able to generate this report.	Completed	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

NHH meters 90% read rate		
Non-compliance	Description	
Audit ref:6.10 With: Clause 8(1) & (2) of schedule 15.2 From/to: May 2017	For four ICPs without an actual read for four months, exceptional circumstances could not be confirmed, and there was insufficient evidence that the best endeavours requirement was met. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating:2	
Audit Risk Rating	Rationale for audit risk rating	
Low	Four cases were identified where exceptional circumstances could not be confirmed, and there was insufficient evidence that the best endeavours requirement was met.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We have a 99% read rate overall. We have identified ways to ensure that we are meeting the best endeavours requirements and are developing processes.	30.09.2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Correction of NHH meter readings		
Non-compliance	Description	
Audit ref: 8.1 With: 19(1) Schedule 15.2 From/to: 1/6/16-31/5/17	<p>One bridged meter did not have consumption estimated during the bridged period.</p> <p>Five ICPs with consumption while disconnected, have not had their consumption while disconnected reported.</p> <p>Where a meter reading is modified by Mercury, including being recorded against a different meter or register or having its value changed, it should be recorded as an estimated reading. Only readings that exactly match the details in the source file should be recorded as actual validated readings.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2</p>	
Audit Risk Rating	Rationale for audit risk rating	
Low	<p>Consumption during the bridged period is normally entered. I identified one instance where the correction was not processed due to human error. The ICP is domestic and consumption during the bridged period is expected to be low.</p> <p>The total consumption while disconnected for the affected ICPs is 844 kWh. There is a process in place to report consumption while disconnected, but in some cases, there are delays in processing, or ICPs may be missed.</p> <p>In situations where meters are transposed, it is likely that the meter readings are correct. In other cases where reads are changed but remain actual, small volumes are usually involved.</p>	
Actions taken to resolve the issue	Completion date	Remedial action Status
For ICP 0005246865RN090, usage did not need to be estimated as start read was lower than unbridge reading. Investigating regarding Five ICPs with consumption while disconnected that have not had their consumption while disconnected reported; will correct. We are formalising a new process so that modified readings (for example for transposed or rollback reads) are noted as estimates.	31.08.2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

NHH meter information data vailidation		
Non-compliance	Description	
Audit ref:9.5 With: Clause 15.2 From/to: 1/6/16-31/5/17	Where a subsequent read is lower than the switch in reading, the negative consumption is zeroed out. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	Any read differences greater than 200 kWh are expected to be dealt with through the read renegotiation process. Once reads catch up to the switch read, all consumption will be accounted for.	
Actions taken to resolve the issue	Completion date	Remedial action Status
The customer benefits from our current process. Due to system limitations we are not able to enter a reading that is lower than the previous reading. If we do, rather than billing for negative consumption, our system treats it as if the meter has rolled over which makes it appear that usage has occurred vastly in excess of what has actually been used. This would be detrimental both from a customer and reconciliation standpoint.		Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
We have strong controls in general but are reviewing our process.	Before end of 2017	

Electronic meter readings and estimated readings		
Non-compliance	Description	
Audit ref:9.6 With: Clause 17 of schedule 15.2 From/to: 1/6/16-31/5/17	AMI event information not adequately obtained and monitored. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Weak Breach Risk Rating: 3	
Audit Risk Rating	Rationale for audit risk rating	
Low	Mercury is monitoring and actioning emailed event information.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We will liaise with MEPs to ensure we are receiving the AMI event logs and will develop and implement a process so that we are taking the appropriate action.	Before end of 2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

HHR aggregates information provision to the reconciliation manager		
Non-compliance	Description	
Audit ref: 11.4 With: Clause 15.8 of part 15 From/to: 1/2/17-31/5/17	<p>There are differences between HHR volume and aggregate information that do not appear to be caused by rounding. HHR aggregates file does not contain electricity supplied information.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2</p>	
Audit Risk Rating	Rationale for audit risk rating	
Low	<p>Only a small number of NSPs and months appear to be affected. Most submission information checked contained only the expected rounding differences. Mercury is reporting submission volumes at ICP level as expected by the reconciliation manager.</p>	
Actions taken to resolve the issue	Completion date	Remedial action Status
Regarding HHR volume and aggregate information issue, we do have a robust process in place however we are currently investigating what is causing this with a view to rectifying.	Before end of 2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
The HHR aggregates file issue is a known issue as noted, Impossible for participants to be compliant due to anomaly within code. Regarding the recommendation to liaise with other participants to consider recommending a Code change, a code change request was submitted to the EA by Switch Utilities Limited in August 2016.		

Permanence of meter readings for reconciliation		
Non-compliance	Description	
Audit ref: 12.8 With: Clause 4 of Schedule 15.2 From/to: September, October and November 2015 14 month revisions	Not all meter readings were made permanent estimates by the 14 month revision. Forward estimate remained for the September, October and November 2015 14 month revisions. Potential impact: Medium Actual impact: Unknown Audit history: Seven times previously Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	The forward estimate amount was 352,138 kWh across the three revisions checked.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We have changed our process to make the estimated reading a permanent estimate. This was done in January, backdated 14 months, going forward should be correct.	Completed	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Historical estimates process		
Non-compliance	Description	
Audit ref: 12.11 With: Clause 4 & 5 of Schedule 15.3 From/to: entire audit period	Historic estimate is not calculated correctly for the switch in month, where an ICP has switched back to Mercury after being supplied by another retailer. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	All consumption will be reported, but some consumption may not be reported in the correct period. All other historic estimate scenarios were compliant, and this scenario is not common.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We have identified this as a system issue and are currently scoping resource to rectify.	First half of 2018	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Forward estimate process		
Non-compliance	Description	
Audit ref: 12.12 With: Clause 6 of Schedule 15.3 From/to: Sep 15, Oct 15, Nov 15, Jun 16, Jul 16, Sep 16, Oct 16 and Nov 16	FE accuracy threshold not met for some balancing areas. Potential impact: Low Actual impact: Low Audit history: Eight times previously Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	Initial data is replaced with revised data, and washed up.	
Actions taken to resolve the issue	Completion date	Remedial action Status
A robust process is in place; we will monitor and review the process as required. Some variance is to be expected due to no reads or estimated reads on the initial submission. To some extent, these variances are unavoidable (for example, as a result of a small numbers of ICPs having seasonal consumption only) and should be considered likely to recur.		No action planned
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Historical estimate reporting to RM		
Non-compliance	Description	
Audit ref: 13.4 With: Clause 10 of Schedule 15.3 From/to: Sep-Nov 2015, Apr-Jun 2016 and Oct-Dec 2016	Historic estimate targets were not met for all revisions. Potential impact: Low Actual impact: Low Audit history: Eight times previously Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	Mercury were close to the target in all cases.	
Actions taken to resolve the issue	Completion date	Remedial action Status
The improvements that we are implementing in terms of read attainment should be reflected in higher compliance in this area.	Before end of 2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		