

Compliance plan for GLOBUG 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
As noted, overall the processes that we have in place are robust. The relatively unique nature of GBUG as a pre-pay only retailer brings in to question whether it would be desirable to bombard the registry with constant 'disconnection/reconnection' updates; we need to discuss this with the EA and will look to make the appropriate change to our process for registry updates if required.	Before end of 2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

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 with a regular process in place to manage the changes between Salesforce and SAP which updates the registry. 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
As noted above, a process has been in place since December 2016; this is reflected in continued improvement and backdated corrections have taken place. As noted in our comments for audit ref 2.1, we are reviewing our process.	Before end of 2017	Identified
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	4 active ICPs with an incorrect ANZSIC codes assigned. 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	The controls are strong for the management of ANZSIC codes. Only four ICPs were found with an incorrect ANZSIC code therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
The four incorrect ANZSIC codes have been corrected.	Completed	Cleared
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.	Ongoing	

Management of "active" status		
Non-compliance	Description	
Audit ref: 3.8 With: Clause 17 of schedule 11.1 From/to: 30/8/16-18/9/16	Incorrect active date recorded for three 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 errors found in applying the correct active date. The errors found call into question the validation being used to select the correct active date in the files being provided to the registry and SAP. This has a minor impact on the accuracy of reconciliation hence the audit risk rating of low.	
Actions taken to resolve the issue	Completion date	Remedial action Status
These are in the process of being corrected.	31.08.2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
We are reviewing our process to strengthen our controls.	Before end of 2017	

Management of "inactive" status		
Non-compliance	Description	
Audit ref: 3.9 With: Clause 19 of schedule 11.1 From/to: 1/06/16-31/5/17	Incorrect active date recorded for three reconnected ICPs. Credit disconnections not recorded for all inactive days. Potential impact: Low Actual impact: Unknown Audit history: Twice Controls: Weak Breach Risk Rating: 3	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as weak as credit disconnections for each full day of no power are not recorded in the registry and SAP. I have rated the audit risk as low as the consumption is being reconciled, but line charges will be higher than actual due to this issue.	
Actions taken to resolve the issue	Completion date	Remedial action Status
The affected ICPs are in the process of being corrected.	31.08.2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
This goes hand in hand with 3.8, we are reviewing our process to strengthen our controls.	Before end of 2017	

Change of MEP		
Non-compliance	Description	
Audit ref: 3.11 With: Clause 10.22(1)(a) From/to: 18/11/16-15/2/17	2 incorrect MEPs nominated. Potential impact: None Actual impact: None Audit history: Once Controls: Strong Breach Risk Rating: 1	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as strong as the two examples are exception and not indicative of any systematic issue. I have recorded the audit risk rating as low as the effect of will have no direct impact on settlement outcomes.	
Actions taken to resolve the issue	Completion date	Remedial action Status
These have been corrected.	Completed	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Upon investigation the cause was found to be human error. We have strong controls in place and will be reviewing our training.	Ongoing	

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 "PD" AN response code 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 other 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
We note that this is not a breach, however it is Mercury's policy to withdraw in these circumstances, this was human error.		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, incorrect read and average daily consumption figures being sent in some instances. Potential impact: Low Actual impact: Medium Audit history: Twice Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	I have rated the controls as moderate as the CS file content was found to have some inaccuracies. I have recorded the audit risk rating as low as other traders rely on the CS content being correct and if this is inaccurate this will have a minor effect on settlement outcomes.	
Actions taken to resolve the issue	Completion date	Remedial action Status
The Globug switch-out process is under review.	Before end of 2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
We are investigating a system change that would allow for AMI reads to be pulled through for switches.	First half of 2018	

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	Incorrect codes sent for two ICPs sampled. Potential impact: Low Actual impact: Low Audit history: Multiple 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 has improved significantly since the last audit. I have recorded the audit risk rating as low as the AN code has no direct impact on reconciliation outcomes.	
Actions taken to resolve the issue	Completion date	Remedial action Status
Incorrect codes sent in two instances due to human error, we have robust processes in place and are reviewing our training.	Before end of 2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We are working on better documentation and training.	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	35 ICPs of 5,202 move switches processed where the event date was either set earlier than the gaining traders or greater than 10 days from the gaining traders request date. Potential impact: None Actual impact: None 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 there is a greater 99% accuracy rate. I have recorded the audit risk rating as all were sent for the gaining trader's requested date.	
Actions taken to resolve the issue	Completion date	Remedial action Status
As noted above, the error rate was 0.006%.	Completed	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We have strong controls in place. We will monitor and review the process as required.	Ongoing.	

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 not sent for the event date. 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 CS file content was found to have some inaccuracies. I have recorded the audit risk rating as low as other traders rely on the CS content being correct and if this is inaccurate this will have a minor effect on settlement outcomes	
Actions taken to resolve the issue	Completion date	Remedial action Status
The Globug switch-out process is under review.	Before end of 2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
We are investigating a system change that would allow for AMI reads to be pulled through for switches.	First half of 2018	

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	5 switch withdrawals sent later than 2 months of the event date. 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
Although technically non-compliant, we are unaware of a way to rectify these issues in a correct and transparent fashion without breaching the Code. We plan to raise this with the EA to get some guidance.	Before end of 2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments.		

Electricity conveyed & notification by embedded generators		
Non-compliance	Description	
Audit ref: 6.1 With: Clause 10.13 From/to: entire audit period	Energy is not metered and quantified according to the code where meters are bridged. 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.	
Actions taken to resolve the issue	Completion date	Remedial action Status
The 21 ICPs have been unbridged and their usage during the period of bridging has been estimated.	Completed.	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
A process is now in place to ensure that in situations where meters must be bridged for health and safety reasons, the usage is estimated for the period of bridging.	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 as most ICPs have AMI metering installed.	
Actions taken to resolve the issue		Completion date
We have improved our 'no reads' process overall and we are now able to generate this report.		Completed.
Preventative actions taken to ensure no further issues will occur		Completion date
Refer above comments		
		Identified

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	For four ICPs, 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
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
Preventative actions taken to ensure no further issues will occur		Completion date
Refer above comments		
		Identified

Correction of NHH meter readings		
Non-compliance	Description	
Audit ref: 8.1 With: 19(1) Schedule 15.2 From/to: entire audit period	Where a meter reading is modified by Globug, 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. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating:2	
Audit Risk Rating	Rationale for audit risk rating	
Low	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.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We are formalising a new process so that modified readings (for example for transposed or rollback reads) are noted as estimates.	30.09.2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		

Electronic meter readings and estimated readings		
Non-compliance	Description	
Audit ref: 9.6 With: Clause 17 of schedule 15.2 From/to: Entire audit period	Full AMI event information not obtained and monitored. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach Risk Rating: 2	
Audit Risk Rating	Rationale for audit risk rating	
Low	Globug is monitoring and actioning events emailed by the MEP.	
Actions taken to resolve the issue	Completion date	Remedial action Status
We have liaised with the MEPs that we were not receiving event logs from and they have confirmed that they are now being sent however there appears to be a technical issue with us receiving them/being able to view them. We are following this up and will resolve.	30.09.2017	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Refer above comments		
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: Low Actual impact: Unknown Audit history: Four 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 estimate process		
Non-compliance	Description	
Audit ref: 12.11 With: Clause 4 and 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 Globug 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 and Jul 16	FE accuracy threshold not met for some balancing areas. Potential impact: Low Actual impact: Low Audit history: Four 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.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Refer above comments			

Historical estimate reporting			
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: Four times previously Controls: Moderate Breach Risk Rating: 2		
Audit Risk Rating	Rationale for audit risk rating		
Low	Globug 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			