

Compliance plan for Mercury – 2019

Relevant information		
Non-compliance	Description	
<p>Audit Ref: 2.1</p> <p>With: Clause 10.6,11.2 & 15.2</p> <p>From: 01-Apr-18</p> <p>To: 13-Feb-18</p>	<p>Some registry discrepancies.</p> <p>Consumption on inactive ICPs not corrected as soon as practicable.</p> <p>Between 14 and 73 ICPs with distributed generation not quantified or submitted.</p> <p>Some submission corrections not conducted as soon as practicable.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 6</p>	
Audit risk rating	Rationale for audit risk rating	
High	<p>The controls are rated as moderate as they will mitigate risk most of the time, but there is room for errors to occur.</p> <p>The audit risk rating high because of the impact of the under submission for the period until corrections were made, particularly the incorrect compensation factor issue.</p>	
Actions taken to resolve the issue		Completion date
		Remedial action status

<p>1) Registry discrepancies</p> <p>Response:</p> <p>Non compliance accepted and remedial action on-going</p> <p>Action:</p> <p>Mercury will investigate the best course of action for the registry discrepancies in general. Corrective actions will be carried out and implemented via the Process automation project which has been approved. Registry issues will be prioritised.</p>	<p>May 2020</p>	<p>Identified</p>
<p>2) Consumption on inactive sites</p> <p>Response:</p> <p>Non compliance accepted and remedial action on-going</p> <p>Action:</p> <p>Mercury will review and change the process to ensure corrections are made as soon as practical</p>	<p>To be completed by Aug 2019</p>	
<p>3) Between 14 and 73 ICPs with distributed generation not quantified or submitted</p> <p>Response:</p> <p>Partial non compliance accepted and remedial action on-going</p> <p>Action:</p> <p>We have reviewed the process and a gap was identified which has been changed to action them on monthly basis. Report in place to investigate sites that are showing "reverse power" as indicated by the meter owner and appropriate action is taken</p> <p>Some of the ICP's marked as generation do not have import/export meters as they are as 'gift', Mercury send a list to RM to notify these as required by the code thus we believe Mercury is compliant.</p>	<p>Completed</p>	
<p>4) Some submission corrections not conducted as soon as practicable</p> <p>Response:</p> <p>Non compliance accepted and remedial action on-going</p> <p>Action:</p> <p>Corrections has been made and evidence has been sent to the auditors to have these cleared.</p>	<p>Completed</p>	

<p>Mercury has also changed its process to peer review all the spreadsheet used to calculate the energy correction. Issue was identified with one of the formula's in the spreadsheet which has been rectified.</p> <p>5) Under submission of 280,000 kWh for Thames Coromandel DUML</p> <p>Response:</p> <p>Non compliance disputed</p> <p>Action:</p> <p>NZTA load is submitted by Genesis which has been confirmed, thus no under submission has occurred.</p>	<p>n/a</p>	
<p>Preventative actions taken to ensure no further issues will occur</p>	<p>Completion date</p>	
<p>As stated above, Mercury has invested in Process automation project and Registry issues will be prioritised and actioned:</p> <p>System root cause analysis will be carried out</p> <p>Detailed business requirement</p> <p>Implementation and Testing</p> <p>Go live</p>	<p>By May 2020</p>	

Electrical Connection of Point of Connection		
Non-compliance	Description	
<p>Audit Ref: 2.11 With: 10.33A</p> <p>From: 03-Apr-18 To: 31-Jan-19</p>	<p>Mercury was not recorded as the responsible participant in the registry on the active date for 152 ICPs.</p> <p>Up to 134 ICPs not certified within five business days of electrical connection.</p> <p>At least 73 ICPs not certified within five business days of electrical reconnection.</p> <p>14 meters were not recertified when they were unbridged.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are rated as weak as Mercury does not use the “inactive - new connection in progress” status therefore late new connections also cause late MEP nomination. Controls are not in place to ensure reconnected ICPs with uncertified metering are certified within five business days, or on un-bridging.</p> <p>The audit risk rating is low as this has no direct impact on reconciliation.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status

<p>Response: Non compliance accepted and remedial action on-going</p> <p>Action:</p> <p>1) Mercury was not recorded as the responsible participant in the registry on the active date for 152 ICPs:</p> <p>Mercury will review and implement a process to advise MEPs that their meters are uncertified when we commerce supply.</p> <p>With 93% of our new connections were compliant this indicates that our controls are high. Mercury believe it will be detrimental to customers to not to supply customer and reconnect their power due to certification issues.</p> <p>Action:</p> <p>2) Up to 134 ICPs not certified within five business days of electrical connection</p> <p>3) At least 73 ICPs not certified within five business days of electrical reconnection.</p> <p>4) 14 meters were not recertified when they were unbridged</p> <p>Mercury will review and rectify all the uncertified ICP's which are electrically connected or when they are bridged</p> <p>Mercury also notes that this is a MEP non-compliance and not a retailer non-compliance. We do not wish to refuse to supply power to customers due to MEP certification issues.</p>	<p>Dec 2019</p>	<p>Identified</p>
<p>Preventative actions taken to ensure no further issues will occur</p>	<p>Completion date</p>	
<p>Mercury will review all the existing process and will implement a process to advise the MEPs if the certification dates appear incorrect in a best practical manner</p>	<p>Dec 2019</p>	

Arrangements for metering equipment provision			
Non-compliance	Description		
Audit Ref: 2.13 With: Clause 10.36 From: 01-Jan-19 To: 31-Mar-19	Arrangement not in place with IntelliHub. 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 arrangements are in place with all other MEPs. The impact could be minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Mercury is currently working with IntelliHub to have an agreement in place		Oct 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Mercury will ensure that before accepting a new MEP, an agreement is in place		Oct 2019	

Changes to registry information			
Non-compliance	Description		
<p>Audit Ref: 3.3</p> <p>With: Clause 10 of schedule 11.1</p> <p>From: 03-Apr-18</p> <p>To: 21-Jan-19</p>	<p>Registry not updated within 5 business days of the event for some status updates, MEP nominations and trader updates.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are rated as weak because automated processes are contributing to the volume of backdated and incorrect updates to active and MEP nominations.</p> <p>The audit risk rating is assessed to be medium, based on the number of backdated records and number of days backdated, and that some of the updates are invalid.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted and remedial action on-going</p> <p>Action:</p> <p>A process change to ANSIC code updates has been made which will result in a dramatically less late updates.</p> <p>A further review is under way to identify how Trader and MEP updates can be made to improve on our compliance</p>		<p>Completed</p> <p>On going</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Once review is completed, Mercury will be implementing a MEP rejections reversal process to reduce the inaccuracies. The focus will continue to improve to meet the code obligation however we would like to mention that small number on non-compliance will continue to occur.</p>		Dec 2019	

Trader responsibility for an ICP		
Non-compliance	Description	
Audit Ref: 3.4 With: Clause 11.18 From: 16-May-18 To: 31-Jan-19	Some invalid MEP nominations were sent. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Weak Breach risk rating: 3	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are rated as weak because automated processes are contributing to the volume of invalid MEP nominations. The audit risk rating is low as this has no direct impact on reconciliation.	
Actions taken to resolve the issue		Completion date
Response: Non compliance accepted and remedial action on-going Action: Reporting has been changed to monitor these on weekly basis as an interim measure until a permanent solution is implemented.		Completed
Preventative actions taken to ensure no further issues will occur		Completion date
Mercury is aware of the issue that causes these invalid MEP nominations and are working on a permanent solution with ICT.		May 2020
Identified		

Provision of information to the registry manager		
Non-compliance	Description	
<p>Audit Ref: 3.5</p> <p>With: Clause 9 of schedule 11.1</p> <p>From: 03-May-18</p> <p>To: 18-Jan-19</p>	<p>Registry information not provided within 5 business days of commencement of supply.</p> <p>Potential impact: Low</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>The controls are rated as moderate as they will mitigate risk most of the time but there is room for errors to occur.</p> <p>The audit risk rating is low as the average cycle time to complete is still below 5 days, and only nine new connections were updated more than 35 business days after the event date.</p>	
Actions taken to resolve the issue		Completion date
<p>Response:</p> <p>Non compliance accepted and remedial action on-going</p> <p>Action:</p> <p>Mercury note's that it has made significant improvement in this area moving from 79% to 93% due to the process improvements made to date. We believe that our controls should be rated as strong based on the above improvement. Some of these are caused by third party delays however Mercury will continue to make further improvements to ensure we are compliant in this area.</p>		Dec 2019
Preventative actions taken to ensure no further issues will occur		Completion date
All the existing process will be reviewed, and gaps will be implemented to meet the code obligations		May 2020

ANZSIC codes		
Non-compliance	Description	
Audit Ref: 3.6 With: 9 (1(k) of Schedule 11.1 From: 15-Feb-19 To: 15-Feb-19	Up to 269 active ICPs with no or "Don't know" ANZSIC codes invalidly assigned. 10 of the 90 ICPs checked had incorrect ANZSIC codes assigned. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are rated as moderate and are improving. Most ICPs have a valid ANZSIC code assigned. This has no direct impact on reconciliation therefore the audit risk rating is low. There is an impact on reporting by the Electricity Authority.	
Actions taken to resolve the issue	Completion date	Remedial action status
Response: Non compliance accepted and remedial action on-going Action: Mercury have made a great improvement to ensure updates are being made in timely manner. 1) Up to 269 active ICPs with no or "Don't know" ANZSIC codes invalidly assigned Reporting will change to weekly basis to ensure discrepancies are resolved and compliance are met 2) 10 of the 90 ICPs checked had incorrect ANZSIC codes assigned Mercury will investigate how best to update the codes and also validate the existing codes with other information available in the market.	Dec 2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Mercury will investigate how best to update the codes and also validate the existing codes with other information available in the market.	May 2020	

Changes to unmetered load			
Non-compliance	Description		
<p>Audit Ref: 3.7</p> <p>With: Clause 9(1)(f) of Schedule 11.1</p> <p>From: 1-Apr-18</p> <p>To: 28-Mar-19</p>	<p>Incorrect unmetered load is recorded for ICP 0015723581ELA43.</p> <p>Potential impact: Low</p> <p>Actual impact: Unknown</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>I have rated the controls as moderate as the registry discrepancy process will identify most errors.</p> <p>The audit risk rating is medium due to the unknown impact of the Kapiti coast ICP that has may have incorrect volumes being reconciled against the incorrect GXP and balancing area.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted based on the auditor's comments</p> <p>Action:</p> <p>Mercury will investigate and rectify the incorrect unmetered load is recorded for ICP 0015723581ELA43, however we believe that breach risk rating is very high due to the unknown or non-factual.</p>		Dec 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Mercury will investigate and rectify the incorrect unmetered load is recorded for ICP 0015723581ELA43. We will also review the entire DUML process to ensure compliance are met.</p>		Dec 2019	

Management of "active" status			
Non-compliance	Description		
<p>Audit Ref: 3.8</p> <p>With: Clause 17 Schedule 11.1</p> <p>From: 27-Apr-18</p> <p>To: 15-Jan-19</p>	<p>Seven NHH new connections with incorrect active dates.</p> <p>One HHR new connection with an incorrect active date.</p> <p>12 reconnections updates were invalidly processed.</p> <p>Potential impact: Low</p> <p>Actual impact: Unknown</p> <p>Audit history: Multiple</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are rated as weak as automated update processes were found to be incorrectly backdating and updating ICPs with incorrect information.</p> <p>The audit risk rating is medium as the issues identified are affecting an unknown number of ICPs with incorrect status updates.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted and remedial action on-going however we believe we have moderate control in place.</p> <p>Action:</p> <p>1) Seven NHH new connections with incorrect active dates.</p> <p>All the seven incorrect active dates have been corrected.</p> <p>2) One HHR new connection with an incorrect active date.</p> <p>One HHR have been corrected.</p> <p>3) 12 reconnections updates were invalidly processed</p> <p>4 out of 12 reconnection updates are currently being investigated by ICT for system issues.</p>		Aug 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Mercury will further review the root cause of the issue with the help with our ICT team and implement a change as required.		Dec 2019	

Management of "inactive" status			
Non-compliance	Description		
<p>Audit Ref: 3.9</p> <p>With: Clause 19 Schedule 11.1</p> <p>From: 16-May-18</p> <p>To: 17-Jan-19</p>	<p>Six ICPs with incorrect inactive status dates or status reason codes.</p> <p>One inactive ICP was incorrectly recorded as active.</p> <p>10 ICPs with incorrect Inactive status where consumption is present.</p> <p>Potential impact: Low</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>The controls are rated as moderate because the disconnection process is normally automated, but a small number of updates were incorrect.</p> <p>The audit risk rating is low because a small number of ICPs were affected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted and remedial action on-going.</p> <p>Action:</p> <p>Mercury will further investigate items raised in section 3.9 and will have an action plan in place</p>		Dec 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Mercury will further investigate items raised in section 3.9 above and will have put an action plan in place to meet the code obligation		May 2020	

Inform registry of switch request for ICPs - standard switch			
Non-compliance	Description		
<p>Audit Ref: 4.1</p> <p>With: Clause 2 Schedule 11.3</p> <p>From: 16-Oct-18</p> <p>To: 16-Oct-18</p>	<p>One switch move was incorrectly sent as a transfer switch.</p> <p>Potential impact: None</p> <p>Actual impact: None</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>I have rated the controls as strong, because they will normally ensure that files are sent with the correct switch type.</p> <p>I have recorded the audit risk rating as low as there is no direct effect on settlement outcomes in relation to this clause.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Response: Non compliance accepted.</p> <p>Action: Mercury have a strong control however a human error caused the issue and is not a common occurrence. Staff have been re-trained.</p>		Completed	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Mercury will ensure staff are trained and understands about switching.		Aug 2019	

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: 03-Aug-18 To: 08-Jan-19	Five of the seven AN files checked contained incorrect response codes. Two late AN files. Potential impact: None Actual impact: None 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, because <ul style="list-style-type: none"> • some AN codes assigned automatically by SAP were incorrect, and • users being unable to automatically clear validation issues is contributing to the late files. I have recorded the audit risk rating as low as there is no direct effect on settlement outcomes, information on ICP metering is available on the registry, and a very small number of AN files were one day late.		
Actions taken to resolve the issue		Completion date	Remedial action status
Mercury will continue to investigate the incorrect response codes to ensure code obligations are met however we believe that we have moderate control in place rather the weak based on the number of switching activities.		Dec 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
System enhancement required to rectify the issue. There is a small enhancement to update the current SAP logic so that we can ensure our AN files are compliant, however, is on hold as EA is currently exploring options for the acknowledge switch notification. Mercury would like to wait for the outcome before investing further.		with EA	

Losing trader must provide final information - standard switch			
Non-compliance	Description		
<p>Audit Ref: 4.3</p> <p>With: Clause 5 of schedule 11.3</p> <p>From: 11-May-18</p> <p>To: 25-Jan-19</p>	<p>Some incorrect CS file content including estimated daily kWh, last actual read dates, switch event readings, and switch event read types.</p> <p>At least five late transfer CS files.</p> <p>Potential impact: Low</p> <p>Actual impact: Medium</p> <p>Audit history: Twice</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>I have rated the controls as weak, because of the incorrect content for system generated CS files.</p> <p>The audit risk rating is assessed to be medium, based on the impact the incorrect CS content could have on other participants.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted and remedial action is underway</p> <p>Action:</p> <p>Switching process is a very automated, and we have liaised with Readings management team to look in to those ICPs and amend the process going forward to depict the last read date and the read.</p> <p>Mercury process for applying meter readings to switch events has changed and is now compliant with NHH meter reading application (Clause 6 Schedule 15.2). Mercury is using the last available reading for the switch date. Evidence has been sent to the auditors and we believe that control and breach rating should change to reflect that.</p> <p>MEEN is aware that System enhancement is required to calculate correct Average daily consumption and is on hold as EA is currently exploring options for Average daily consumption. Mercury would like to wait for the outcome before investing further.</p>		<p>Completed</p> <p>May 2020</p>	<p>Identified</p> <p>Post audit comment. An example was provided confirming an estimate was correctly labelled in a CS file for ICP 0000171244WE47A, but the date of last read was incorrect. The estimate was from a prior date and was used as a switch read because the ICP was vacant.</p> <p>Confirmation is required that the date of last read is correct, that actual readings from the correct date are used and another example is required to confirm estimates from the correct date are used, preferably for an ICP without a vacant period prior to switch.</p>

Preventative actions taken to ensure no further issues will occur	Completion date	
MEEN is aware that System enhancement is required to calculate correct Average daily consumption and is on hold as EA is currently exploring options for Average daily consumption. Mercury would like to wait for the outcome before investing further.	Awaiting on EA	

Retailers must use same reading - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.4 With: Clauses 6(1) and 6A Schedule 11.3</p> <p>From: 22-Jun-18 To: 18-Jan-19</p>	<p>One RR was sent with a read type of actual when Mercury did not have an actual reading on the event date.</p> <p>Two RRs were not supported by two validated actual readings.</p> <p>18 late RR files and two late AC files for transfer switches.</p> <p>In some cases where a high switch reading is provided, and an RR is not issued, Mercury will modify the switch reading to match their first actual reading.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as moderate overall as:</p> <ul style="list-style-type: none"> • in most cases the reads recorded by Mercury match the switch reads, there are isolated instances where the switch read is modified, and no examples were found during the audit. • Additional monitoring controls have been put in place to improve the timeliness of RR and AC files. <p>The audit risk rating is low because:</p> <ul style="list-style-type: none"> • the late RRs increase the level of accuracy in reconciliation. • no examples of modified switch in reads were identified during the audit. • Issues were found for a small number of RR files. 	
Actions taken to resolve the issue	Completion date	Remedial action status

<p>Response:</p> <p>Non compliance accepted and remedial action is underway</p> <p>Action:</p> <p>1) One RR was sent with a read type of actual when Mercury did not have an actual reading on the event date.</p> <p>Mercury have appropriate control in place however a human error caused the issue and is not a common occurrence. Staff have been re-trained</p> <p>2) Two RRs were not supported by two validated actual readings.</p> <p>MEEN agreed to amend the reads based on customer read and we could not validate as not being the retailer. To avoid this in future, guidelines have been issued to Contact centre staff to raise RR with the customer read if we have two validated actual reads.</p> <p>3) 18 late RR files and two late AC files for transfer switches.</p> <p>This has been raised in EA forum to get guidance on how to be compliant in situations where a RR is required but it is outside of the allowed timeframe.</p> <p>4) In some cases where a high switch reading is provided, and an RR is not issued, Mercury will modify the switch reading to match their first actual reading.</p> <p>Mercury will investigate this further to comply with the code.</p>	<p>May 2020</p>	<p>Identified</p>
<p>Preventative actions taken to ensure no further issues will occur</p>	<p>Completion date</p>	
<p>As per above</p>	<p>May 2020</p>	

Losing trader provides information - switch move			
Non-compliance	Description		
<p>Audit Ref: 4.8</p> <p>With: Clause 10 of schedule 11.3</p> <p>From: 01-May-18</p> <p>To: 30-Jan-19</p>	<p>Two of the six AN files checked contained incorrect response codes.</p> <p>36 ANs had non-compliant proposed event dates.</p> <p>Four late switch move AN files.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>I have rated the controls as moderate, because some AN codes and proposed event dates assigned automatically by SAP were incorrect.</p> <p>I have recorded the audit risk rating as low as there is no direct effect on settlement outcomes, information on ICP metering is available on the registry, and a small number of AN files were one day late.</p> <p>16 of the switches with non-compliant proposed event dates were switched out on the event date requested by the gaining trader, and 20 were withdrawn before the switch was completed.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted</p> <p>Action:</p> <p>Remedial action same as above noted in section 4.2</p>		Dec 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>System enhancement required to rectify the issue. There is a small enhancement to update the current SAP logic so that we can ensure our files are compliant, however, is on hold as EA is currently exploring options for the acknowledge switch notification. Mercury would like to wait for the outcome before investing further</p>		Awaiting EA	

Losing trader determines a different date - switch move			
Non-compliance	Description		
Audit Ref: 4.9 With: Clause 10(2) Schedule 11.3 From: 09-Apr-18 To: 10-Jan-19	36 ANs had non-compliant proposed event dates. Potential impact: Low Actual impact: None Audit history: Once Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate as the controls will mitigate risk most of the time but there is room for improvement. The audit risk rating is low as the CS was sent for the gaining trader's requested date or withdrawn in all instances.		
Actions taken to resolve the issue		Completion date	Remedial action status
Response: Non compliance accepted Action: This was raised with ICT and turned out to be correct as per SAP however somehow shows set earlier than the requested date. Mercury will investigate further.		July 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Mercury will investigate the root cause further as it is unclear how it occurred		May 2020	

Losing trader must provide final information - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.10</p> <p>With: Clause 11 of schedule 11.3</p> <p>From: 01-Aug-18</p> <p>To: 24-Jan-19</p>	<p>Some incorrect CS file content including estimated daily kWh, last actual read dates, switch event readings, and switch event read types.</p> <p>Potential impact: Low</p> <p>Actual impact: Medium</p> <p>Audit history: Twice</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>	
Audit risk rating	Rationale for audit risk rating	
Medium	<p>I have rated the controls as weak, because of the incorrect content for system generated CS files.</p> <p>The audit risk rating is assessed to be medium, based on the impact the incorrect CS content could have on other participants.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted</p> <p>Action:</p> <p>Switching process is a very automated, and we have liaised with Readings management team to look in to those ICPs and amend the process going forward to depict the last read date and the read.</p> <p>Mercury process for applying meter readings to switch events has changed and is now compliant with NHH meter reading application (Clause 6 Schedule 15.2). Mercury is using the last available reading for the switch date. Evidence has been sent to the auditors and we believe that control and breach rating should change to reflect that.</p> <p>Estimated Daily kWh</p> <p>MEEN is aware that System enhancement is required to calculate correct Average daily consumption and is on hold as EA is currently exploring options for Average daily consumption. Mercury would like to wait for the outcome before investing further.</p>	Complete	<p>Identified</p>
	May 2020	<p>Post audit comment.</p> <p>An example was provided confirming an estimate was correctly labelled in a CS file for ICP 0000171244WE47A, but the date of last read was incorrect. The estimate was from a prior date and was used as a switch read because the ICP was vacant.</p> <p>Confirmation is required that the date of last read is correct, that actual readings from the correct date are used and another example is required to confirm estimates from the correct date are used, preferably for an ICP without a vacant period prior to switch.</p>

Preventative actions taken to ensure no further issues will occur	Completion date	
<p>System enhancement required to rectify the issue. There is a small enhancement to update the current SAP logic so that we can ensure our files are compliant, however, is on hold as EA is currently exploring options for the acknowledge switch notification. Mercury would like to wait for the outcome before investing further.</p> <p>Furthermore - Mercury process for applying meter readings to switch events has changed and is now compliant with NHH meter reading application (Clause 6 Schedule 15.2). Mercury is using the last available reading for the switch date. Evidence has been sent to the auditors and we believe that control and breach rating should change to reflect that appropriately.</p>	With EA	

Gaining trader changes to switch meter reading - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.11 With: Clause 12 Schedule 11.3</p> <p>From: 08-Jun-18 To: 08-Feb-19</p>	<p>Three RRs were sent with a read type of actual when Mercury did not have an actual reading on the event date.</p> <p>27 late RR files and 16 late AC files for switch moves.</p> <p>In some cases where a high switch reading is provided, and an RR is not issued, Mercury will modify the switch reading to match their first actual reading.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as moderate overall as:</p> <ul style="list-style-type: none"> in most cases the reads recorded by Mercury match the switch reads, there are isolated instances where the switch read is modified, and no examples were found during the audit; and additional monitoring controls have been put in place to improve the timeliness of RR and AC files. <p>The audit risk rating is low because:</p> <ul style="list-style-type: none"> the late RRs increase the level of accuracy in reconciliation; no examples of modified switch in reads were identified during the audit; and issues were found for a small number of RR files. 	
Actions taken to resolve the issue		Completion date
Same as comments covered in section 4.4		May 2020
Preventative actions taken to ensure no further issues will occur		Completion date
Same as comments covered in section 4.4		May 2020
Identified		

Losing trader provision of information - gaining trader switch			
Non-compliance	Description		
Audit Ref: 4.13 With: Clause 15 Schedule 11.3 From: 24-Apr-18 To: 06-Sep-18	Two late AN files for HH switches. 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 the switch console will mitigate risk most of the time. The audit risk rating is low due to the small volume of late ANs.		
Actions taken to resolve the issue		Completion date	Remedial action status
Response: Non compliance accepted Action: Due to human error process was over looked. Staff have been trained.		complete	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Mercury will ensure adequate training are provided to avoid the non-compliance		On going	

Gaining trader to advise the registry manager - gaining trader switch		
Non-compliance	Description	
<p>Audit Ref: 4.14</p> <p>With: Clause 16 of schedule 11.3</p> <p>From: 27-Apr-18</p> <p>To: 22-Nov-18</p>	<p>12 late CS files for HH switches.</p> <p>Two HH CS files were sent with METERINSTALL, METERCOMP and METERCHANNEL rows.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>I have rated the controls as moderate as the switch console will mitigate risk most of the time.</p> <p>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.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Response:</p> <p>Non-compliance accepted.</p> <p>Action:</p> <p>1) 12 late CS files for HH switches.</p> <p>We have a robust process in place. Withdrawals are also handled via breach report to ensure we do not miss the date. Breach was due to system error as files were sent from SAP & not updated in the registry. This has been rectified since.</p> <p>2) Two HH CS files were sent with METERINSTALL, METERCOMP and METERCHANNEL rows</p> <p>Yes it was an legitimate error and MEEN has taken expedient measures to rectify and resolve the issue. Process was changed in Nov 2018 to monitor these.</p>	July 2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Mercury notes that risk is low however will continue to improve the process further.	Dec 2019	

Withdrawal of switch requests			
Non-compliance	Description		
<p>Audit Ref: 4.15</p> <p>With: Clauses 17 & 18 of schedule 11.3</p> <p>From: 27-Apr-18</p> <p>To: 29-Jan-19</p>	<p>184 late NW files and 29 late AC files.</p> <p>Three switch withdrawals not resolved within ten business days.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>I have rated the controls as moderate as controls mitigate risk most of the time, but a small number of human errors were evident.</p> <p>The audit risk rating is low as the volume of backdated switch withdrawals is low but processing of these increases submission accuracy.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted, We have a robust process in place. Withdrawals are handled via breach report to ensure we do not miss the date. Breach was due to system error as files were sent from SAP & not updated in the registry.</p> <p>Action:</p> <p>Mercury will investigate and update reports to ensure code obligations are met at all times</p>		Dec 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Mercury will investigate and update reports to ensure code obligations are met at all times.		Dec 2019	

Metering information		
Non-compliance	Description	
Audit Ref: 4.16 With: Clause 21 Schedule 11.3 From: 23-Jul-18 To: 25-Jan-19	Some incorrect CS file switch event readings. Potential impact: Low Actual impact: Medium Audit history: None Controls: Weak Breach risk rating: 6	
Audit risk rating	Rationale for audit risk rating	
Medium	I have rated the controls as weak, because of the incorrect content for system generated CS files. The audit risk rating is assessed to be medium, based on the impact the incorrect CS content could have on other participants.	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Response: Non compliance accepted</p> <p>Action: Switching process is a very automated, and we have liaised with Readings management team to look in to those ICPs and amend the process going forward to depict the last read date and the read.</p> <p>Mercury process for applying meter readings to switch events has changed and is now compliant with NHH meter reading application (Clause 6 Schedule 15.2). Mercury is using the last available reading for the switch date. Evidence has been sent to the auditors and we believe that control and breach rating should change to reflect that.</p> <p>Estimated Daily kWh</p> <p>MEEN is aware that System enhancement is required to calculate correct Average daily consumption and is on hold as EA is currently exploring options for Average daily consumption. Mercury would like to wait for the outcome before investing further.</p>	Completed	Identified
	Awaiting on EA	Post audit comment. An example was provided confirming an estimate was correctly labelled in a CS file for ICP 0000171244WE47A, but the date of last read was incorrect. The estimate was from a prior date and was used as a switch read because the ICP was vacant. Confirmation is required that the date of last read is correct, that actual readings from the correct date are used and another example is required to confirm estimates from the correct date are used, preferably for an ICP without a vacant period prior to switch.
Preventative actions taken to ensure no further issues will occur	Completion date	

MEEN is aware that System enhancement is required to calculate correct Average daily consumption and is on hold as EA is currently exploring options for Average daily consumption. Mercury would like to wait for the outcome before investing further.	May 2020	
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Unmetered threshold		
Non-compliance	Description	
Audit Ref: 5.2 With: Clause 10.14 (2)(b) From: 09-Jun-17 To: 28-Mar-19	Nine standard unmetered ICPs with unmetered consumption over 6,000 kWh per annum. Potential impact: Medium Actual impact: Medium Audit history: None Controls: Weak Breach risk rating: 6	
Audit risk rating	Rationale for audit risk rating	
Medium	The controls are rated as weak as these have been with Mercury since June 2017 but are yet to be resolved. The audit risk rating is medium as the combined volume could, if incorrect, have a material impact on reconciliation.	
Actions taken to resolve the issue	Completion date	Remedial action status
Response: Non compliance accepted and remedial action on-going. Unmetered load is an industry wide issue which all the traders struggles with and are sometimes traders reluctant to switch them in. Action: Mercury inherited missing DUML database for some from previous retailer's and with no previous audits conducted for the sites. Customer has limited or no knowledge of installations. Mercury is working with the customer to establish a database and rectify issues raised as non-compliance.	May 2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

<p>Non compliance accepted and remedial action on-going.</p> <p>Unmetered load is an industry wide issue which all the traders struggles with and are sometimes traders reluctant to switch them in.</p> <p>Mercury inherited missing DUML database for some from previous retailer's and with no previous audits conducted for the sites. Customer has limited or no knowledge of installations. Mercury is working with the customers to establish a database and rectify issues raised as non-compliance.</p>	May 2020	
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Unmetered threshold exceeded		
Non-compliance	Description	
<p>Audit Ref: 5.3</p> <p>With: Clause 10.14 (5)</p> <p>From: 09-Jun-17</p> <p>To: 28-Mar-19</p>	<p>Nine standard unmetered ICPs with unmetered consumption over 6,000 kWh per annum were not corrected within the required timeframe.</p> <p>Potential impact: Medium</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>The controls are rated as weak as these ICPs have been supplied by Mercury since June 2017 but are yet to be resolved, suggesting controls are weak.</p> <p>The audit risk rating is medium as the combined volume could, if incorrect, have a material impact on reconciliation.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted and remedial action on-going.</p> <p>Unmetered load is an industry wide issue which all the traders struggles with and are sometimes traders reluctant to switch them in.</p> <p>Action:</p> <p>Mercury inherited missing DUML database for some from previous retailer's and with no previous audits conducted for the sites. Customer has limited or no knowledge of installations. Mercury is working with the customer to establish a database and rectify issues raised as non-compliance.</p>	May 2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

<p>Non compliance accepted and remedial action on-going.</p> <p>Unmetered load is an industry wide issue which all the traders struggles with and are sometimes traders reluctant to switch them in.</p> <p>Mercury inherited missing DUML database for some from previous retailer's and with no previous audits conducted for the sites. Customer has limited or no knowledge of installations. Mercury is working with the customers to establish a database and rectify issues raised as non-compliance.</p>	<p>May 2020</p>	
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Distributed unmetered load		
Non-compliance	Description	
<p>Audit Ref: 5.4</p> <p>With: Clauses 11(1) of schedule 15.3, 10.14 & 15.13</p> <p>From: 01-Apr-18</p> <p>To: 28-Mar-19</p>	<p>Errors found in eight databases. The specific findings are detailed in the DUML database audit reports.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: Multiple</p> <p>Controls: Weak</p> <p>Breach risk rating: 9</p>	
Audit risk rating	Rationale for audit risk rating	
<p>High</p>	<p>The controls are rated as weak due to the level of errors found.</p> <p>The impact is assessed to be high, based on the kWh differences found in the DUML audits.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted and remedial action on-going.</p> <p>Unmetered load is an industry wide issue which all the traders struggle with and are sometimes reluctant to switch.</p> <p>Action:</p> <p>Mercury inherited missing DUML database for some from previous retailer's and with no previous audits conducted for the sites. Customer has limited or no knowledge of installations. Mercury is working with the customer to establish a database and rectify issues raised as non-compliance.</p>	<p>Dec 2019</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur	Completion date	

<p>Unmetered load is an industry wide issue which all the traders struggle with and are sometimes reluctant to switch.</p> <p>Mercury inherited missing DUML database for some from previous retailer's and with no previous audits conducted for the sites. Customer has limited or no knowledge of installations. Mercury is working with the customers to establish a database and rectify issues raised as non-compliance.</p>	<p>May 2020</p>	
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Electricity conveyed & notification by embedded generators		
Non-compliance	Description	
<p>Audit Ref: 6.1 With: Clause 10.13 From: 03-Feb-18 To: 13-Feb-19</p>	<p>While meters were bridged, energy was not metered and quantified according to the code for 21 ICPs. Between 14 and 73 ICPs with distributed generation not quantified. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<p>Low</p>	<p>Controls are rated as moderate as they are sufficient to reduce the risk most of the time. The audit risk rating is low:</p> <ul style="list-style-type: none"> • 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 - for all 21 examples reviewed, corrections for consumption during the bridged period had been processed; and • correct profiles are applied for reconciliation submissions. 	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Response:</p>	<p>Dec 2019</p>	<p>Disputed</p>

<p>Non compliance disputed as the energy was quantified according to the code.</p> <p>non compliance disputed for ICPs with distributed generation not quantified due to "gifting"</p> <p>Remedial action on-going.</p> <p>Action:</p> <p>1) Between 14 and 73 ICPs with distributed generation not quantified or submitted</p> <p>Action:</p> <p>We have reviewed the process and a gap was identified which has been changed to action them on monthly basis. Report in place to investigate sites that are showing "reverse power" as indicated by the meter owner and appropriate action is taken</p> <p>Some of the ICP's marked as generation do not have import/export meters as they are as 'gift', Mercury send a list to RM to notify these as required by the code thus we believe Mercury is compliant</p>		<p>Post audit comment.</p> <p>When meters are bridged, quantification does not occur by the metering installation as required by the Code.</p> <p>The list of "gifted" ICPs has not been evaluated to confirm it includes all relevant ICPs.</p>
Preventative actions taken to ensure no further issues will occur	Completion date	
As above	Dec 2019	

Responsibility for metering at GIP		
Non-compliance	Description	
<p>Audit Ref: 6.2</p> <p>With: Clause 10.26 (6), (7) and (8)</p> <p>From: 01-Jun-17</p> <p>To: 19-Feb-18</p>	<p>Six meter certification expiry dates were updated late.</p> <p>Potential impact: Low</p> <p>Actual impact: None</p> <p>Audit history: Twice</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are assessed as weak. Many of the updates were well after certification occurred.</p> <p>The risk is low because the meters were appropriately certified at all times.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Response:	Dec 2019	Identified

<p>Non-compliance accepted however we dispute the control rating. We believe we have strong controls in place. The longer delivery times are usually due to the requirement of the EA for the testing house to perform on-load testing following certification in all cases. If an installation for an out-of-service generator is certified the on-load tests in some cases cannot occur until many weeks later and the timing for the on-load testing is often a moving variable with many dependents.</p> <p>Action:</p> <p>Mercury continues to meet the code obligation at a high level however sometimes it is beyond our reach to meet the compliance. To be discussed with EA the findings of the sampling carried out to identify ways of complying within the required timeframes.</p>		<p>Post audit comment. It is expected that the date of the “insufficient load” certification expiry will be uploaded prior to the completion of the remaining tests because the expiry date will not change.</p>
<p>Preventative actions taken to ensure no further issues will occur</p>	<p>Completion date</p>	
<p>Mercury continues to meet the code obligation at a high level however sometimes it is beyond our reach to meet the compliance. To be discussed with EA the findings of the sampling carried out to identify ways of complying within the required timeframes.</p>	<p>Dec 2019</p>	

NHH meter reading application			
Non-compliance	Description		
<p>Audit Ref: 6.7</p> <p>With: Clause 6(a)(ii) of Schedule 15.2</p> <p>From: 01-May-18</p> <p>To: 28-Feb-19</p>	<p>14 switch event meter readings not for 24.00 on the day before the switch.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The audit risk rating is assessed to be medium, based on the impact the incorrect CS content could have on other participants.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Response:</p> <p>Non compliance accepted and remedial action is underway</p> <p>Action:</p> <p>Mercury process for applying meter readings to switch events has changed and is now compliant with NHH meter reading application (Clause 6 Schedule 15.2). Evidence has been sent to the auditors and we believe that control and breach rating should change to reflect that.</p>		Completed	<p>Investigating</p> <hr/> <p>Post audit comment.</p> <p>The examples provided did not demonstrate compliance. Evidence needs to show an AMI read from midnight on the day before the switch date is present in the CS file.</p> <p>Evidence is also required to show that readings from other dates will not be included as actual reads.</p>
Preventative actions taken to ensure no further issues will occur		Completion date	
As above		Completed	

Interrogate meters once			
Non-compliance	Description		
Audit Ref: 6.8 With: Clause 7(1) and (2) Schedule 15.2 From: 01-Apr-18 To: 28-Mar-19	The best endeavours requirement was not met for four ICPs unread during the period of supply. 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 recorded as moderate because they mitigate risk most of the time but there is room for improvement. The risk is rated as low, as only a small number of ICPs were affected.		
Actions taken to resolve the issue		Completion date	Remedial action status
Response: Non compliance accepted and remedial action on-going, however Mercury would like to highlight that ICP's switch in and out within short time period, as it was picked up in the audit, sometimes it is not possible to get actual reads. Action: Mercury will review the process further to establish how "best endeavours" requirement can be met.		Proposed: Dec 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above		Proposed: Dec 2019	

Electricity supplied information provision to the reconciliation manager			
Non-compliance	Description		
Audit Ref: 11.3 With: 15.7 From: 01-Dec-18 To: 31-Dec-18	Incorrect electricity supplied figure for one vacant ICP. Potential impact: Low Actual impact: None 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 they mitigate risk to an acceptable level. There is no impact on settlement or participants, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Response: Mercury has a very robust and strong control around this non-compliance. Action: Mercury will investigate and rectify the isolated issue further.		Proposed: Dec 2019	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
As above		Proposed: Dec 2019	

HHR aggregates information provision to the reconciliation manager		
Non-compliance	Description	
Audit Ref: 11.4 With: Clause 15.8 From: April 2018 To: March 2019	HHR aggregates file does not contain electricity supplied information. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1	
Actions taken to resolve the issue	Completion date	
Low	The issue relating to content of the aggregates file is an error in the code, Mercury is providing submission information as expected.	
Actions taken to resolve the issue	Completion date	Remedial action status
Response: Non-compliance not accepted. Comments: Strong control and low impact because file meets the current RM file specification requirement.	n/a	Unknown
Preventative actions taken to ensure no further issues will occur	Completion date	
This is an industry known issue which EA is aware off. Mercury will continue to prepare the aggregates file as required by the Reconciliation Manager file Specification. Mercury will support a code change.	n/a	

Accuracy of submission information		
Non-compliance	Description	
Audit Ref: 12.7 With: Clause 15.12 From: 01-Mar-18 To: 20-Mar-19	Inaccurate submission as follows: <ul style="list-style-type: none"> • 10 ICPs with inactive consumption • DG kWh for 14 ICPs • 2 incorrect multipliers • 4 corrections not conducted since the last audit Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 6	
Audit risk rating	Rationale for audit risk rating	
High	Controls are rated as moderate because they are effective most of the time. The impact is assessed to be high because there is a major impact on settlement until corrections are made.	
Actions taken to resolve the issue	Completion date	Remedial action status
Response: As stated in previous sections: Inaccurate submission as follows: <ul style="list-style-type: none"> • 10 ICPs with inactive consumption - Completed • DG kWh for 14 ICPs – Gifted ICP's • 2 incorrect multipliers - Completed • 4 corrections not conducted since the last audit - Completed 	Dec 2019	Identified Post audit comment. This can be cleared if the gifting notifications confirm compliance.
Preventative actions taken to ensure no further issues will occur	Completion date	
As above response, however Mercury will monitor and action these in timely manner.	Dec 2019	

Forward estimate process			
Non-compliance	Description		
Audit Ref: 12.12 With: Clause 6 Schedule 15.3 From: 01-Sep-17 To: 30-Sep-18	The accuracy threshold was not met for all months and revisions. 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	Controls are rated as moderate, as they are sufficient to ensure data is within the accuracy threshold most of the time. Initial data is replaced with revised data and washed up.		
Actions taken to resolve the issue		Completion date	Remedial action status
Response: Non compliance accepted and remedial action on-going however we believe that we have strong controls in place which is backed up by the table above as attainment percentage are very high. Action: Mercury have made lot of changes since the last audit and will review this further to comply with the code.		Proposed: May 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Mercury have made lot of changes since the last audit and will review this further to comply with the code.		Proposed: May 2020	

Historical estimate reporting to RM			
Non-compliance	Description		
<p>Audit Ref: 13.3</p> <p>With: Clause 10 of Schedule 15.3</p> <p>From: Apr 2018 (r7), Aug-Oct 2018 (r3)</p>	<p>Historic estimate thresholds were not met for some revisions.</p> <p>Potential impact: Low</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>The controls are rated as moderate because in most cases the thresholds were met, and processes are in place to make estimated readings permanent.</p> <p>The audit risk rating is low, because Mercury were reasonably close to the target in all cases.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Response:</p> <p>Mercury has a strong control in place. The cases are created due to exceptional circumstances.</p> <p>Action:</p> <p>Mercury will investigate the root causes further to implement more robust process to meet the code obligation.</p>		May 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Mercury will investigate the root causes further to implement more robust process to meet the code obligation.		May 2020	