

# Compliance plan for Meridian Energy Reconciliation Participant Audit– 2022

Relevant information	
Non-compliance	Description
<p>Audit Ref: 2.1 With: 11.2 &amp; 15.2</p> <p>From: 01-Jul-21 To: 31-May-22</p>	<p><b>MERI</b></p> <p>Some registry information is incorrect. Not all corrections actioned from the last audit. The inactive consumption was not run consistently across 93 inactive metered ICPs. ICP 0000045782CPCOD has an incorrect multiplier applied since 1 Oct 2018. Some incorrect submission information recorded in <b>section 12.7</b>.</p> <p><b>MERX</b></p> <p>Some registry information is incorrect. Not all corrections actioned from the last audit. Two ICPs with multiplier discrepancies not resolved correctly. Two ICPs with bridged meters did not have a correction applied. 12 ICPs identified had consumption during inactive periods. Estimated under submission of 11,174 kWh has occurred. Inactive consumption report not including ICPs with inactive consumption once switched away or where two actual reads on or after the inactive status date not received. Some incorrect submission information recorded in <b>section 12.7</b>.</p> <p><b>PSNZ</b></p> <p>Some registry information is incorrect. HHR Submission data for ARCS CAT 2 ICP (0007106307RN6B8) and four ARCS Cat 1 ICPs that are not accurate due to inaccurate capture of raw meter data by data storage device. Three ICPs with bridged meters did not have a correction applied. 27 ICPs identified had consumption during inactive periods. Estimated under submission of 41,683 kWh has occurred. Inactive consumption report not including ICPs with inactive consumption once switched away or where two actual reads on or after the inactive status date not received. Some incorrect submission information recorded in <b>section 12.7</b>.</p> <p>Potential impact: Medium Actual impact: Medium Audit history: Multiple Controls: Moderate</p>

	Breach risk rating: 4		
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Medium</b>	<p>Controls are rated as moderate as they are sufficient to mitigate the risk of incorrect data most of the time, but there is room for improvement.</p> <p>The audit risk rating is assessed to medium because many of the issues identified have a moderate impact on settlement and the calculation of seasonal shapes.</p>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
<p>Actions relating to Registry and submission information inaccuracies raised in this section are outlined in the relevant sections of this report.</p> <p>We note for some issues corrections cannot be processed due to impact on other traders or customers, or corrections are outside r14.</p>			Identified
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
<p>Proposed actions relating to prevention of Registry and submission information inaccuracies are outlined in the relevant sections of this report.</p> <p>Meridian has processes in place to identify where information is incorrect and to correct this. In several sections of this report, we have detailed proposed improvements to process controls.</p>			

Electrical Connection of Point of Connection		
Non-compliance	Description	
<p>Audit Ref: 2.11 With: Clause 10.33A</p> <p>From: 01-Jul-21 To: 31-May-22</p>	<p><b>MERI</b></p> <p>Two ICPs with no metering in place are not reconciled as unmetered load.</p> <p>Four new connection ICPs with certification later than five days after electrical connection.</p> <p>28 ICPs were not certified within five days after reconnection.</p> <p><b>MERX</b></p> <p>One ICP with no metering in place is not reconciled as unmetered load.</p> <p>Late certification for two new connection ICPs.</p> <p>254 ICPs were not certified within five days after reconnection.</p> <p>One ICP meter from a sample of five was not certified on un-bridging.</p> <p><b>PSNZ</b></p> <p>Four of a sample of five new connection ICPs not certified within five business days.</p> <p>137 reconnections were not certified within five business days.</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	
<b>Low</b>	<p>The controls are rated as strong because appropriate policies and communication processes are in place, but there is a heavy reliance on other parties to achieve compliance.</p> <p>The audit risk rating is low as a small proportion of ICPs were affected.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p><u>MERI</u></p> <p>ICPs 0083582900PC3A3 &amp; 0000103539TRE1E that have had their meters removed from the Registry will be investigated to confirm whether these should be decommissioned.</p> <p><u>MERX</u></p> <p>ICP 0006474403ALC7C is currently undergoing the decommission process</p>	<p>30/04/2023</p> <p>30/04/2023</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur	Completion date	

<p>We have good controls and arrangements with service providers in place to ensure meters are certified at the time of initial electrical connection when possible – situations where load is too low or there are other reasons why certification to cannot take place are infrequent and processes are in place to monitor that certification is completed when it is possible.</p> <p>Refer to our comments in section 2.17 regarding bridged meter process improvements.</p>	Ongoing	
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Meter bridging		
Non-compliance	Description	
<p>Audit Ref: 2.17</p> <p>With: Clause 10.33C and 2A of Schedule 15.2</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>Not all bridged meters are identified and notified to MEPs within one business day.</p> <p><b>MERX</b></p> <p>Two ICPs with bridged meters did not have a correction applied.</p> <p><b>PSNZ</b></p> <p>Four ICPs with bridged meters did not have a correction applied.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
<p><b>Low</b></p>	<p>The controls are rated as weak as the current monitoring for bridged meters is insufficient to meet the code requirements.</p> <p>The audit risk rating is low due to the small numbers confirmed.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>We will review the ICPs identified where corrections were not applied to determine whether corrections can be made.</p>	15/12/2022	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We will review our processes for managing meters that are identified as being bridged on reconnection, so these are flagged in our system.</p> <p>Monitoring will be implemented to confirm meters are being unbridged and recertified and corrections are being processed</p>	<p>01/03/2023</p> <p>30/06/2023</p>	

Changes to registry information		
Non-compliance	Description	
Audit Ref: 3.3 With: 10 Schedule 11.1            From: 01-Jul-21 To: 31-May-22	<p><b>MERI</b></p> <p>71 late updates to “active” status for reconnections.</p> <p>74 late updates to “inactive - new connection in progress” status.</p> <p>133 late updates to “inactive” status for disconnections.</p> <p>957 late trader updates.</p> <p><b>MERX</b></p> <p>504 late updates to “active” status for reconnections.</p> <p>One late update to “inactive - new connection in progress” status.</p> <p>301 late updates to “inactive” status for disconnections.</p> <p>14,226 late trader updates.</p> <p><b>PSNZ</b></p> <p>695 late updates to “active” status for reconnections.</p> <p>Five late updates to “inactive - new connection in progress” status.</p> <p>222 late updates to “inactive” status for disconnections.</p> <p>1,635 late trader updates.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	<b>Rationale for audit risk rating</b>	
Low	<p><b>Controls in this area are robust but late notification from other areas of the business or networks shows there is room for improvement.</b></p> <p><b>The audit risk rating is low as overall a high percentage of updates are on time.</b></p>	
<b>Actions taken to resolve the issue</b>	<b>Completion date</b>	<b>Remedial action status</b>
All status and trader updates have been processed.	Complete	Identified
We have reviewed circumstances around the decrease in compliance for MERX for Trader updates and found the majority of these are attributable to bulk processes for updating profiles and MEP nominations associated with smart meter deployment.	Complete	
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	

We will continue with our existing controls to ensure Registry information is updated within 5 business days where this is within our control.	Ongoing	
We will implement further monthly monitoring of timeliness of Registry updates.	28 Feb 2023	
We will review our processes and controls around selection of ANZSIC Code on customer sign up so back dated corrections required are less frequent.	30/04/2023	

Provision of information to the registry manager		
Non-compliance	Description	
<p>Audit Ref: 3.5</p> <p>With: Clause 9 Schedule 11.1</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>402 late updates to “active” status for new connections.</p> <p>74 late updates to “inactive - new connection in progress” status for new connections.</p> <p>Three of the sample of 52 ICPs had incorrect “active” dates recorded.</p> <p><b>MERX</b></p> <p>738 late updates to “active” status for new connections.</p> <p>One late update to “inactive - new connection in progress” for a new connection.</p> <p>Six of the sample of 36 ICPs had an incorrect “active” date recorded.</p> <p><b>PSNZ</b></p> <p>356 late updates to “active” status for new connections.</p> <p>Five late updates to “inactive - new connection in progress” status for new connections.</p> <p>Two incorrect event dates.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are rated as moderate, in most cases the registry was updated on time. Where information was late, circumstances beyond Meridian’s direct control had contributed to some of the late updates.</p> <p>The audit risk rating is low as the impact to the market of the ICPs not being updated within five business days is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status

Provision of information to the registry manager		
Non-compliance	Description	
<p>Incorrect inactive dates identified have been or will be corrected.</p> <p>We have reviewed circumstances around the decrease in compliance for all codes in relation to timeliness of Registry notifications for new connections and found this is attributable to a number of new embedded networks with a large volume of ICPs where there were delays in processing the new connections.</p>	01/12/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We will continue with our existing controls to ensure Registry information is updated within 5 business days where this is within our control.</p> <p>We will implement further monthly monitoring of timeliness of Registry updates.</p> <p>We will review processes for embedded network new connections to see if there are any improvements that would improve timeliness of processing.</p>	Ongoing	
	28 Feb 2023	
	30/06/2023	

ANZSIC codes			
Non-compliance	Description		
<p>Audit Ref: 3.6</p> <p>With: 9 (1(k) Schedule 11.1</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>One ICP of a sample of 50 ICPs checked with an incorrect ANZSIC code.</p> <p><b>MERX</b></p> <p>All 13 ICPs with unknown ANZSIC codes were able to be determined.</p> <p>All 20 ICPs sampled out of 806 with a residential ANZSIC code and Category 2 were found to be incorrect and have not been corrected.</p> <p>Nine ICPs with the residential ANZSIC code are incorrect.</p> <p><b>PSNZ</b></p> <p>Seven incorrect ANZSIC codes of residential on Category 2 ICPs. These have not been corrected.</p> <p>One incorrect ANZSIC code now corrected.</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		
<b>Low</b>	<p>Controls are rated as weak as the Flux business rules do not ensure that the correct ANZSIC code is allocated in all instances.</p> <p>The audit risk rating is low this has no direct impact on submission accuracy.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Corrections to incorrect/unknown ANZSIC Codes identified have been completed where this is possible.</p> <p>We will review the remaining ICPs assigned a residential ANZSIC Code with Cat 2 metering and correct this by correcting the account structure where required.</p>		<p>Complete</p> <p>01/04/2023</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>The process to determine correct ANZSIC codes on sign up will be reviewed to reduce instances where correction is required.</p>		01/04/2023	



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: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>Unmetered load incorrect for one ICP.</p> <p>ICP 0000050330WT582 is a back-up supply at Benmore and is unmetered, with a daily kWh figure of zero, which will mostly be correct, but if it runs the kWh will be unknown. This may require an exemption.</p> <p><b>MERX</b></p> <p>Unmetered load incorrectly recorded for three ICPs.</p> <p><b>PSNZ</b></p> <p>One ICP has unmetered load recorded correctly but from the incorrect date.</p> <p>One ICP had unmetered load incorrectly recorded. It's now correct but the description is still present.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. It appears there are delays in the identification and correction of discrepancies.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Instances of incorrect unmetered load identified have been corrected.	01/12/2022	Identified
We are gathering information to support an exemption application for ICP 0000050330WT582. This is an emergency back-up supply for the Benmore power station that has never been called on and is planned to be decommissioned by Dec 2023.	01/06/2023	
Preventative actions taken to ensure no further issues will occur	Completion date	
Existing controls to monitor unmetered load will continue.	Ongoing	

Management of “active” status		
Non-compliance	Description	
<p>Audit Ref: 3.8</p> <p>With: 17 Schedule 11.1</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>Three of the sample of 52 ICPs had incorrect active dates recorded for new connections.</p> <p><b>MERX</b></p> <p>One of a sample of 20 ICPs had an incorrect active date recorded for reconnections.</p> <p>Six of the sample of 36 ICPs had incorrect active dates recorded for new connections.</p> <p>12 ICPs with inactive consumption and therefore incorrect active status.</p> <p><b>PSNZ</b></p> <p>One of a sample of 20 ICPs had an incorrect active date recorded for reconnections</p> <p>Two of the sample of 33 ICPs had incorrect active dates recorded for new connections.</p> <p>ICP 0000047706WE3DF is still at “ready” but has been electrically connected.</p> <p>27 ICPs with inactive consumption and therefore incorrect active status.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	<p>Controls are rated as moderate. The reporting in Flux is not as robust as was in Velocity. This requires more manual management of data and therefore more room for errors.</p> <p>The audit risk rating is medium, because of the impact on settlement for inactive ICPs with consumption.</p>	
Actions taken to resolve the issue		Completion date
<p>We will review all incorrect active dates identified and ensure these are corrected.</p> <p>ICP 0000047706WE3DF – has recently had a site visit confirming that it is active, and metering is installed. Has now been claimed by PSNZ in the registry.</p>		22/09/2022
Preventative actions taken to ensure no further issues will occur		Completion date
Refer to our comments in 3.9 regarding inactive ICPs with consumption recorded.		
Remedial action status		
Identified		

Management of "inactive" status		
Non-compliance	Description	
<p>Audit Ref: 3.9</p> <p>With: Clause 19 Schedule 11.1</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>Six ICPs electrically connected but recorded as "inactive - new connection in progress". Five have been updated and one is still being investigated.</p> <p><b>MERX</b></p> <p>Five ICPs electrically connected but recorded as "inactive - new connection in progress". These are all now resolved.</p> <p>12 ICPs with inactive consumption and therefore incorrect active status.</p> <p><b>PSNZ</b></p> <p>27 ICPs with inactive consumption and therefore incorrect active status.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	<p>The controls are rated as moderate as they will mitigate risk most of the time but there is room for improvement. The reporting of inactive consumption requires improvement because it currently only shows current issues not historic.</p> <p>The impact is medium, because the impact on settlement and participants is moderate for inactive ICPs with consumption.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Most incorrect ICP statuses have been updated where this is possible. ICP 0000052317HB0B9 is still under investigation.</p> <p>We will review the ICPs identified with Inactive consumption and update their status to active if confirmed as consuming.</p>	<p>01/02/2023</p> <p>01/12/2022</p>	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Active monitoring of the AC-020 will be re-instated for all codes to monitor for issues impacting Registry active status updates.</p> <p>Reporting and processes to monitor and manage Inactive ICPs with consumption recorded will be reviewed for MERX and PSNZ to ensure status updates occur where genuine consumption is identified.</p>	<p>01/02/2023</p> <p>30/06/2023</p>	

Losing trader response to switch request and event dates - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.2</p> <p>With: Clause 3&amp;4 Schedule 11.3</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>Five of a sample of five AN codes incorrectly sent with AA instead of AD. Five of a sample of five AN codes incorrectly sent with AD instead of AA. One incorrect AN code of MU sent.</p> <p><b>MERX</b></p> <p>Five of a sample of five AN codes incorrectly sent with AA instead of AD. One of a sample of five AN codes incorrectly sent with AD instead of AA.</p> <p><b>PSNZ</b></p> <p>Five of a sample of five AN codes incorrectly sent with AA instead of AD.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Twice previously</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as strong because they mitigate risk to an acceptable level.</p> <p>The audit risk rating is assessed to be none but low is the only option available. Traders to not rely on these codes, they rely on the registry details instead.</p>	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
We will continue with our existing controls which have been assessed as strong		Ongoing
		Identified

Losing trader must provide final information - standard switch			
Non-compliance	Description		
<p>Audit Ref: 4.3</p> <p>With: Clause 5 Schedule 11.3</p> <p>From: 01-Jul-21 To: 31-May-22</p>	<p><b>MERI</b></p> <p>Four CS breaches.</p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>One of a sample of three ICPs with an incorrect reading and last read date.</p> <p>Incorrect last read date recorded for two of three ICPs with read dates the day before the switch date but where the switch read is an estimate.</p> <p>Incorrect reading recorded for one of three ICPs with read dates the day before the switch date but where the switch read is an estimate.</p> <p>Incorrect read types sent for four of five ICPs sampled where the reading was an actual and the last actual read date is more than one day prior to the event date.</p> <p>Last actual read date was after the period of supply for one of one ICPs sampled.</p> <p><b>MERX</b></p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>Three of a sample of three ICPs had the final estimate sent in the CS as the switch event meter reading when actual readings were available.</p> <p>One transfer switch ICP contained an incorrect last read date.</p> <p><b>PSNZ</b></p> <p>Average daily kWh in the CS is not calculated in accordance with the Registry Functional Specification.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated as moderate as controls will mitigate risk most of the time but the incorrect read type being sent for the event date requires attention.</p> <p>The audit risk rating is low because the kWh differences found are generally small.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.</p> <p>Read changes have been completed where requested by the gaining trader.</p>		22/09/2022	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

<p><b>MERI</b> - Due to the migration of ICPs off Velocity, the average daily consumption logic has not been changed. The issues noted with regard negative average consumption when DG is present and calculation of 0 average consumption when a zero days bill is produced are not present in Flux.</p> <p><b>MERX/PSNZ</b> – While differing in some instances from the functional specification we consider calculation of average daily kWh in our CS files is materially accurate.</p> <p><b>Incorrect Read/Read Type</b></p> <p>We are currently investigating whether there are any timing changes that could be made to some of the scheduled processes in Flux that may reduce occurrence of the timing anomaly that means an estimate is used for the CS file rather than an actual read.</p> <p>We will review current exception processes and system functionality for managing switching of ICPs post customer move out to identify improvements with read and read type selection</p>	<p>01/04/2023</p> <p>01/04/2023</p>	
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Retailers must use same reading - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.4</p> <p>With: Clause 6(1) and 6A Schedule 11.3</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERX</b></p> <p>58 RR breaches for transfer switches.</p> <p><b>PSNZ</b></p> <p>21 RR breaches for transfer switches.</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	
<b>Low</b>	<p>The controls are rated as strong, as they will mitigate risk to an acceptable level.</p> <p>The impact is low because there is a minor impact on other participants due to a small number of files being sent late.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.	22/09/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>RR files are only issued outside 4 months where there are delays obtaining actual reads – generally for manually read meters.</p> <p>Due to the impact of Covid, Wells Meter Reading Services had staffing difficulties in which they struggled to complete many of the bi-monthly read routes. Many reads were not able to be obtained within the 4-month period which has resulted in a higher than usual number of later RR files.</p>	22/09/2022	

Non-half hour switch event meter reading - standard switch		
Non-compliance	Description	
Audit Ref: 4.5 With: Clause 6(2) and (3) Schedule 11.3  From: 01-Jul-21 To: 31-May-22	<b>MERX</b> RR file incorrectly rejected for ICP 0006814972RN6A5. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are rated as moderate as the controls will mitigate risk most of the time, but human errors will occur.  The impact is rated as low because of the small volume of RR's affected.	
Actions taken to resolve the issue	Completion date	Remedial action status
No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers	22/09/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Meridian considers the controls to be strong. RR Rejections under this clause are monitored monthly and feedback provided to staff members where incorrect rejections are identified	22/09/2022	



Losing trader provides information - switch move	
Non-compliance	Description
<p>Audit Ref: 4.8</p> <p>With: Clause 10(1) Schedule 11.3</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>Five of a sample of five AN files incorrectly had response codes of AA instead of AD.</p> <p>One of a sample of one AN file had AA recorded instead of PD.</p> <p>One of a sample of one AN file had OC recorded instead of AA.</p> <p>Two ET breaches.</p> <p>One E2 breach.</p> <p>One AN had a proposed event date prior to the date requested by the gaining trader.</p> <p><b>MERX</b></p> <p>Five of a sample of five AN files incorrectly had response codes of AA instead of AD.</p> <p>Three of a sample of five AN files incorrectly had response codes of AD instead of AA.</p> <p>One T2 breach.</p> <p>Two E2 breaches.</p> <p>17 ET breaches.</p> <p>Six ANs had proposed event dates prior to the date requested by the gaining trader.</p> <p>14 ANs had proposed event dates more than ten business days after the NT receipt date.</p> <p><b>PSNZ</b></p> <p>Five of a sample of five AN codes incorrectly sent with AA instead of AD.</p> <p>One of a sample of five AN codes incorrectly sent with AD instead of AA.</p> <p>Two T2 breaches.</p> <p>23 ET breaches.</p> <p>20 ANs with proposed event dates more than ten business days after the NT receipt date.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating
<b>Low</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement</p> <p>The impact is assessed as low due to the number of ICPs affected in relation to the volume of ICPs switched. .</p>

Actions taken to resolve the issue	Completion date	Remedial action status	
<p>AN response codes are assigned by our system according to how we attain the read data - from MEP's (daily) or Wells (bi-monthly).</p> <p>No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.</p>	23/09/2022	Identified	
Preventative actions taken to ensure no further issues will occur	Completion date		
<p>We will continue to monitor our processes and controls in place to reduce instances of human error with AN date selection and switch breaches.</p>	Ongoing		

Losing trader determines a different date - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.9</p> <p>With: 10(2) Schedule 11.3</p> <p>From: 13-Jul-21</p> <p>To: 07-Jun-22</p>	<p><b>MERI</b></p> <p>One AN had a proposed event date prior to the date requested by the gaining trader.</p> <p><b>MERX</b></p> <p>Six ANs had proposed event dates prior to the date requested by the gaining trader.</p> <p>11 ANs had proposed event dates more than ten business days after the NT receipt date.</p> <p>Potential impact: Low</p> <p>Actual impact: None</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<p><b>Low</b></p>	<p>The controls are recorded as strong because they mitigate risk to an acceptable level.</p> <p>There was no impact because the switch event date matched that proposed by the gaining trader.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.</p>		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

We will continue with our existing controls which have been assessed as strong.		
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Losing trader must provide final information - switch move	
Non-compliance	Description
<p>Audit Ref: 4.10</p> <p>With: Clause 11 Schedule 11.3</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>Two of a sample of three ICPs with incorrect readings and last read dates where the date of the last read is the same as the switch date.</p> <p>All five ICPs sampled of a possible 3,945 ICPs with last actual read dates more than one day before the event date with an actual switch event reading had an incorrect read type of actual recorded.</p> <p>28 ICPs had last actual read dates after the switch event date.</p> <p>One of three ICPs sampled had an incorrect read type of estimated.</p> <p><b>MERX</b></p> <p>Average daily consumption is not calculated in accordance with the registry functional specification in some instances.</p> <p>Two ICPs with incorrect last actual read dates and the dates were after the switch date.</p> <p>Three of a sample of three ICPs had the final estimate sent in the CS as the switch event meter reading when actual readings were available.</p> <p>ICP 0000510743CE6A7 had an incorrect switch event reading and an incorrect last actual reading resulting in vacant consumption becoming the responsibility of the gaining trader. ICP 0007144522RN871 had a reading from 6 April 2022 used as an actual read for a switch event date of 8 April 2022. ICP 0000482782CEDE5 had a switch event date of 17 May 2022 and a last actual read date of 27 April 2022 but there was a read on 16 May 2022, therefore the date of the last read is incorrect.</p> <p><b>PSNZ</b></p> <p>Two of a sample of five switch move CS contained an incorrect read type.</p> <p>Three of a sample of five switch move CS files contained incorrect readings.</p> <p>Average daily kWh in the CS is not calculated in accordance with the Registry Functional Specification.</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>
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>

<b>Low</b>	<p>Controls are rated as moderate as controls will mitigate risk most of the time but the incorrect read type being sent for the event date requires attention and I recommend that actual reads for the event date are used wherever possible.</p> <p>The audit risk rating is low because the kWh differences found are generally small.</p>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
<p>Average Daily Consumption – please refer to comment on 4.3</p> <p>We are currently reviewing the timing of when the MEP and Wells reads are loaded into Flux to avoid labelling of incorrect read types.</p> <p>We will review our processes around switching of vacant ICPs to ensure the last actual read is selected.</p>		<p>01/04/2023</p> <p>01/04/2023</p>	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
We will continue to monitor our processes and controls in place to reduce instances of human error within switch breaches.		Ongoing	

<b>Gaining trader changes to switch meter reading - switch move</b>			
<b>Non-compliance</b>	<b>Description</b>		
<p>Audit Ref: 4.11</p> <p>With: Clause 12 Schedule 11.3</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>17 RR breaches.</p> <p><b>MERX</b></p> <p>54 RR breaches.</p> <p><b>PSNZ</b></p> <p>48 RR breaches.</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>		
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Low</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>

No action is able to be taken to correct the issues raised in this section without impacting other retailers and customers.		Identified
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
RR files are only issued outside 4 months where there are delays obtaining actual reads – generally for manually read meters.  Due to the impact of Covid, Wells Meter Reading Services had staffing difficulties in which they struggled to complete many of the bi-monthly read routes. Many reads were not able to be obtained within the 4-month period.		

Gaining trader informs registry of switch request - gaining trader switch		
Non-compliance	Description	
Audit Ref: 4.12 With: Clause 14 Schedule 11.3  From: 01-Oct-21 To: 31-Mar-22	<b>MERI</b> Three late NT files. Six PT breaches. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as strong because they mitigate risk to an acceptable level.  The impact on settlement and participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
		Identified
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
We will continue with our existing controls which have been assessed as strong.		

Losing trader provision of information - gaining trader switch		
Non-compliance	Description	
Audit Ref: 4.13 With: Clause 15 Schedule 11.3  From: 13-Jan-22 To: 14-Jan-22	<b>MERI</b> One AN file sent one day late. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as strong because they mitigate risk to an acceptable level. The impact on settlement and participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We will continue with our existing controls which have been assessed as strong.		

Withdrawal of switch requests		
Non-compliance	Description	
<p>Audit Ref: 4.15</p> <p>With: Clauses 17 and 18 Schedule 11.3</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>Three SR breaches.</p> <p>17 NA breaches.</p> <p>One incorrect NW code.</p> <p><b>MERX</b></p> <p>13 SR breaches.</p> <p>156 NA breaches.</p> <p>One incorrect NW code.</p> <p><b>PSNZ</b></p> <p>28 SR breaches.</p> <p>119 NA breaches.</p> <p>Three incorrect NW codes used.</p> <p>One AW breach.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Controls are rated as moderate, as they are sufficient to ensure that most NWS contain correct codes and are sent on time.</p> <p>The impact is low because the withdrawal reasons were correct even though there was a delay.</p>	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We consider that our process and controls related to switch withdrawals work well in most instances.</p> <p>On occasion the reasons leading to withdrawal of a switch can take some time to establish (e.g wrong ICP switched in error) resulting in requests being sent outside the 2-month timeframe. The withdrawal in these instances is required to ensure a customer is correctly billed by the retailer of their choosing</p>		
		Identified

Metering information			
Non-compliance	Description		
<p>Audit Ref: 4.16</p> <p>With: Clause 21 Schedule 11.3</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>Four ICPs with incorrect switch readings.</p> <p><b>MERX</b></p> <p>Eight ICPs with incorrect switch readings, sometimes causing vacant consumption to be pushed to the gaining trader.</p> <p><b>PSNZ</b></p> <p>Three CS files had incorrect switch readings.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Three times previously</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated as weak as the controls in place do not ensure that the information sent in the CS files is as accurate as possible.</p> <p>The audit risk rating is low as the RR process is used to correct volumes in most instances.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Please refer to our response to 4.3 and 4.10			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Please refer to our response to 4.3 and 4.10			



Maintaining shared unmetered load			
Non-compliance	Description		
Audit Ref: 5.1 With: Clause 11.14 From: 11-Mar-22 To: 27-Jul-22	<b>MERX</b> Incorrect shared unmetered load for one ICP. <b>PSNZ</b> Incorrect shared unmetered load for one ICP. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 21		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as strong because they mitigate risk to an acceptable level. The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have reviewed the 2 ICPs for MERX and PSNZ and confirm they have since been corrected		23/09/2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue to monitor the AC020 report to identify any discrepancies		Ongoing	
We will continue with our existing controls which we consider are robust.		Ongoing	

Unmetered threshold		
Non-compliance	Description	
Audit Ref: 5.2 With: Clause 10.14 (2)(b) From: 01-Jul-21 To: 31-May-22	<b>MERI</b> Four ICPs with annual consumption exceeding 6,000 kWh per annum. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as strong because they mitigate risk to an acceptable level. The impact on settlement and participants is minor; therefore, the audit risk rating is low. The loads are predictable therefore they are likely to be reasonably accurate.	
Actions taken to resolve the issue	Completion date	Remedial action status
See comments in section 5.3		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Unmetered threshold exceeded		
Non-compliance	Description	
Audit Ref: 5.3 With: 10.14 (5)  From: 01-Jul-21 To: 31-May-22	<b>MERI</b> Four standard unmetered ICPs with annual consumption over 6,000 kWh. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	Controls are rated as strong because Meridian has few options available other than installing metering at considerable expense for the underpass or creating DUMML databases for the other ICPs.  The audit risk rating is low as only four ICPs exceed the threshold and the load is likely to be correct.	
Actions taken to resolve the issue	Completion date	Remedial action status
Refer to comments in the table above.		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Distributed unmetered load			
Non-compliance	Description		
<p>Audit Ref: 5.4</p> <p>With: Clause 11 Schedule 15.3, Clause 15.37B &amp; 16A.26</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>Inaccurate submission information for several databases.</p> <p>The monthly database extracts used to derive submission from are provided as a snapshot and do not track changes at a daily basis as required by the code in some instances.</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		
<b>High</b>	<p>The effectiveness of the controls is recorded as moderate as Meridian are working to resolve the issues found.</p> <p>The impact on settlement is high because the incorrect submission figures are major for some databases.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Audits of existing databases with known unresolved issues are monitored with customer engagement regularly.</p> <p>Actions being taken to address issues with DUMML databases are detailed in individual DUMML audit reports.</p> <p>We have assessed our processes and tools to account for historic lamp installations and changes to the database at a daily level. There are checks in place comparing month to month data to identify any changes. These are accounted for in monthly submission. Meridian will continue to work with the customer to request that monthly data extracts include the detail of changes.</p>		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Meridian will continue to follow up with customers regularly to complete the required corrections and to maintain the install updates and changes to the database.</p>		Ongoing	

Electricity conveyed & notification by embedded generators		
Non-compliance	Description	
<p>Audit Ref: 6.1</p> <p>With: Clause 10.13, 10.24 and 15.13</p> <p>From: 01-Jul-21</p> <p>To: 31-May-22</p>	<p><b>MERI</b></p> <p>Two active ICPs have had their meters removed from the registry in 2017 and are not unmetered installations therefore there is no meter in place as required by this clause.</p> <p>Generation not quantified or gifted for one HHR ICP (0001230783TG57C) where the distributor indicates grid connected generation is connected.</p> <p>One incorrect profile, now corrected.</p> <p><b>MERX</b></p> <p>Five ICPs with the incorrect profile. Two are now resolved, but three require appropriate metering.</p> <p>While meters were bridged, energy was not metered and quantified according to the code for two ICPs.</p> <p><b>PSNZ</b></p> <p>While meters were bridged, energy was not metered and quantified according to the code for four ICPs.</p> <p>Generation not quantified or submitted for seven ICPs.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. More regular monitoring is required to identify discrepancies sooner.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>As reported meters are bridged only when necessary and this will continue to be the case</p> <p>Refer also to our comments in 2.17 regarding improvements to our processes to identify and monitor actions relating to bridged meters.</p> <p>ICPs identified with possible generation not quantified or submitted are being investigated and they will either have the metering installed or be added to the gifted generation register as part of our usual processes.</p>	30/04/2023	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

<p>We will continue to work at streamlining our process on identifying and resolving issues around bridged meters and generation metering.</p> <p>We will be monitoring the AC020 report more frequently</p>	30/04/2023	
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Certification of control devices		
Non-compliance	Description	
<p>Audit Ref: 6.3</p> <p>With: Clause 33 Schedule 10.7 and clause 2(2) Schedule 15.3</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>13 ICPS had profiles requiring control device certification where CDC flag on the registry is set to 'N'.</p> <p><b>MERX</b></p> <p>1015 ICPS had profiles requiring control device certification where CDC flag on the registry is set to 'N'.</p> <p><b>PSNZ</b></p> <p>195 ICPS had profiles requiring control device certification where CDC flag on the registry is set to 'N'.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<p><b>Low</b></p>	<p>Controls are rated as moderate because the understanding around the need for a certified control device for night-controlled load was not well understood.</p> <p>The audit risk rating is low because there are robust controls in place and a very small number of ICPs were affected.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>We will confirm with the relevant MEPs that control device certification for the identified ICPs is included in the metering installation certification and request the Registry flag be updated.</p>	31/03/2023	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>In the interim we have made a change to our profile selection tool so that E08, E11 and E13 are only selected as valid profiles where the CDC flag is Y on the Registry.</p>	29/09/2022	

Collection of information by certified reconciliation participant		
Non-compliance	Description	
<p>Audit Ref: 6.5</p> <p>With: Clause 2 Schedule 15.2</p> <p>From: 01-Sep-20</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>ICPs 0085976769LC230, 0001951350TGCC and 0316096796LCCB1 were not interrogated within its maximum interrogation cycle.</p> <p>Event logs were not retrieved for ICP 1001152747CK458 for a manual download as part of a meter change in April 2022.</p> <p><b>MERX</b></p> <p>Raw meter data not reviewed where time error is greater than the maximum permitted error for seven ICPs where the meters had a time-based configuration (D/N, WD/WE, CN8).</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as strong because they mitigate risk to an acceptable level.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Refer comments in the table above regarding ICPs not interrogated within their maximum interrogation cycle.</p> <p>We will follow up the large time drift errors identified on MEP reports to confirm why these were not notified by MEPs as requiring action. Action will be taken where required.</p>	31/12/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We will confirm with MEPs that time synch errors are being notified by e-mail where action is required.</p> <p>The failure to retrieve an event log as part of the manual download for ICP 1001152747CK458 was an exception - process controls to ensure this occurs are robust.</p>	28/02/2023	

Derivation of meter readings		
Non-compliance	Description	
<p>Audit Ref: 6.6</p> <p>With: Clause 5 of Schedule 15.2</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>Wells meter condition information not checked for account managed ICPs.</p> <p><b>MERX</b></p> <p>Wells meter condition information not checked for the entire audit period.</p> <p><b>PSNZ</b></p> <p>Wells meter condition information not checked for the entire audit period.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is a need for improvement around managing meter condition information.</p> <p>The audit risk impact is expected to be medium as meter integrity issues are not being reviewed or investigated once these are being reported by the meter reading agent.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
We are currently reviewing our processes for managing meter read condition files to ensure these are being checked in all cases.	01/12/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Once the reviewing of how the meter read condition files are managed and processed, there will be stronger controls in place.	01/04/2023	



NHH meter reading application		
Non-compliance	Description	
<p>Audit Ref: 6.7</p> <p>With: Clause 6 Schedule 15.2</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>For downgrades, all HHR volumes are reported up to the day of the meter change. All NHH volumes are reported, but due to system constraints the consumption is apportioned from two days after the meter change onwards instead of from the day after the meter is changed.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as moderate because all consumption is captured and reported, but a small amount will not be recorded against the correct date.</p> <p>The impact on settlement and participants is minor, as all consumption is captured and reported. One day expected to have consumption will not have any consumption allocated, and other days in the read-to-read period will have slightly more consumption allocated. There will be a small amount of ICP Days scaling applied to MERI as a consequence of this system limitation.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
The issue with apportionment of NHH consumption following a downgrade is expected to be resolved when this process is conducted in Flux rather than Velocity.	31/12/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Interrogate meters once			
Non-compliance	Description		
<p>Audit Ref: 6.8</p> <p>With: Clause 7(1) and (2) Schedule 15.2</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>Eight of ten ICPs sampled were not read during the period of supply and exceptional circumstances were not proven.</p> <p><b>PSNZ</b></p> <p>Three of ten ICPs sampled were not read during the period of supply and exceptional circumstances were not proven.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating:2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact is assessed to be low as the volume of unread during the period of supply represent a very small number of the overall customer base.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
As these ICPs are no longer supplied by Meridian/Powershop no action can be taken to obtain a read.		27/09/2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
MERI – Existing processes and controls will continue		27/09/2022	
PSNZ – As for MERX, implementation of a more automated and targeted process that will apply across all ICPs to manage no reads is expected to improve read attainment compliance for all obligations. Implementation of this process for PSNZ was delayed due to ongoing resource constraints during the audit period.		30/04/2023	

NHH meters interrogated annually		
Non-compliance	Description	
<p>Audit Ref: 6.9</p> <p>With: Clause 8(1) and (2) Schedule 15.2</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>Exceptional circumstances and best endeavours were not proven for all of a sample of ten ICPs checked.</p> <p><b>PSNZ</b></p> <p>Exceptional circumstances and best endeavours were not proven for one of a sample of ten ICPs checked.</p> <p>The Meter Read frequency report is including solely unmetered ICPs in its analysis.</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	
<b>Low</b>	<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 as low as there is an overall high level of ICPs being read once within 12 months.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
MERI - Existing processes and controls will continue. ICPs will be migrated to MERX where the implementation of a more automated and targeted process that will apply across all ICPs to manage no reads is expected to improve read attainment compliance for all obligations by ensuring best endeavours requirements are met.	31/12/2022	
PSNZ – We will be continuing with our existing controls until the automation process starts	30/04/2023	

NHH meters 90% read rate		
Non-compliance	Description	
<p>Audit Ref: 6.10</p> <p>With: Clause 9(1) and (2) Schedule 15.2</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-21</p>	<p><b>MERI</b></p> <p>Exceptional circumstances and best endeavours were not proven for 10 of 11 examples checked.</p> <p><b>MERX</b></p> <p>Exceptional circumstances and best endeavours were not proven for one of ten examples checked.</p> <p>The Meter Read frequency report is including inactive ICPs in its analysis.</p> <p><b>PSNZ</b></p> <p>Exceptional circumstances and best endeavours were not proven for one of ten examples checked.</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	
<b>Low</b>	<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 as low as the number of NSPs not meeting the 90% read threshold within four months is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
MERI - Existing processes and controls will continue. ICPs will be migrated to MERX where the implementation of a more automated and targeted process that will apply across all ICPs to manage no reads is expected to improve read attainment compliance for all obligations by ensuring best endeavours requirements are met.	31/12/2022	
MERX – The meter read frequency reports will be reviewed and will consider making the changes for improvement.	30/04/2023	
PSNZ - The automated process that has been implemented for MERX will be implemented for PSNZ over the next 6 months.	30/04/2023	

HHR interrogation data requirement		
Non-compliance	Description	
Audit Ref: 6.13 With: Clause 11(2) Schedule 15.2  From: 01-Apr-21 To: 28-Feb-22	Event logs were not retrieved for ICP 1001152747CK458 for a manual download as part of a meter change in April 2022.  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Strong  Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	Controls are rated as strong, and the impact as low, as the process to retrieve event logs during manual downloads is robust.	
Actions taken to resolve the issue	Completion date	Remedial action status
The meter was changed so it could be read remotely.	March 2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
The failure to retrieve an event log as part of the manual download for ICP 1001152747CK458 was an exception - process controls to ensure event logs are retrieved on manual download are robust.		

Correction of HHR metering information	
Non-compliance	Description
Audit Ref: 8.2 With: Clause 19(2) Schedule 15.2  From: 01-Sep-21 To: 30-Jun-22	<b>MERI</b> Correction of HHR data for ICP 8000000039SN915 following a time correction did not ensure the consumption pattern for the affected period was consistent with the history for the ICP.  <b>PSNZ</b> HHR data corrections do not reflect total measured consumption of the profile for ICPs 0006504558RNB2E & 0006886795RN35A,  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Moderate  Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating

<b>Low</b>	<p>Controls are rated as moderate overall as EMS process are robust however PSNZ has limited controls in place.</p> <p>The impact as low, as the process to complete C&amp;I estimations is robust and the PSNZ AMI kWh impact is currently small.</p>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
<p><u>MERI (EMS)</u></p> <p>The data was reviewed and as appropriate adjusted.</p>		Aug 2022	Cleared
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
<p><u>MERI (EMS)</u></p> <p>This issue was discussed with staff and the process will be modified where there are step time changes.</p> <p><u>PSNZ</u></p> <p>We acknowledge that HHR estimation methodology in Flux is limited and controls to manage the small number of ICPs settled intermittently as HHR require improvement. We will conduct a full review of our processes and controls should we continue to use HHR settlement functionality for any ICPs in future.</p>		<p>Aug 2022</p> <p>30/04/2023</p>	

Identification of readings		
Non-compliance	Description	
<p>Audit Ref: 9.1 With: Clause 3(3) Schedule 15.2</p> <p>From: 01-Jul-21 To: 31-May-22</p>	<p>Some incorrectly labelled meter readings, as follows:</p> <p><b>MERI</b> At least one ICP with actual reading labelled as estimate. At least ten ICPs with estimated readings labelled as actuals.</p> <p><b>MERX</b> One ICP with actual labelled as estimate. One ICP with estimate labelled as actual.</p> <p><b>PSNZ</b> Actual readings labelled as estimates for eight of a sample of 20 ICPs where read changes had occurred. Actual readings labelled as estimates for five of a sample of five move switch CS files. Potential impact: Low Actual impact: Low Audit history: Multiple times previously Controls: Weak Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Controls are rated as weak because they do not adequately manage the risk of incorrect identification of readings.</p> <p>The audit risk impact is low as the volume of reads affected by this is low.</p>	
Actions taken to resolve the issue		Completion date
Please refer to our comments in sections 4.3 and 4.10		
Preventative actions taken to ensure no further issues will occur		Completion date
PSNZ – Actual reads labelled as estimates when sending an RR – This issue has been identified as a training issue and has now been resolved		27/09/2022
Identified		

Meter data used to derive volume information		
Non-compliance	Description	
<p>Audit Ref: 9.3</p> <p>With: Clause 3(5) Schedule 15.2</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI, MERX and PSNZ</b></p> <p>Raw meter data is truncated upon receipt and not when volume information is created for MTRX, IHUB and FCLM meters.</p> <p>Potential impact: None</p> <p>Actual impact: None</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	
<b>Low</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact to settlement and switch read accuracy is minor.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Flux development work scheduled to resolve this issue was delayed due to higher priority work. It remains on the development backlog but the timeframe for when this will be scheduled is currently unknown. We will continue to follow this up for resolution.	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We have reviewed the reasons digits recorded for these providers meters do not include decimal places in the system to ensure meters for any future providers include them. We have raised a Flux improvement request and it is currently in the development backlog. The timeframe for this to be scheduled is unknown. We will continue to follow up for a resolution.	Ongoing	



Half hour estimates		
Non-compliance	Description	
<p>Audit Ref: 9.4</p> <p>With: Clause 15 Schedule 15.2</p> <p>From: 01-May-21</p> <p>To: 31-Aug-21</p>	<p><b>PSNZ</b></p> <p>Best endeavours not met for PSNZ HHR estimations.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as moderate because the EMS controls for C&amp;I estimations and MERI controls around Grid Generation estimations remains strong, whereas PSNZ has no effective controls in place</p> <p>The risk rating is low as only a single network is affected and while there is an impact to the calculation of seasonal shapes for that network impacting all NHH traders on that network, the incidence of incorrect estimations is small.</p>	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
<p><u>PSNZ</u></p> <p>We acknowledge that HHR estimation methodology in Flux is limited and controls to manage the very small number of ICPs settled intermittently as HHR require improvement. We will conduct a full review of our processes and controls, including where HH data received from an MEP is not complete, should we continue to use HHR settlement functionality for any ICPs in future.</p>		30/04/2023
		Identified

Electronic meter readings and estimated readings			
Non-compliance	Description		
<p>Audit Ref: 9.6</p> <p>With: Clause 17 Schedule 15.2</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI MERX and PSNZ</b></p> <p>Not all AMI events checked.</p> <p><b>PSNZ</b></p> <p>HHR data not checked for missing data.</p> <p>No checks of unexpected HHR consumption patterns.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>Meter Event Reporting</u></p> <p>Development of internal reporting to identify potential tamper events will be investigated.</p>		30/04/2023	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>PSNZ HHR Read Validation</u></p> <p>We acknowledge that HHR estimation methodology in Flux is limited and controls to manage the very small number of ICPs settled intermittently as HHR require improvement. We will conduct a full review of our processes and controls, including where HH data received from an MEP is not complete, should we continue to use HHR settlement functionality for any ICPs in future.</p>		30/04/2023	

Calculation of ICP days		
Non-compliance	Description	
<p>Audit Ref: 11.2</p> <p>With: Clause 15.6 of part 15</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>For six ICPs the count of days reported was one day less due to known meter downgrade/meter change issue where the new meter is installed a day later than actual.</p> <p>Benmore Power station back up supply unmetered ICP with zero kWh/day not included in ICP Days report.</p> <p><b>MERX</b></p> <p>Nine ICPs associated with NSP TPD0011 EN TENC underreported by one day each due to incorrect start date applied for new connections in Flux.</p> <p>The registry status was incorrect for ICP 0495378942LCE09.</p> <p><b>PSNZ</b></p> <p>Three HHR ICPs across 2 NSPs had the incorrect submission type recorded in the registry due to meter change triggering an automated incorrect registry update.</p> <p>Potential impact: Low</p> <p>Actual impact: None</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact is rated as low because overall the number of ICP days affected is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p><u>MERI</u></p> <p>Refer to our comments in sections 6.7 &amp; 3.7</p> <p><u>MERX</u></p> <p>We will review and correct the 9 ICPs that had the incorrect commissioning date applied in Flux and correct these if possible.</p> <p>Registry status for ICP 0495378942LCE09 has been corrected.</p> <p><u>PSNZ</u></p> <p>We have made multiple attempts to correct the submission type on the Registry for the 3 ICPs identified however the sequence of metering events has prevented this being correctly reflected as HH.</p>	<p>30/11/2023</p> <p>N/A</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur	Completion date	

<p>We consider our process and controls around calculation of AV-110 generally work well. Errors identified with AV-110 submissions are generally related to data entry errors and are not systemic (with the exception of the issue with downgrades in the Velocity system which will soon be resolved).</p>	<p>31/12/2023</p>	
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HHR aggregates information provision to the reconciliation manager		
Non-compliance	Description	
<p>Audit Ref: 11.4 With: Clause 15.8  From: 01-Sep-21 To: 30-Jun-22</p>	<p><b>MERI</b> HHR aggregates file for Feb 2022 R0 does not reflect the submission volumes recorded in the associated AV-090 HHRVOLS file.  Potential impact: None Actual impact: None Audit history: Multiple times Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<p><b>Low</b></p>	<p>Controls are rated as strong as the EMS process is robust and MERI also undertakes a sense check where time permits prior to submission.  The audit risk rating is low because there is no impact to reconciliation</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>HHR aggregates volumes for Feb 2022 were corrected at R1</p>	<p>Complete</p>	<p>Cleared</p>
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Controls around HHR aggregates submissions are robust</p>		

Creation of submission information			
Non-compliance	Description		
<p>Audit Ref: 12.2 With: Clause 15.4</p> <p>From: 01-Sep-21 To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>NHH ICPs 0005906555RNE30, 0006300324RNC8C and 0008801022TPEF8 have 1,5 “reconciled elsewhere” status but do not have their load reconciled under another ICP. ICP 0008801022TPEF8 has no load connected.</p> <p>HHR ICP 0007132883RN65A had status 1,5 “reconciled elsewhere” status but the primary ICP was decommissioned.</p> <p>ICP 0007199748RN966 distributed generation volumes were incorrect submitted against PV1 profile code instead of EG1.</p> <p><b>MERX</b></p> <p>Eight ICPs had consumption during inactive periods, indicating that their status was incorrect. Estimated under submission of 51kWh has occurred.</p> <p>Daily unmetered kWh values incorrect for ICPs 0000113698HB171 &amp; 0005189772RN99C.</p> <p><b>PSNZ</b></p> <p>20 ICPs had consumption during inactive periods, indicating that their status was incorrect. Estimated under submission of 41,564 kWh has occurred.</p> <p>Daily unmetered kWh values incorrect for ICPs 0000216126HB4CE &amp; 0000016372CP18F.</p> <p>Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	<p>Validation controls exist to ensure all consumption is submitted, but improvement is required for identification and resolution of inactive consumption for MERX and PSNZ ICPs. The other exceptions were isolated, and Meridian is in the process of resolving them.</p> <p>The impact is medium based on the kWh differences.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Refer to our comments in sections 3.7 and 3.9			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Refer to our comments in sections 3.7 and 3.9			

Allocation of submission information		
Non-compliance	Description	
<p>Audit Ref: 12.3</p> <p>With: Clause 15.5</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>Duplicate NHHVOL (AV-080) submissions provided between both MERI and EMS for DST profile for ISL0331 for the months Jan 2021, Feb 2021 and Aug 2021.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Validation controls exist to ensure all consumption is submitted, but improvement is required to identify potential duplicate submissions between MERI and its agent.</p> <p>The impact is low as correct volumes were used in the reconciliation process.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
The correct submission volumes were used in the reconciliation process.		Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
The DST entry in MERI AV-080 files was due to the profile/billing configuration for 1 ICP which was not standard. This ICP's profile has been changed to UML so it will be submitted by MERI rather than EMS and the manual process step to remove from the AV-080 file is not required.	01/08/2022	

Accuracy of submission information	
Non-compliance	Description
<p>Audit Ref: 12.7</p> <p>With: Clause 15.12</p>	<p><b>MERI</b></p> <p>Velocity records historic estimate as forward estimate where an ICP ends on an estimated closing reading, or permanent estimate readings have not been entered for ICPs not read within the previous 14 months.</p> <p>ICPs 0005906555RNE30, 0006300324RNC8C and 0008801022TPEF8 have 1,5 "reconciled elsewhere" status but do not have their load reconciled under another ICP. ICP 0008801022TPEF8 has no load connected.</p> <p>Four ICPs had incorrect readings in the CS file meaning consumption was not correct between traders.</p> <p>For downgrades, all HHR volumes are reported up to the day of the meter change. All NHH volumes are reported, but due to system constraints the consumption is apportioned from two days after the meter change onwards instead of from the day after the meter is changed.</p> <p><b>MERX</b></p> <p>Historic estimate is recorded as forward estimate where shape files from the reconciliation manager are unavailable, or permanent estimate readings have not been entered for ICPs not read within the previous 14 months.</p> <p>12 ICPs had consumption during inactive periods, indicating that their status was incorrect. Estimated under submission of 11,174 kWh has occurred.</p> <p>Eight ICPs had incorrect readings in the CS file meaning consumption was not correct between traders and for one ICP, vacant consumption was allocated to the gaining trader.</p> <p><b>PSNZ</b></p> <p>Historic estimate is recorded as forward estimate where shape files from the reconciliation manager are unavailable, or permanent estimate readings have not been entered for ICPs not read within the previous 14 months.</p> <p>27 ICPs had consumption during inactive periods, indicating that their status was incorrect. Estimated under submission of 41,683 kWh has occurred.</p> <p>Three ICPs had incorrect readings in the CS file meaning consumption was not correct between traders.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>
Audit risk rating	Rationale for audit risk rating
<b>Medium</b>	<p>The controls over accuracy of submission information are moderate, as there are controls in place to validate submission information and identify and correct errors.</p> <p>The audit risk rating is assessed to be medium based on the volumes associated with the exceptions identified, particularly for inactive consumption.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
We have commented on specific issues raised in the relevant sections of this report.		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Permanence of meter readings for reconciliation		
Non-compliance	Description	
<p>Audit Ref: 12.8</p> <p>With: Clause 4 of Schedule 15.2</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>Some estimates not replaced by revision 14, and under certain circumstances historic estimate is labelled as forward estimate.</p> <p><b>MERX</b></p> <p>Some estimates not replaced by revision 14, and under certain circumstances historic estimate is labelled as forward estimate.</p> <p><b>PSNZ</b></p> <p>Some estimates not replaced by revision 14, and under certain circumstances historic estimate is labelled as forward estimate.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	<p>Controls are rated as moderate because in most cases readings are permanent by revision 14, the main issue is that historic estimate is sometimes labelled as forward estimate.</p> <p>Total forward estimate for the 3-month period reviewed is 8,488,938 kWh. The impact is assessed to be medium, because based on the sample checked, forward estimate remains primarily from the lack of actual reads of permanent estimate reads being available in the respective systems</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
We will investigate reporting and a manual process to enter permanent (validated) estimates where an actual read has not been obtained before r14	31/05/2023	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	



System functionality to support application of permanent estimates where an actual read has not been obtained before R14 is on the Flux development backlog for prioritisation.	31/12/2023	
We understand the labelling of calculated volumes as FE rather than HE has no impact on submitted volumes or the market. The issue is also on the Flux development backlog for prioritisation.	31/12/2023	

Reconciliation participants to prepare information		
Non-compliance	Description	
<p>Audit Ref: 12.9</p> <p>With: Clause 2 Schedule 15.3</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>0331837361LCD62 has metering category 3 and RPS profile and NHH submission type.</p> <p>13 ICPS had profiles requiring control device certification where CDC flag on the registry is set to 'N'.</p> <p><b>MERX</b></p> <p>1015 ICPS had profiles requiring control device certification where CDC flag on the registry is set to 'N'.</p> <p><b>PSNZ</b></p> <p>195 ICPS had profiles requiring control device certification where CDC flag on the registry is set to 'N'.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Controls are rated as moderate because</p> <ul style="list-style-type: none"> <li>the understanding around the need for a certified control device for night-controlled load was not well understood.</li> <li>not all options to resolve ICP 0331837361LCD62 had been pursued.</li> </ul> <p>The audit risk rating is low because there are robust controls in place and a very small number of ICPS were affected.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status

0331837361LCD62 - We continue to work on a resolution for this ICP. Resolution will be required in order for its migration to Flux.  ICPS had profiles requiring control device certification where CDC flag on the registry is set to 'N' - please refer to our comments in section 6.3	31/12/2022	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	

Historical estimates and forward estimates		
Non-compliance	Description	
<p>Audit Ref: 12.10</p> <p>With: Clause 3 of schedule 15.3</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>Historic estimate is labelled as forward estimate where an ICP switches out on an estimated reading, and where permanent estimate readings have not been entered.</p> <p><b>MERX</b></p> <p>Historic estimate is labelled as forward estimate where SASV are not loaded for the NSP and profile from the reconciliation manager files, and where permanent estimate readings have not been entered.</p> <p><b>PSNZ</b></p> <p>Historic estimate is labelled as forward estimate where SASV are not loaded for the NSP and profile from the reconciliation manager files, and where permanent estimate readings have not been entered.</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	
<b>Low</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>There was minor impact on settlement where shape files were not loaded into FLUX for a number of months, the audit risk rating was assessed as low.</p>	
Actions taken to resolve the issue		Completion date
Refer to our comments in section 12.8		
Preventative actions taken to ensure no further issues will occur		Completion date
Refer to our comments in section 12.8		
		Identified

Historical estimate process			
Non-compliance	Description		
<p>Audit Ref: 12.11</p> <p>With: Clause 4 Schedule 15.3</p> <p>From: 01-Sep-21 To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>Scenario B – Available reads after disconnection not loaded and validated to enable the HE calculation to be applied.</p> <p>Scenario C &amp; E - SASV values not used when calculating HE volumes up to switch loss estimate read.</p> <p><b>MERX</b></p> <p>SASV files not loaded into FLUX system for a period of time.</p> <p>Scenario H – interim estimates used in HE calculation where these have been validated.</p> <p><b>PSNZ</b></p> <p>SASV files not loaded into FLUX system for a period of time.</p> <p>Scenario H – interim estimates used in HE calculation where these have been validated.</p> <p>Scenario I – consumption across a meter read roll over not being correctly calculated.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact is recorded as low overall because:</p> <ul style="list-style-type: none"> <li>• scenario C and E the incidence is low, and the impact is the incorrect apportionment of volume between consumption periods,</li> <li>• scenario H the treatment of validated interim estimated reads as permanent estimated reads results in the distortion of apportionment of volume by the inclusion of these estimated reads when actual reads are available either side of the interim estimate read is medium when applied across a large number of ICPs, and</li> <li>• scenario I the incidence is low and the impact to volume is small.</li> </ul>		
Actions taken to resolve the issue		Completion date	Remedial action status
SASV files have now been loaded into Flux		Complete	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>Loading for SASV files is being monitored.</p> <p>We will further investigate issues raised in this section to determine if any process or system changes are required.</p>	<p>Ongoing</p> <p>30/06/2023</p>	
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Forward estimate process		
Non-compliance	Description	
<p>Audit Ref: 12.12</p> <p>With: Clause 6 of Schedule 15.3</p> <p>From: 01-Dec-02</p> <p>To: 01-Feb-22</p>	<p><b>MERI</b></p> <p>The accuracy threshold was not met for all months and revisions.</p> <p><b>MERX</b></p> <p>The accuracy threshold was not met for all months and revisions.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<p><b>Low</b></p>	<p>Controls are rated as moderate, as they are sufficient to ensure data is within the accuracy threshold most of the time, with exceptions occurring for irrigation load estimation at both ICP and aggregation level, and new ICPs with significant loads. Initial data is replaced with revised data and washed up.</p> <p>The risk rating has been assessed as low as while the overall volume of the Nov 2020 FE inaccuracy was 27 GWh (11.54%), this volume has now been correctly revised via the wash up process with the reconciliation manager.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We will continue with our current controls in this area.</p> <p>The FE inaccuracy reported for Nov 2020 was due to an error in the manual adjustment process for one NSP – as irrigation volumes are transitioned to Flux these adjustments for shoulder seasons have become redundant due to the daily reads available in Flux which reduces the increases the accuracy of initial submissions.</p>		

Compulsory meter reading after profile change		
Non-compliance	Description	
<p>Audit Ref: 12.13</p> <p>With: Clause 7 Schedule 15.3</p> <p>From: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>PSNZ</b></p> <p>One change of submission type and profile code change did not have a validated meter reading for the date of the change.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Controls are rated as strong as most profile changes use the bulk update process which has checks in place to ensure a validated read is present.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We will continue with our current controls to ensure profile changes occur on a validated read.</p> <p>The process to manually update profiles from NHH to HHR when updating submission method for PSNZ will be reviewed if we continue with this.</p>		
		Identified

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: 01-Sep-21</p> <p>To: 30-Jun-22</p>	<p><b>MERI</b></p> <p>Historic estimate thresholds were not met for some revisions.</p> <p><b>MERX</b></p> <p>Historic estimate thresholds were not met for some revisions.</p> <p><b>PSNZ</b></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: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated as moderate, as they are sufficient to mitigate the risk of not meeting the threshold most of the time, but there is room for improvement.</p> <p>The audit risk rating is low, as Meridian were reasonably close to the target in all cases.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Please Refer to comments in 12.8 and 12.10			
Preventative actions taken to ensure no further issues will occur		Completion date	