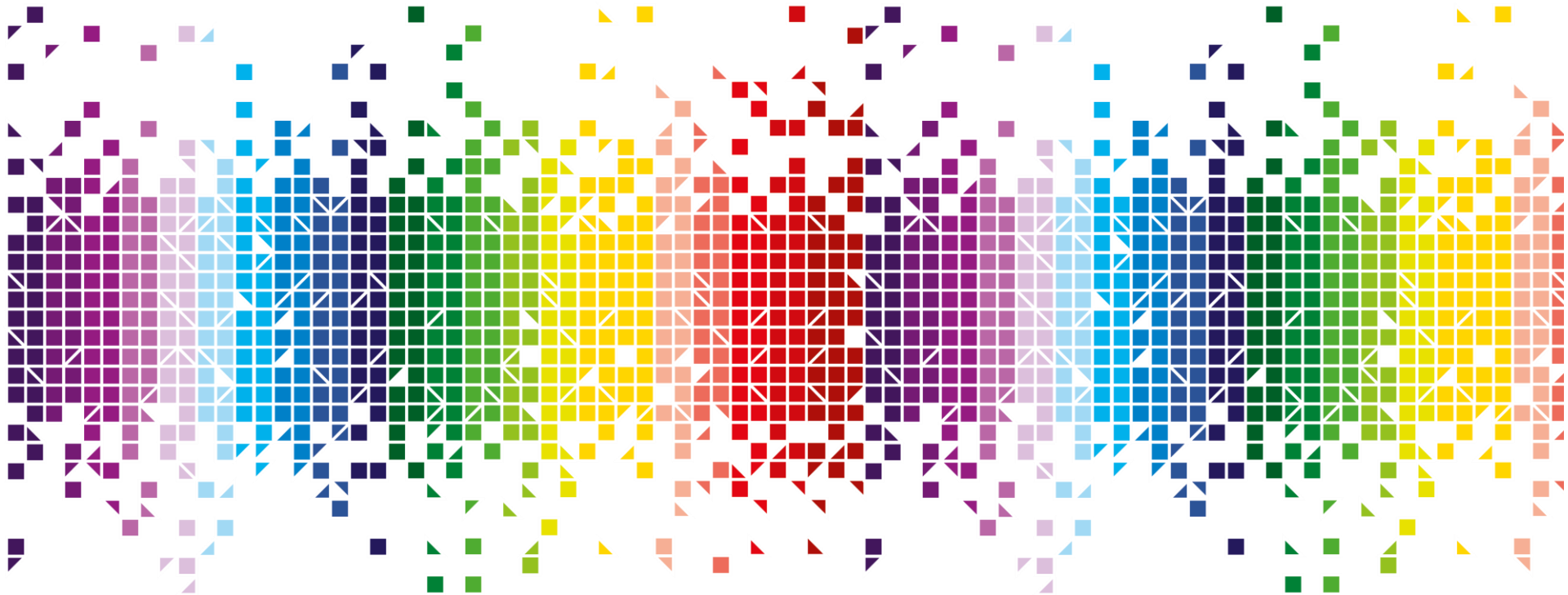
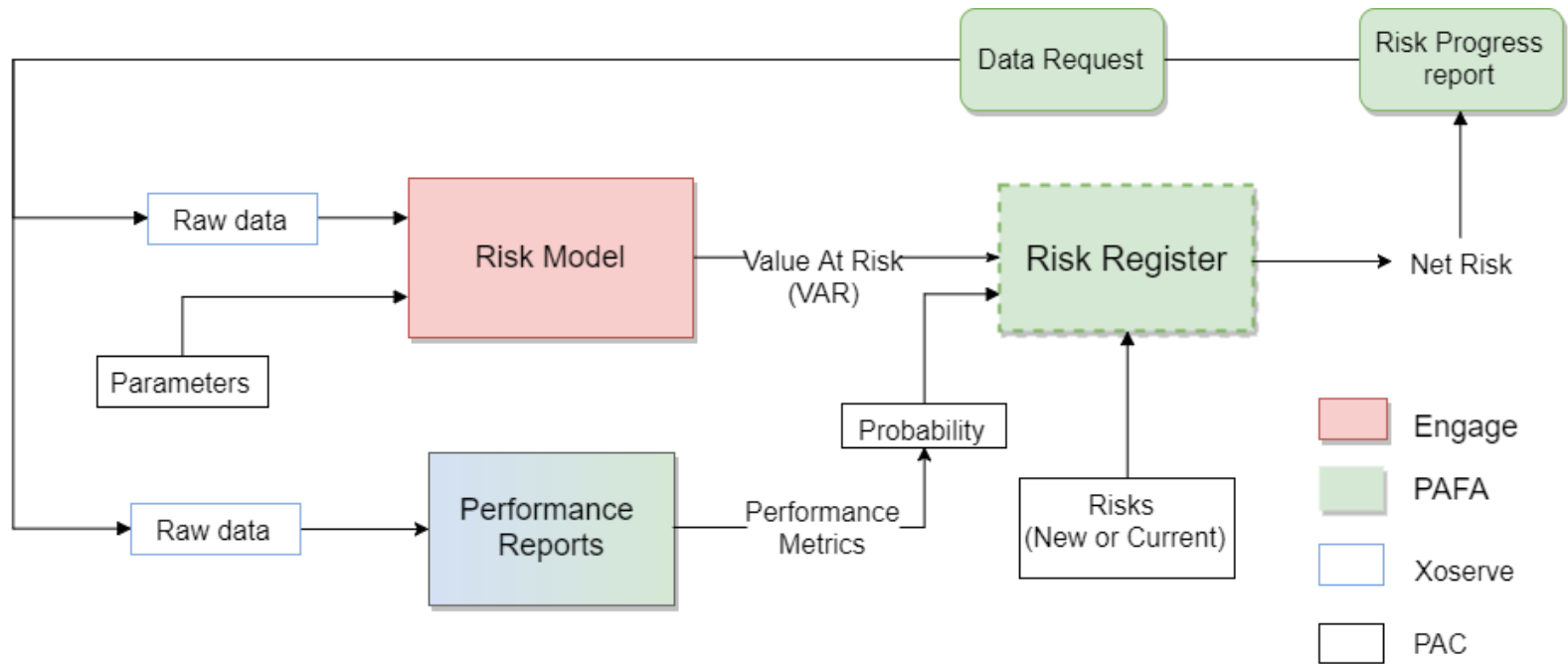


Risk Register Approach

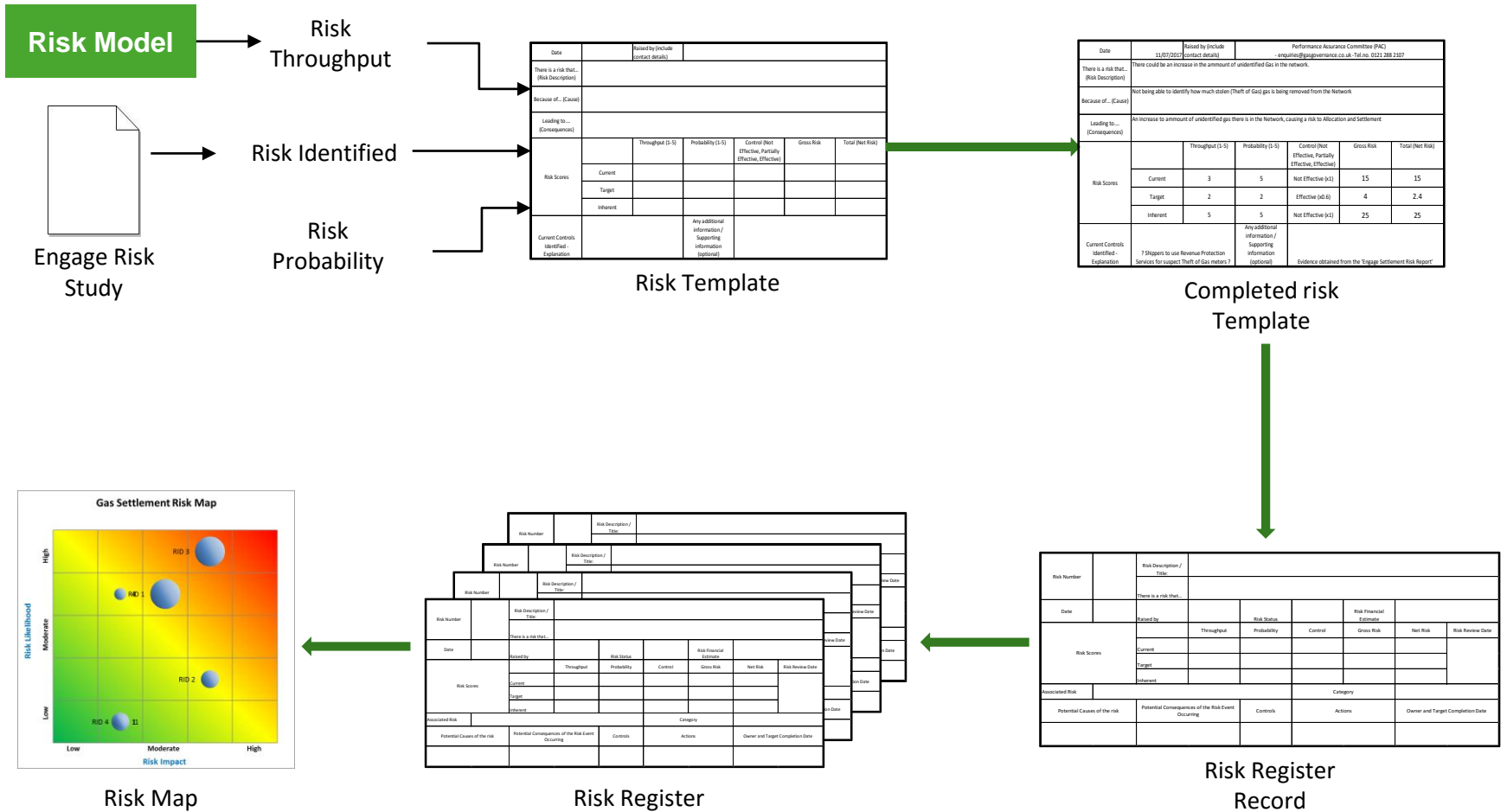
8 August 2017



Current Risk Management Process



Risk Register Creation process





Risk Register Generation

The Initial Risk register created based on proposed Risk Register Framework

- 1) Gas settlement Risks identified from Engage Consulting assessment studies
- 2) Risk submission templates completed with description, cause and consequence.
 - A) Risk description and effect derived from Engage study
 - B) Probability score assigned using market experience
 - C) Risk throughput derived from Engage Risk Assessment Model output
 - D) Controls identified
 - E) Net risk Calculated
- 3) Risk register records completed for registration of Risk
- 4) Risk Map created

Assumptions

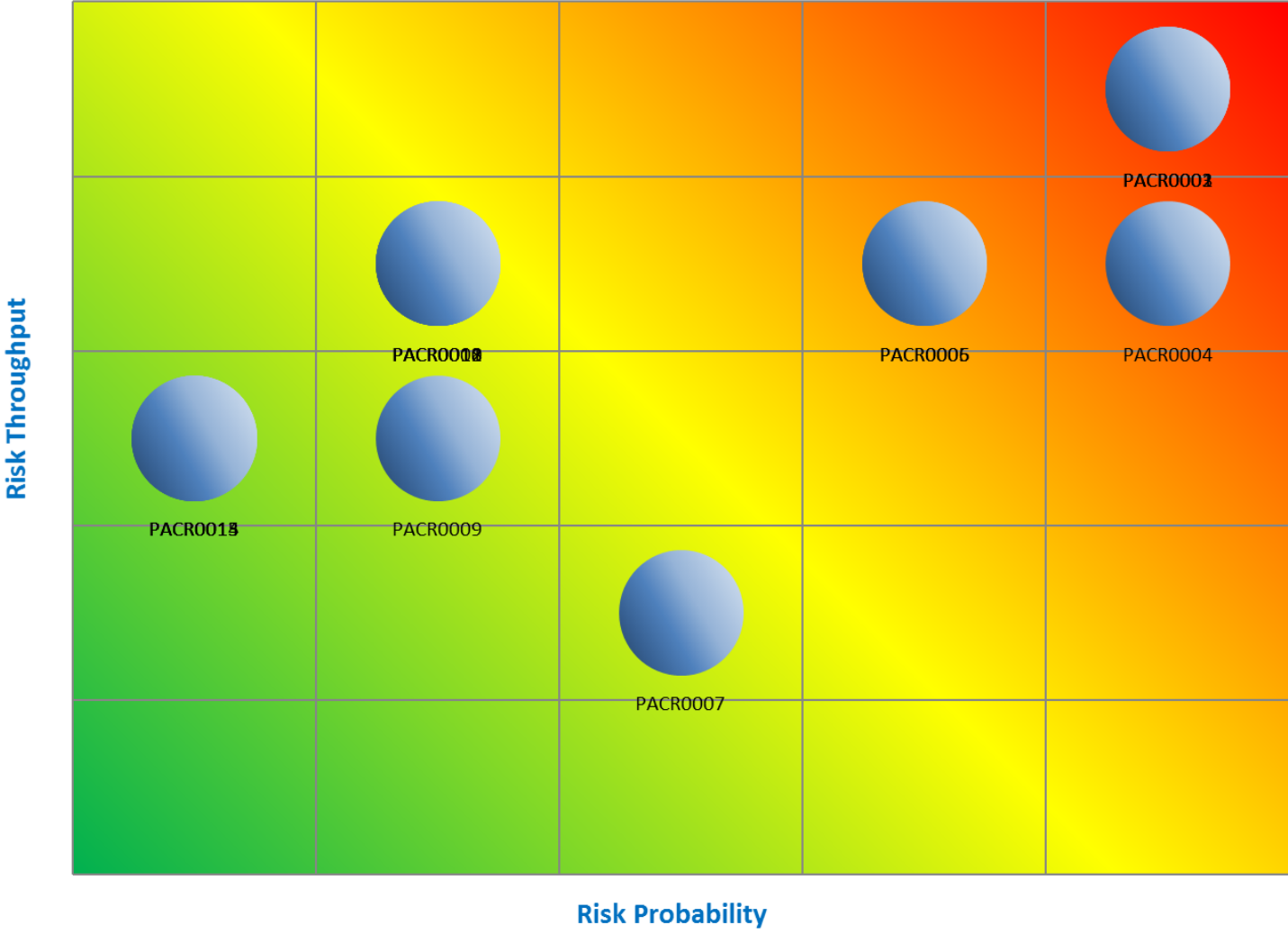
- The Engage risk model and data is representative to generate risk impact scores
- Risk Probabilities are a 3 at minimum and based on qualitative views
- Controls are all partially effective (0.8)
- Target is set at PAF year 1 target (1 October 2017 – 30 September 2018)



Significant Risks			Medium Risks			Low Risks		
PACR001	Theft of Gas	Net Risk 25	PACR006	Provision of a site specific WAR (winter annual ratio) band for EUC (end user category) 3-8	Net Risk 16	PACR010	Meter readings fail validation	Net Risk 8
PACR002	Use of the AQ Correction Process	Net Risk 25	PACR007	LDZ Offtake Measurement Errors (those not identified and corrected)	Net Risk 6	PACR011	Check readings are late or not provided	Net Risk 8
PACR003	Estimated readings are used for Products 1 and 2 (daily read sites)	Net Risk 20	PACR008	Unregistered Sites	Net Risk 8	PACR012	Read submission frequency for product 4	Net Risk 8
PACR004	LDZ Offtake Measurement Errors	Net Risk 20	PACR009	Shipperless sites	Net Risk 6	PACR013	Change of Shipper - Estimated Reads	Net Risk 3
PACR005	Incorrect asset data on the Supply Point Register	Net Risk 16				PACR014	Failure to obtain a meter reading in the settlement window	Net Risk 3
						PACR015	Retrospective updates aren't being consistently applied	Net Risk 6
Gemserv								



Gas Settlement Risk Map





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