

Compliance plan for Electric Kiwi – 2020

Relevant information		
Non-compliance	Description	
Audit Ref: 2.1 With: Clause 10.6, 11.2, 15.2 From: 01-Jan-19 To: 02-Dec-19	Five corrections did not flow through to submission files. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
For the ICPs identified as issues, we will correct the data in NEST and ensure this is reflected in the next reconciliation submissions.		March 2020
Preventative actions taken to ensure no further issues will occur		Completion date
Once we have performed future HHR corrections in NEST, we will manually check the next reconciliation submissions to ensure that the changes have flowed through correctly.		March 2020

Changes to registry information			
Non-compliance	Description		
<p>Audit Ref: 3.3</p> <p>With: Clause 10 Schedule 11.1</p> <p>From: 01-Dec-19 To: 02-Dec-19</p>	<p>Some late status and trader updates.</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 recorded as strong. They have been improved during the audit period they now 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>Post our audit in 2018, we implemented a monthly LIS file checker to compare the LIS file and NEST for any period between R14 and the latest month.</p> <p>At the time of our 2019 audit, we changed the frequency to twice per month so that we would catch discrepancies faster.</p> <p>By February/March 2019, we had gotten through a large backlog of ICPs that needed correction, and since then, the number of changes > 5 business days has significantly decreased. The checker now ensures that nearly all discrepancies between NEST and the registry are corrected within the initial reconciliation period or R1.</p>		March 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue to perform the above validations twice per month.		Ongoing	

Losing trader response to switch request and event dates - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.2</p> <p>With: Clauses 3 and 4 Schedule 11.3</p> <p>From: 01-Jan-19</p> <p>To: 02-Dec-19</p>	<p>Incorrect use of the AA switch response code.</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>The controls are recorded as strong because Electric Kiwi sought clarification from the Authority and the advice was that the AA code could be used.</p> <p>There is no impact because the presence of AMI metering is a registry field and the content of the AN file is not normally used as a source of information to confirm the presence of AMI.</p>	
Actions taken to resolve the issue		Completion date
<p>The topic of using AA vs AD in the AN code was discussed during our last audit. We reached out to the EA to seek clarification and were originally told that using AA was fine. We did not change our processes, and at a later date, it was mentioned that there was not alignment between staff at the Authority on which code was to be used. It was advised that the EA would send a memo to participants clarifying which code to us in mid 2019. We have still not seen a memo.</p>		Early/mid-2019
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We cannot justify the time and cost of any system changes until the EA clarifies their stance on which code is most appropriate to use. We believe AA is more appropriate than AD, as the only ICPs we service have smart meters. Therefore, AD is unnecessary.</p>		N/A
		Investigating

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-Jan-19 To: 02-Dec-19</p>	<p>At least two average daily consumption errors.</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	
Low	<p>The controls are recorded as strong because they ensure most CS content is accurate.</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
New staff had joined the company in winter 2019, which caused a small number of CS average consumptions to be calculated incorrectly. Additional training was provided, and the error has not reoccurred since.		2019
Preventative actions taken to ensure no further issues will occur		Completion date
Ongoing refresher training to be provided to staff to prevent user error. CS average consumptions are automatically calculated in NEST, and users are trained to not overwrite these auto calculations.		Ongoing
		Identified

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: 24-May-19</p> <p>To: 17-Jul-19</p>	<p>Two late RR files.</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 recorded as strong because they have been improved since the last audit and they minimise 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
N/A		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
We aim to send all RRs as soon as we have reads, but unfortunately, there will always be delays to receiving certain reads from MEPs and due to backdated switches. We believe it is best to send the RR late than not at all, and will continue to follow this practice, even when it results in a non-compliance for doing the right thing.		Ongoing
		Identified

Gaining trader informs registry of switch request - switch move		
Non-compliance	Description	
Audit Ref: 4.7 With: Clause 9 Schedule 11.3 From: 10-Feb-19 To: 15-Apr-19	Two late NT files. 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 the twice monthly registry checks will now identify these issues sooner. The impact on settlement and participants is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
Through our regular LIS file reconciliation with NEST, these missing NTs were caught. We sent NTs to the registry as soon as they were identified.		2019
Preventative actions taken to ensure no further issues will occur		Completion date
Refresher training will continue to be provided to all staff which will help minimize these types of manual errors.		Ongoing
		Identified

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-Jan-19</p> <p>To: 02-Dec-19</p>	<p>Three AN files had proposed dates later than 10 business after the NT.</p> <p>12 AN files had event dates earlier than the proposed event date.</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	
Low	<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 because in all but two examples, the actual event date matched that proposed by the gaining trader and for one of those the switch was then withdrawn and for the other example, the date was only three days different to the proposed date.</p>	
Actions taken to resolve the issue		Completion date
Sending AN transactions, including the proposed effective date, in response to an NT request has been automated since 2018. Although this eliminates the majority of these errors, these examples were manually changed. It appears that we fixed the date error when sending a CS though, so there was no impact on the switch date.		2018/2019
Preventative actions taken to ensure no further issues will occur		Completion date
Refresher training will continue to be provided to all staff which will help minimize these types of manual errors.		Ongoing
		Identified

Losing trader determines a different date - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.9</p> <p>With: Clause 10(2) Schedule 11.3</p> <p>From: 01-Jan-19</p> <p>To: 02-Dec-19</p>	<p>Incorrect use of the AA switch response code.</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>The controls are recorded as strong because Electric Kiwi sought clarification from the Authority and the advice was that the AA code could be used.</p> <p>There is no impact because the presence of AMI metering is a registry field and the content of the AN file is not normally used as a source of information to confirm the presence of AMI.</p>	
Actions taken to resolve the issue		Completion date
<p>The topic of using AA vs AD in the AN code was discussed during our last audit. We reached out to the EA to seek clarification and were originally told that using AA was fine. We did not change our processes, and at a later date, it was mentioned that there was not alignment between staff at the Authority on which code was to be used. It was advised that the EA would send a memo to participants clarifying which code to us in mid 2019. We have still not seen a memo.</p>		Early/mid-2019
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We cannot justify the time and cost of any system changes until the EA clarifies their stance on which code is most appropriate to use. We believe AA is more appropriate than AD, as the only ICPs we service have smart meters. Therefore, AD is unnecessary.</p>		N/A
		Investigating

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-Jan-19</p> <p>To: 02-Dec-19</p>	<p>At least two average daily consumption errors.</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	
Low	<p>The controls are recorded as strong because they ensure most CS content is accurate.</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
New staff had joined the company in winter 2019, which caused a small number of CS average consumptions to be calculated incorrectly. Additional training was provided, and the error has not reoccurred since.		2019
Preventative actions taken to ensure no further issues will occur		Completion date
Ongoing refresher training to be provided to staff to prevent user error. CS average consumptions are automatically calculated in NEST, and users are trained to not overwrite these auto calculations.		Ongoing
		Identified

Gaining trader changes to switch meter reading - switch move		
Non-compliance	Description	
Audit Ref: 4.11 With: Clause 12 Schedule 11.3 From: 01-Jan-19 To: 02-Dec-19	9 late RR files. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as strong because they have been improved since the last audit and they minimise 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
N/A		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
We aim to send all RRs as soon as we have reads, but unfortunately, there will always be delays to receiving reads from MEPs and due to backdated switches. We believe it is best to send the RR late than not at all, and will continue to follow this practice, even when it results in a non-compliance for doing the right thing.		Ongoing
		Identified

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-Jan-19</p> <p>To: 02-Dec-19</p>	<p>2 incorrect NW codes.</p> <p>54 switch withdrawal requests were backdated greater than two months from the event date.</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	
Low	<p>Controls are rated as strong as they are sufficient to mitigate risk most of the time.</p> <p>The audit risk rating is low, a small number of files were affected.</p>	
Actions taken to resolve the issue		Completion date
We aim to send all NWs within the allowed time frame and will continue to closely monitor this in the future. As noted above in the audit commentary, many of the late NWs are only done because of wrong premises, and these are often discovered late due to the customer not knowing which property they signed up.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
While we aim to send an NWs as soon as practically possible, we also recognize that sometimes late NWs are in the best interest of consumers. It also helps promote competition by ensuring that smaller retailers aren't forced to take on properties where they do not have an active customer. If both retailers agree to a withdrawal beyond two months, but within the 14 month reconciliation period, then we believe this should be allowed by the Code. We have commented the same in our Switch Process Review submissions.		Ongoing
		Identified

Electricity conveyed & notification by embedded generators			
Non-compliance	Description		
Audit Ref: 6.1 With: Clause 10.13 and clause 15.2 From: 18-Jan-19 To: 12-Nov-19	Energy is not metered and quantified according to the code where meters are bridged. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as they are sufficient to mitigate risk most of the time. Bridging only occurs where a soft reconnection cannot be performed after hours and the customer urgently requires their energy supply for health and safety reasons.		
Actions taken to resolve the issue		Completion date	Remedial action status
We are unsure why this is a non-compliance against the retailer, when we did not request the bridging and it was the only option by the MEP/contractor to get the power turned on for the customer.		N/A	Disputed
Preventative actions taken to ensure no further issues will occur		Completion date	
We do not see how bridging can be avoided. However, we always aim to get the meter unbridged ASAP. We have several exception reports that help us identify bridged meters, and these are checked daily.		N/A	

Correction of HHR metering information		
Non-compliance	Description	
<p>Audit Ref: 8.2</p> <p>With: Clause 19(2) Schedule 15.2</p> <p>From: 01-Jan-19</p> <p>To: 02-Dec-19</p>	<p>Five corrections did not flow through to submission files.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as weak because they are not sufficient to identify corrections not flowing through to submission files.</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
For the ICPs identified as issues, we will correct the data in NEST and ensure this is reflected in the next reconciliation submissions.		March 2020
Preventative actions taken to ensure no further issues will occur		Completion date
Once we have performed future HHR corrections in NEST, we will manually check the next reconciliation submissions to ensure that the changes have flowed through correctly.		March 2020
We are also investigating a fix in our system which would stop NEST from loading MEP catch up files for ICPs/time periods which were identified as having a bridged meter.		Estimated completion - Sept 2020
		Identified

Calculation of ICP days		
Non-compliance	Description	
Audit Ref: 11.2 With: Clause 15.6 From: 01-Feb-19 To: 28-Feb-19	ICP days submitted for the incorrect NSP for approx. 100 ICPs. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as strong because they have been strengthened during the audit period. The impact is assessed to be low, as updated data was provided through the revision process.	
Actions taken to resolve the issue		Completion date
The issue was identified within 1 month. Corrections were made in NEST and reconciliation wash ups with corrected NSP ICP days were submitted in R3.		March 2019
Preventative actions taken to ensure no further issues will occur		Completion date
Since the 2019 audit, we implemented a monthly check of the GR090 to ensure all ICPs and their NSPs are correct.		March 2019
		Cleared

HHR aggregates information provision to the reconciliation manager		
Non-compliance	Description	
Audit Ref: 11.4 With: Clause 15.8 From: 01-Jan-19 To: 02-Dec-19	HHR aggregates file does not contain electricity supplied information. Incorrect NSP used for approx. 100 ICPs in February 2019. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as strong because they have been strengthened during the audit period. The impact is assessed to be low, as updated data was provided through the revision process.	
Actions taken to resolve the issue		Completion date
The issue of incorrect NSPs was identified within 1 month. Corrections were made in NEST and reconciliation wash ups with corrected NSPs were submitted in R3.		March 2019
Preventative actions taken to ensure no further issues will occur		Completion date
Since the 2019 audit, we implemented a monthly check of the GR090 to ensure all ICPs and their NSPs are correct.		March 2019

Allocation of submission information		
Non-compliance	Description	
<p>Audit Ref: 12.3</p> <p>With: Clause 15.5</p> <p>From: 01-Feb-19</p> <p>To: 28-Feb-19</p>	<p>Incorrect NSP for approx. 100 ICPs in February 2019.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as strong because they have been strengthened during the audit period.</p> <p>The impact is assessed to be low, as updated data was provided through the revision process.</p>	
Actions taken to resolve the issue		Completion date
The issue of incorrect NSPs was identified within 1 month. Corrections were made in NEST and reconciliation wash ups with corrected NSPs were submitted in R3.		March 2019
Preventative actions taken to ensure no further issues will occur		Completion date
Since the 2019 audit, we implemented a monthly check of the GR090 to ensure all ICPs and their NSPs are correct.		March 2019
		Cleared

Accuracy of submission information		
Non-compliance	Description	
<p>Audit Ref: 12.7</p> <p>With: Clause 15.12</p> <p>From: 01-Jan-19</p> <p>To: 02-Dec-19</p>	<p>Five corrections did not flow through to submission files.</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	
Low	<p>Controls are rated as moderate as they are sufficient to ensure that submission data is accurate most of the time. In this section controls have been evaluated for the estimation and correction processes, that's why they are recorded as stronger than the controls for just corrections, which are recorded as weak in section 8.2.</p> <p>The audit risk rating is low, because submission information can be corrected and washed up through the revision process.</p>	
Actions taken to resolve the issue		Completion date
For the ICPs identified as issues, we will correct the data in NEST and ensure this is reflected in the next reconciliation submissions.		March 2020
Preventative actions taken to ensure no further issues will occur		Completion date
<p>Once we have performed future HHR corrections in NEST, we will manually check the next reconciliation submissions to ensure that the changes have flowed through correctly.</p> <p>We are also investigating a fix in our system which would stop NEST from loading MEP catch up files for ICPs/time periods which were identified as having a bridged meter.</p>		<p>March 2020</p> <p>Estimated completion - Sept 2020</p>