

Compliance plan for Prime Energy

Title: Relevant information		
Non-compliance	Description	
<p>Audit Ref: 2.1</p> <p>With: Clause 10.6, 11.2, 15.2</p> <p>From: 01-Feb-17</p> <p>To: 28-Feb-18</p>	<p>Some Orion and registry information was incorrect.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</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 information is recorded correctly most of the time.</p> <p>The impact is assessed to be low, as the discrepancies identified have little to no impact. The discrepancies identified have either been corrected, or investigation is underway to confirm the correct value prior to correction.</p>	
Actions taken to resolve the issue		Completion date
<p>UNML – load details have been updated in the Registry. We are still waiting for the Distributor to update 1.</p> <p>ANZSIC code – corrected</p> <p>Disco Event dates – corrected</p> <p>Manual read – human error. There was no actual available for the day so staff estimated the read but entered read type as Actual by mistake. Read has been misread & re-entered as an EST. This change will flow through to the washup submissions.</p>		13/3/2018
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We are still working on our ICP discrepancy report & adding extra checks. Priority was given to HE calculation & now that we have resolved that, we can focus on our discrepancy report. As such, ANZSIC code + extra UNML checks, and event dates. In the meantime, we have put interim measures in place to carry out manual check using the LIS report.</p> <p>Reads – ongoing staff training & we are already working on possible reports to capture these errors.</p>		Sep 2018
		Identified

Title: Changes to registry information			
Non-compliance	Description		
Audit Ref: 3.3 With: Clause 10 Schedule 11.1 From: 20-Mar-17 To: 24-Jan-18	13 late status updates occurred during the audit period. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate because they are adequate to ensure that the registry is updated on time most of the time, but there is room for improvement. The risk is low as most updates were completed on time or soon after they were due.		
Actions taken to resolve the issue		Completion date	Remedial action status
The date was corrected in the Registry during the audit.		March 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Responsibility will be shared amongst other departments to ensure checks are carried out before the completion paperwork is filed away.		March 2018	

Title: Provision of information to the registry manager	
Non-compliance	Description
Audit Ref: 3.5 With: Clause 9 Schedule 11.1 From: 28-Feb-17 To: 14-Dec-17	The registry was not updated within five business days of commencement of trading for 11 ICPs. Potential impact: Low Actual impact: Low Audit history: Three times previously Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as moderate, because they are sufficient to ensure that the registry is updated on time most of the time.</p> <p>The risk rating is low. The late updates caused by late or missing paperwork were between two and six business days late. The delays caused by confirming ICP numbers were between 24 and 31 business days late.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>We had initially requested the ICP given to us by the network, which we later found out was for a different customer with a different meter number. However; the Registry showed out meter number linked to that ICP so we had to arrange several site visits to confirm the meter number & end users.</p> <p>Missing paperwork – we are actively chasing the MEPs for paperwork.</p>		Change applied already	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>If the job was completed on any day other than Monday, if the Registry is updated on the 5th working day, it's counted as 7 days due to the weekend. This is beyond our control. However; we endeavour to update the Registry within 48hrs of receiving the completion paperwork. We haven't had any late updates caused by processing times in the past few months.</p>		Change applied already	

Title: ANZSIC Codes	
Non-compliance	Description
<p>Audit Ref: 3.6</p> <p>With: Clause 9 (1(k)) of Schedule 11.1</p> <p>From: 01-Jun-17</p> <p>To: 14-Feb-18</p>	<p>One active ICP has a T994 (don't know) ANZSIC code recorded.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</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 ensure that most ICPs have the correct ANZSIC code. This was an isolated exception, which had switched in between ANZSIC codes for historic ICPs being corrected, and the new procedure to check ANZSIC codes being implemented.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Updated during the audit	28/2/18	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We implemented checks around mid last year & this ICP was gained before the checks were implemented. Once we update the ICP discrepancy file to include ANZSIC codes, this should resolve the issue	Sep 2018	

Title: 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-Feb-17</p> <p>To: 14-Mar-18</p>	<p>Trader unmetered load details are not recorded on the registry for three ICPs.</p> <p>One ICP is metered, but also has standard unmetered load. The unmetered load was not recorded in Orion and the unmetered load has not been submitted.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating
Low	<p>The controls are rated as moderate, because most ICPs have trader unmetered load details recorded and correct information is recorded in Orion.</p> <p>The impact is low because</p> <ul style="list-style-type: none"> two of the three ICPs with missing trader details have distributor unmetered load details recorded the ICP without unmetered load is correctly recorded in Orion, so there is no impact on submissions. 1.38 kWh per day has been under reported since 07/07/2017 for the ICP with a meter and standard unmetered load. This has resulted in under submission of 346.38 kWh across the period of supply.

Actions taken to resolve the issue	Completion date	Remedial action status
All UNML data have been updated in the Registry. The market impact is very minimal (less than 1MW), however; we have already updated our system, & the submission data was in our March Day13 submissions. We gained the ICP in July 2017 & the M14 washup for this is still pending so the unreconciled UNML data will get washed up.	Mar 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We are adding this to our discrepancy report and as an interim action we will manually check all UNML ICPs in the LIS file against our own data.	Discrepancy Report – Sep2018 Manual Checks – Mar2018	

Title: Management of “inactive” status		
Non-compliance	Description	
<p>Audit Ref: 3.9</p> <p>With: Clause 19 Schedule 11.1</p> <p>From: 07-Oct-17 To: 27-Feb-18</p>	<p>One ICP temporarily had an incorrect status date recorded.</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 sufficient to ensure that status dates are correctly recorded most of the time. The discrepancy occurred due to human error.</p> <p>The risk rating is assessed to be low, only one ICP was affected and the date has now been corrected. The difference in dates was one day. There was no impact on reconciliation submissions.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
The date was corrected during the audit	28/2/2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We have already implemented a report to capture the status event dates so going forward can ensure this is used by all staff.	Mar 2018	

Title: Gaining trader changes to switch meter reading - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.11</p> <p>With: Clause 12 Schedule 11.3</p> <p>From: 10-Apr-17</p> <p>To: 20-Jul-17</p>	<p>Three late RR files for switch moves.</p> <p>One RR file contained an incorrect reading and was subsequently rejected and reissued.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are rated as moderate as they are sufficient to ensure that RR files are normally provided within four months, and RR content is usually correct.</p> <p>The impact of the late files is low, because the files were between 12 and 17 days late. There is no impact for the incorrect RR file content, because the request was rejected and promptly reissued with the correct reading.</p>	
Actions taken to resolve the issue		Completion date
Depending on the type of sites gained, sometimes it does take couple of months to obtain actual reads, especially with non AMI meters. It becomes more difficult when there are access issues. However; we arrange RR's quiet promptly upon receiving 2 actuals. If its AMI meters, RR is initiated using the AMI read.		March 2018
Preventative actions taken to ensure no further issues will occur		Completion date
We do our best to ensure RR is initiated with the 4 months timeframe. Our main objective is to correct the data even if its outside the preferred time frames. We always consult the losing retailer before initiating the late RRs		March 2018
		Identified

Title: 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: March and August 2017</p>	<p>Energy is not metered and quantified according to the code where meters are bridged.</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 mitigate risk most of the time, but there is room for improvement.</p> <p>Bridging only occurs where the customer urgently requires their energy supply, and it is not possible to reconnect the meter.</p>	
Actions taken to resolve the issue		Completion date
<p>Supply was bridged because the meter overheated & was a safety concern. The MEP contractor visited the site on the day & confirmed he couldn't replace the meter straight away & had to come back, and so the site was bridged. The other site was bridged after hours due to a small fire as well. PRME was informed afterwards.</p> <p>In both cases we used the most recent Actual available to Estimate for the removal reads.</p>		March 2018
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We try & avoid bridges but it's not always possible. As soon as we are aware, we contact the MEP for a meter change straight away. Sometimes the MEPS are reluctant to remove the meter due to asbestos and we are left with no other option.</p>		March 2018
		Identified

Title: NHH meters interrogated annually		
Non-compliance	Description	
Audit Ref: 6.9 With: Clause 8(1) and (2) Schedule 15.2 From: 31-Jan-18 To: 02-Feb-18	One meter reading frequency report was submitted three business days late. Potential impact: Low Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are rated as strong, and the risk rating is low because all other reports checked were sent on time, and there was no impact.	
Actions taken to resolve the issue		Completion date
The report was submitted within days of falling overdue. We have put measures in place to ensure this doesn't happen again		Mar 2018
Preventative actions taken to ensure no further issues will occur		Completion date
The FMR submission dates has been brought forward to ensure compliance. This will be effective from this month onwards		Mar 2018
Remedial action status		
Identified		

Title: Identification of readings		
Non-compliance	Description	
Audit Ref: 9.1 With: Clause 3(3) Schedule 15.2 From: 31-May-17 To: 01-Dec-17	One estimated reading was entered with an actual read type. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are rated as moderate, read types are correctly recorded most of the time. The manual process to enter estimates resulted in incorrect classification of one estimate read. The impact is low. The Orion estimate reading was 630 kWh lower than the actual reading for the same date. The ICP remained with Prime, and the August reading was checked and found to be consistent with the source reading file. All consumption was reported by Prime.	

Actions taken to resolve the issue	Completion date	Remedial action status
This misread has been corrected so all washup files will ensure consumption is reported correctly.	13/3/18	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Human errors cannot be avoided, therefore we will have ongoing staff training & are working on possible reports to capture these errors.	Sep 18	

Title: NHH metering information data validation		
Non-compliance	Description	
<p>Audit Ref: 9.5</p> <p>With: Clause 16</p> <p>Schedule 15.2</p> <p>From: 01-Feb-17</p> <p>To: 27-Feb-18</p>	<p>Where a subsequent read is lower than the switch in reading, an estimated reading is applied.</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>The controls are rated as moderate, because most reads are expected to be recorded correctly. If a read difference is greater than ± 200 kWh, or if Prime doesn't expect the difference will catch up with a month, a read renegotiation request will be issued.</p> <p>The impact is low, because any differences are expected to be less than ± 200 kWh. Once reads catch up to the switch read, all consumption will be accounted for. Because almost all ICPs supplied by Prime are commercial, consumption is expected to catch up quickly.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
If the variance is less than 200kwh, we avoid estimating these sites because then it would take longer for the reads to catchup. All examples used, had shown the read had caught up within couple of months.	March 2018	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
I had previously discussed this option with Ron Beatty & was told as long as the meter reader was visiting the site & there were no reports of the meter being tempered with, then we as long as we are referencing the MR reads, it is ok. However; if an AMI meter has a difference of 200kwh, then we do initiate a RR	March 2018	

Title: Electronic meter readings and estimated readings			
Non-compliance	Description		
Audit Ref: 9.6 With: Clause 17 Schedule 15.2 From: 01-Feb-17 To: 28-Feb-18	Meter event information is not provided by FCLM. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate, because where meter event information is received, it is reviewed. The risk is rated as low, Prime supplies 28 active ICPs with FCLM meters.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have already requested the MEP to send these through		Mar 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Since we don't hold many FCLM is meters, we are hoping they will start sending the event data soon. If they fail to supply any event data over the next month, then we will escalate this matter.		Apr 2018	

Title: Calculation of ICP days	
Non-compliance	Description
Audit Ref: 11.2 With: Clause 15.6 From: 01-Feb-17 To: 28-Feb-18	The AV110 report includes inactive ICP days. ICP days were not calculated correctly for all ICPs. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Weak Breach risk rating: 3

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as weak, because they are unlikely to consistently prevent errors in the ICP days calculations.</p> <p>The impact is rated as low. Because consumption is only reported where an ICP is active in Orion, Prime's method ensures that if any consumption occurs during an inactive period it will be reported. Review of the registry list showed Prime supplies 13 inactive ICPs. For 76 of the 80 NSPs checked (95%), the ICP days reported were consistent with the registry.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Interim action: ICP days file will be cross checked against the LIS file to ensure correct number of days are submitted.		Apr 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We are working on a permanent fix to the ICP days report to ensure inactive ICPs are not reported & the days are correctly submitted.</p> <p>We have already consulted our IT team about correctly calculating the ICP Days. The biggest complication is that the Distributors still request these ICPs to be submitted. Plus if we choose the easiest fix, then we won't be able to capture any consumption on inactive sites caused by self-reconnections.</p>		Jun 2018	

Title: Electricity supplied information provision to the reconciliation manager	
Non-compliance	Description
<p>Audit Ref: 11.3</p> <p>With: Clause 15.7</p> <p>From: 01-Feb-17</p> <p>To: 31-Jan-18</p>	<p>Where invoices covered a period longer than the calendar month, or multiple invoices and reversals occurred billed consumption did not always reflect what was billed during the month.</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 were sufficient to that most NSPs had accurate information reported, but there was room for improvement. Recently implemented changes have improved the controls to be stronger by removing the process to pro rate billed consumption between months from the report.</p> <p>The impact is low. I confirmed that new submissions and revisions will not pro rate billed consumption, and in most cases one invoice is produced per month covering the entire month.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The AV-120 report was re-written to comply with the Part15 requirements.		Feb 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The report has been re-written & released in production prior to the audit. This audit has revealed the report is submitted the correct invoiced volumes		Feb 2018	

Title: Creation of submission information			
Non-compliance	Description		
<p>Audit Ref: 12.2</p> <p>With: Clause 15.4</p> <p>From: 18-Feb-17</p> <p>To: 30-Apr-17</p>	<p>One vacant ICP did not have consumption reported, because of an incorrect status in Orion.</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>The controls are moderate, the issue was caused by a recent system change and data cleansing is underway to prevent recurrence.</p> <p>The impact is low. The status was corrected during the audit, and reports for the affected periods were re-run to confirm it will be correctly included in revision submissions.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
This was corrected during the audit & any inactive consumption will be reported.		28/2/2018	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
We have identified all inactive sites & have ensured none are marked in-active. We will do this on a monthly basis.	Effective immediately	

Title: Accuracy of submission information			
Non-compliance	Description		
Audit Ref: 12.7 With: Clause 15.12 From: 01-Feb-17 To: 31-Jan-18	Some submission information was incorrect. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are weak as they will not prevent errors in submission information for most of the audit period. Controls have recently improved, system fixes have been implemented, and data cleansing underway. The impact is low. Prime has or intends to submit revision reports containing correct information.		
Actions taken to resolve the issue		Completion date	Remedial action status
HE calculation corrected AV-120 – corrected Feb 18 Missing UNML – already corrected in Orion & washup submissions already started this Month (Mar 2018) AV-110 – correction is underway already		See actions taken	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We try our best to correct the submission data ASAP. Hopefully once we have fixed our AV-110 & the discrepancy report, we will be in a much better position for the next audit. However; in the interim we are going to carry out manual checks against the LIS file		Sep 2018	

Title: Permanence of meter readings for reconciliation			
Non-compliance	Description		
Audit Ref: 12.8 With: Clause 4 of Schedule 15.2 From: 01-Feb-17 To: 31-Jan-18	Some estimates were not replaced by revision 14. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as they were sufficient to that most NSPs had 100% historic estimate by revision 14, but there was room for improvement. I found that in most cases, consumption was fully historic, but the historic estimate proportion had been reported incorrectly. Recently implemented changes have improved the controls to be stronger, and it is expected that historic estimate will increase as a result. Total forward estimate for the three months reviewed was 25,574 kWh – 9377 kWh for September 2016, 9178 kWh for October 2016 and 7020 for November 2016. This was not true forward estimate, because most of the forward estimate was caused by incorrect classification of the historic estimate proportion. The total submission was accurate.		
Actions taken to resolve the issue		Completion date	Remedial action status
HE calculations have always been an issue for us until now. The fix is finally in place so as we submit the M14 wash-ups they soon be 100% HE.		Feb 18	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
HE calculations are derived from Actual Reads, therefore; we will be focusing on obtaining Actuals for all our ICPs this year. This will require a lot of resource so we are working on this. Currently at planning stage.		Aug 2018	

Title: Forward estimate process	
Non-compliance	Description
Audit Ref: 12.12 With: Clause 6 Schedule 15.3 From: June and September 2017	The accuracy threshold was not met for all months and revisions. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate, as they are sufficient to ensure data is within the accuracy threshold most of the time. Initial data is replaced with revised data and washed up.		
Actions taken to resolve the issue		Completion date	Remedial action status
Data has been corrected in the M3 washup submissions already		Sep 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Staff are being trained to ensure the UPD (EDC) is reset if a read is MISREAD. Once an Actual is entered and as part of the invoice generation, the UPD is automatically calculated to the recent read		Apr 2018	

Title: Historical estimate reporting to RM			
Non-compliance	Description		
Audit Ref: 13.3 With: Clause 10 of Schedule 15.3 From: October, November and December 2016 revision 14	Historic estimate thresholds were not met for some revisions. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are weak as they will not prevent errors in submission information for most of the audit period. Controls have recently improved, system fixes have been implemented. The audit risk rating is low, because Prime were reasonably close to the target in all cases.		
Actions taken to resolve the issue		Completion date	Remedial action status
The formula/logic for HE calculation was corrected in Feb 2018 so all submissions from this month onwards have the correct HE		Feb 2018	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
It looks like this HE issue affected other retailers using Orion system to calculate their submissions. However; the final fix has been implemented so we shouldn't have this problem again.	Feb 2018	