

Compliance plan for Alpine Energy Distributor Audit–2021

Submission of audit report			
Non-compliance	Description		
Audit Ref: 1.12 With: Clauses 16A.13 From: 04-Feb-21 To: 12-Feb-21	Audit report not provided to the Authority by the participant by the due date. 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 as the delay was due to staff leave over Christmas The audit risk rating is low as the audit report was completed as quickly as possible once the Christmas period had passed.		
Actions taken to resolve the issue		Completion date	Remedial action status
Due to receiving an extended review period from the previous Audit, it shifted our current Audit to early February which meant we needed to be aligned with a January session with Auditors which we just couldn't quite co-ordinate. We also had internal date confusion around the recommended 16 month review period from our last audit which meant an April review. In hindsight I would have preferred to stick with a 12 month review period. I have advised the EA of our late upload of our Audit		28/2/21	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Future planning with the set dates and audit review periods, turn around times of the Audit process time, review, commentary and updates		28/2/21	

Requirement to provide complete and accurate information		
Non-compliance	Description	
<p>Audit Ref: 2.1</p> <p>With: Clauses 11.2(1) and 10.6(1)</p> <p>From: 01-Sep-19</p> <p>To: 31-Dec-20</p>	<p>Six ICPs with no initial electrical connection date recorded.</p> <p>Three ICPs electrically connected during the audit period with no initial electrical connection date recorded.</p> <p>27,000 ICPs with the incorrect initial electrical connection date recorded prior to the date being populated was required.</p> <p>ICP 0004282423ALD60 has incorrect initial electrical connection date populated.</p> <p>Two unmetered load ICPs electrically connected during the audit period with no unmetered load recorded.</p> <p>ICP 0001123465AL1E4 has been decommissioned but has yet to be updated on the registry.</p> <p>ICP 0002252075ALB2E has been decommissioned but has a status of ready for decommissioning recorded on the registry.</p> <p>ICP 0001890253AL261 has a status reason code of 2 (Installation Dismantled) applied but should have had 1 (Setup in error) applied.</p> <p>20 network updates had incorrect event dates recorded.</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	
Low	<p>The controls are rated as moderate with areas of improvement identified.</p> <p>The audit risk rating is low as the discrepancies identified have little or no direct impact on reconciliation.</p>	
Audit Comments for reference		Remedial action status
<p>We have since the audit continued to tidy up the highlighted errors, as well as added registry report information to the metering team to assist with error notifications. We also have a number of on-going issues that are historical with our current ICP database, 27,000 ICPs with the incorrect initial electrical connection date that requires a fix that in the past nobody would fix due to the potential impact of the system crashing.</p>		Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
We have already addressed a number of these issues, we are still heavily reliant on our external contractors completing paper based information in the field and returning it timely. We are in the process of updating to an electronic format but it will take time to implement correctly. In the short time we are using our staff to manually keep track of each job to ensure correct and timely document processing]	Started for some parts. Electronic processes mid year. ICP data base update sometime away	

Requirement to correct errors		
Non-compliance	Description	
<p>Audit Ref: 2.2</p> <p>With: Clauses 11.2(2) and 10.6(2)</p> <p>From: 01-Sep-19</p> <p>To: 31-Dec-20</p>	<p>Corrections not made as soon as practicable.</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 with areas of improvement identified.</p> <p>The audit risk rating is low the number discrepancies not corrected.</p>	
Actions taken to resolve the issue		Completion date
The Metering Team are now running the registry reporting and have picked up on a few errors some dating back to 2013 which they are working through the notes that have been previously entered against the ICPs and are fixing the errors.		Started February
Preventative actions taken to ensure no further issues will occur		Completion date
On going reporting by the Metering Team to keep on top of any issues arising. As well as no single person role dependency		Started but monitoring required

Provision of ICP Information to the registry manage		
Non-compliance	Description	
<p>Audit Ref: 3.3</p> <p>With: Clause 11.7</p> <p>From: 01-Sep-19</p> <p>To: 31-Dec-20</p>	<p>Six ICPs became active during the audit period but had no initial electrical connection date populated.</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 recorded as moderate as this is usually captured but there is room for improvement.</p> <p>The vast majority of initial electrical connection dates were populated. The impact on participants is minor because this field is used to validate other fields against.</p>	
Actions taken to resolve the issue		Completion date
<p>This is again our paper based system relying on external contractors to complete and return the NCA paperwork timely.</p> <p>Our Electronic system will resolve this for us.</p>		Mid to late Year
Preventative actions taken to ensure no further issues will occur		Completion date
<p>In the short term we have our staff registering and checking on all NCA paperwork being supplied to contractors and chasing them if it's delayed in the return. We are also in the process of Metering Team staff running registry reports to show the errors/discrepancies.</p>		<p>Completed</p> <p>In progress</p>
		Identified

Changes to registry information			
Non-compliance	Description		
<p>Audit Ref: 4.1</p> <p>With: Clause 8 Schedule 11.1</p> <p>From: 01-Sep-19</p> <p>To: 31-Dec-20</p>	<p>Two late address updates.</p> <p>310 late pricing updates.</p> <p>16 late status updates.</p> <p>29 late network updates.</p> <p>25 late distributed generation updates.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as weak as updates from the ICP database are not occurring as expected and pricing events are autoloading without an event date check causing pricing updates to be backdated. The ICP database is becoming unreliable with the potential for errors to occur.</p> <p>The audit risk rating is assessed to be low as the volume of late updates is relatively small.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>We download the EIEP 4 and EIEP8 files every day when they come in to check them as sometime they need to be corrected before the database will load them successfully (EIEP4) as there might be too many characters i.e. a name might be over 50 characters, we then need to find the errors and upload them into the external data base which then automates them into the ICP database.</p> <p>As we have a known compliance issue with the allowed 3 days on EIEP8 (TARCHG) files, we check the files and if the files are not dated the day we receive them, we manually change the dates as this is out of our control from a compliance point of view, but it does allow us to reject LOWLCA requests when the user is not a LOWLCA, we do this by checking the address and other databases to ensure it is not a business of BNB etc. Once this has been done, we download the files into the external database, which automates the files in the ICP database.</p> <p>There are maintenance and back end files that we receive on a daily basis which are automatically done through the registry gateway and ICP database. MN, NOT REQUEUMAIN files.</p> <p>All these files go to the G:drive with any other reports we request from the registry.</p>		Already part of our manual process	Investigating

Preventative actions taken to ensure no further issues will occur	Completion date	
We currently run a manual process to double check the files, this will form part of the new ICP database and covered off in the material audit.		

Distributors to Provide ICP Information to the Registry manager			
Non-compliance	Description		
<p>Audit Ref: 4.6</p> <p>With: Clause 7(1)(o)&(p) Schedule 11.1</p> <p>From: 01-Oct-19</p> <p>To: 31-Dec-20</p>	<p>Six electrically connected ICPs with no initial electrical connection date recorded.</p> <p>Three ICPs with the incorrect initial electrical connection date recorded.</p> <p>Incorrect IECD dates populated for a large number of ICPs prior to the requirement to populate this information.</p> <p>ICPs 0004282423ALD60 has the incorrect initial electrical connection date populated.</p> <p>Two unmetered ICPs with no unmetered load details recorded.</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		
Low	<p>Controls are rated as moderate as the ICP database issues are hindering Alpine's ability to comply.</p> <p>The audit risk rating is low, as most of this information does not have a direct impact on reconciliation.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The Metering Team have begun correct registry reporting to identify these errors.</p> <p>The unmetered load information not being populated was unfortunate as it was identified and communicated with the trader however the registry load wasn't filled out or picked up that it was missing</p> <p>The 1999 IECD date for a lot of our ICP's is something we will follow up with our IT and GIS team.</p>		<p>Begun registry reporting in February</p> <p>Ongoing Database issues</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The Metering team are along way forward with the help of Veritek.			

Management of “decommissioned” status			
Non-compliance	Description		
<p>Audit Ref: 4.11</p> <p>With: Clause 20 Schedule 11.1</p> <p>From: 12-Sep-17</p> <p>To: 30-Sep-20</p>	<p>ICP 0001123465AL1E4 has been decommissioned but has yet to be updated on the registry.</p> <p>ICP 0001890253AL261 has a status reason code of 2 (Installation Dismantled) applied but should have had 1 (Setup in error) applied.</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 monitoring of decommissioned ICPs is rated as moderate and I make a recommendation above to improve this.</p> <p>The audit risk rating is low but will need to be reviewed if the number pending continues to grow as this indicates that ICPs are potentially at the incorrect status on the registry.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The Metering Team have begun the registry reporting and have the decommission list now to work through as per 4.11		In progress now	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Internal team process management of reporting to confirm what’s outstanding and to action.		Started end of February	

Creation of loss factors		
Non-compliance	Description	
<p>Audit Ref: 8.1</p> <p>With: Clause 11.2</p> <p>From: 01-Dec-18</p> <p>To: 31-Dec-20</p>	<p>Loss factors are not accurate in relation to reconciliation losses.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Twice</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>	
Audit risk rating	Rationale for audit risk rating	
Medium	<p>The controls are rated as weak as the loss factors haven't been updated within the indicated timeframe whilst losses continue to be too high.</p> <p>UFE is allocated to participants; therefore, there is no adverse impact on settlement; however, traders may use published losses in pricing decisions, therefore the use of inaccurate loss factors could lead to incorrect pricing, which is considered to have a medium impact.</p>	
Actions taken to resolve the issue		Completion date
<p>Alpine has done a lot of work in working out the loss factors and has built a model using our EIEP files and Transpower files, to assist the engineers to getting to our Technical Losses.</p> <p>We also do a reconciliation between the Transpower file (what Transpower generates vs the RM file (what the retailers purchase from the NZX) which would help with the reconciliation losses</p> <p>Our calculations have shown an improvement in our loss factors, given our reconciliation losses are less than .002% on average a month.</p> <p>We have noticed that some months there are retailers that are overestimating TOU on the EIEP files.</p>		<p>We will have the new categories and loss factors updated for the next financial year, to ensure the new financial year this is on the registry after notifying retailers within the required timeframe as per the code</p>
		Identified

Preventative actions that were planned	Completion date	
<p>Alpine has done a lot of work in working out the loss factors and has built a model using our EIEP files and Transpower files, to assist the engineers to getting to our Technical Losses.</p> <p>We also do a reconciliation between the Transpower file (what Transpower generates vs the RM file (what the retailers purchase from the NZX) which would help with the reconciliation losses</p> <p>Our calculations have shown an improvement in our loss factors, given our reconciliation losses are less than .002% on average a month.</p> <p>We have noticed that some months there are retailers that are overestimating TOU on the EIEP files.</p> <p>We have also split out some loss factors. (Projected loss factors moving forward).</p> <p>ALV 1.047 Total Alpine network general (non SS) load at 0.4 kV customer service lines segment</p> <p>A11 1.019 Total Alpine network general (non SS) load at 11 kV HV network segment</p> <p>A33 1.02 Total Alpine network general (non SS) load at 33 kV HV network segment</p> <p>AOP 0.969 Opuha Site Specific Generator injecting at sub transmission segment</p> <p>A11SS1 1.004 Fonterra Studholme Site Specific Load supplied via 11 kV HV network segment (W297)</p> <p>A11SS2 1.012 Fonterra Studholme Site Specific Load supplied via 11 kV HV network segment (W367)</p> <p>AMP1 1.005 Mountain Power embedded network Site Specific Load at 11 kV HV network segment (MP1)</p> <p>AMP4 1.01 Mountain Power embedded network Site Specific Load at 11 kV HV network segment (MP4)</p>	<p>We will have the new categories and loss factors updated for the next financial year, to ensure the new financial year this is on the registry after notifying retailers within the required timeframe as per the code</p>	