

Compliance plan for Powerco

Title: Changes to registry information		
Non-compliance	Description	
Audit Ref: 2.1 With: 11.2(1) From: 12-Feb-20 To: 14-Apr-20	Two network events did not have a correct effective date recorded; and were corrected during the audit. 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 strong and ensure that correct event dates are normally applied. The two exceptions were isolated errors. I have rated the audit risk rating as low as the initial electrical connection date has no direct impact on settlement.	
Actions taken to resolve the issue		Completion date
Powerco has focused on improving processes and exception reporting to ensure correct information is provided to the registry, which is reflected in the low number of errors in the audit.		In place
Preventative actions taken to ensure no further issues will occur		Completion date
Powerco is confident in its reporting and controls for registry data and will continue to monitor and adjust processes where appropriate.		On-going
Remedial action status		
Cleared		

Title: Requirement to correct errors	
Non-compliance	Description
Audit Ref: 2.2 With: 11.2(2) and 10.6(2) From: 19-Jun-19 To: 19-Jun-20	3,132 active ICPs have duplicate addresses. 1,062 active ICPs have addresses which do not have a street number or property name. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	<p>The current process controls are rated as moderate. Powerco deals with any new exceptions in a timely manner, and generally processes corrections as soon as practicable. Some historic addressing issues which require investigation to resolve have been outstanding for several years, but good progress is being made.</p> <p>The audit risk rating is low as the volume of ICPs that are not readily locatable and duplicated is reducing. Incorrect addresses can have a direct impact on the retailer's ability to read, disconnect and reconnect these sites.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>As mentioned in 2.1 Powerco has improved its reporting so errors are found and therefore resolved more quickly.</p> <p>It has made bulk corrections where practical, such as IECD event dates.</p> <p>Also, since the last audit Powerco has scheduled dedicated resource to resolve historic data issues, steadily reducing errors in areas such as address duplicates.</p>		In place/complete	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Powerco will continue to monitor its reporting and make corrections when required. Powerco is also investigating alternative methods of verifying addresses as residual exceptions become more difficult to resolve.</p>		On-going	

Title: Distributors must create ICPs	
Non-compliance	Description
<p>Audit Ref: 3.1 With: 11.14</p> <p>From: 19-Jun-20 To: 28-Aug-20</p>	<p>36 private lights in the Palmerston North City Council region do not have shared unmetered load created.</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>I have rated the controls as strong as Powerco have a robust ICP creation process and these lights are an historic issue and no other such instances have been identified.</p> <p>I have rated the audit risk rating as low as the kWh volume associated with these lights will be small.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Powerco is current investigating issues with lights in the Palmerston North City Council footprint to ensure all unmetered load is correctly reconciled.	1/4/2021	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco will continue to work with DUMML owners and traders to ensure all unmetered load is correctly reconciled and will create ICPs when appropriate.	On-going	

Title: Timeliness of Provision of ICP Information to the registry manager		
Non-compliance	Description	
<p>Audit Ref: 3.4</p> <p>With: 7(2) of Schedule 11.1</p> <p>From: 01-May-19</p> <p>To: 19-Jun-20</p>	<p>Registry not updated prior to commencement of trading for 102 ICPs (2.1%).</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>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Late requests and information from external parties including traders and contractors are causing the delays, therefore I have rated the controls as moderate. The audit risk rating is low. The overall level of compliance is high, and the number of ICPs affected will only have a minor impact on settlement.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Cases where backdating events is necessary are unfortunate, but Powerco will continue to work with traders to ensure the registry is correct when new information becomes available.	On-going	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco will continue to meet with its contractors to ensure all parties have the understanding and support to meet its timeliness requirements. Statutory timeframes form part of the training along with ongoing communications Powerco makes available for contractors and their staff. Regular reporting provides Powerco with visibility of timeframes and any issues are raised with contractors as required.	On-going	

Title: Timeliness of Provision of Initial Electrical Connection Date			
Non-compliance	Description		
<p>Audit Ref: 3.5</p> <p>With: 7(2A) of Schedule 11.1</p> <p>From: 19-Jun-19</p> <p>To: 19-Jun-20</p>	<p>Late population of initial electrical connection date for 4,315 ICPs.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Twice</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are strong, with initial electrical connection dates based on the best information available and daily monitoring and resolution of missing and potentially incorrect dates. Most of the late updates were corrections to historic data identified through Powerco's validation processes.</p> <p>The audit risk rating is low because there is no direct impact on submission. Retailers may use this information to check their active dates.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Powerco has updated its reporting to include backdated ICPs to ensure all new connections have their IECD updated and verified. Historic exceptions are being reviewed and updated where appropriate.		In place	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As discussed in 3.4, Powerco will continue to work with its contractors to maintain and improve timeframes for providing information about the initial electrical connection of ICPs.		On-going	

Title: Connection of ICP that is not an NSP	
Non-compliance	Description
<p>Audit Ref: 3.6</p> <p>With: 11.17</p> <p>From: 22-Jul-19</p> <p>To: 20-Aug-19</p>	<p>Trader acceptance was not confirmed for ICP1000585445PC6F2 prior to initial electrical connection.</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 process to record proposed traders and obtain trader approval has strong controls. The delay was caused by an upgrade work order being changed to a decommission and new ICP creation following the work being completed.</p> <p>The impact is low because the overall level of compliance is high. Only one genuine exception was identified, and the proposed trader nomination was 21 business days late.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Powerco has controls in place and resolved the non-compliance with the trader as soon as it was identified.		Complete	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Powerco will continue to communicate its processes and requirements to contractors as well as traders to ensure new connections are compliant.		On-going	

Title: Connection of ICP that is not an NSP			
Non-compliance	Description		
<p>Audit Ref: 3.7</p> <p>With: 10.31</p> <p>From: 22-Jul-19</p> <p>To: 20-Aug-19</p>	<p>Trader acceptance was not confirmed for ICP1000585445PC6F2 prior to initial electrical connection.</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>The process to record proposed traders has strong controls. The delay was caused by an upgrade work order being changed to a decommission and new ICP creation following the work being completed.</p> <p>The impact is low because the overall level of compliance is high. Only one genuine exception was identified, and the proposed trader nomination was 21 business days late.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
As above in 3.6, Powerco has controls in place and resolved the non-compliance with the trader as soon as it was identified.		Complete	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Powerco will continue to communicate its processes and requirements to contractors as well as traders to ensure new connections are compliant.		Ongoing	

Title: Changes to registry information		
Non-compliance	Description	
<p>Audit Ref: 4.1</p> <p>With: 8 Schedule 11.1</p> <p>From: 01-Jun-19</p> <p>To: 19-Jun-20</p>	<p>107 late address updates.</p> <p>690 late distributed generation updates.</p> <p>5,407 late network updates.</p> <p>Six late NSP changes.</p> <p>2,170 late pricing updates.</p> <p>139 late updates to decommissioned 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: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>I have rated the controls as moderate as the controls in place will mitigate the risk most of the time, and many of the late updates related to corrections.</p> <p>There is a potential minor impact on settlement, hence the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
Powerco is committed to correcting data inaccuracies to the appropriate effective date as soon as they are identified. Improvements to processes and reporting will lead to less errors to be corrected and the timeliness of any updates.		On-going
Preventative actions taken to ensure no further issues will occur		Completion date
<p>As discussed in 3.4, Powerco will continue to work with its contractors to maintain and improve timeframes for providing information. Regular reporting provides Powerco with visibility of timeframes and any issues are raised with contractors as required.</p> <p>Powerco has improved reporting to identify errors quickly for correction and identify areas where processes and/or controls should be reviewed.</p>		On-going
		Identified

Title: Notice of NSP for each ICP			
Non-compliance	Description		
<p>Audit Ref: 4.2</p> <p>With: 7(1),(4) and (5) Schedule 11.1</p> <p>From: 01-Jun-19</p> <p>To: 19-Jun-20</p>	<p>62 ICPs had incorrect NSPs assigned and were corrected during the audit.</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>I have rated the controls as strong. 59 of the 62 ICPs with incorrect NSPs were caused by an error in one transformer's NSP mapping and have been corrected. The new connection process prevents new ICPs from being mapped to an incorrect NSP, and it appears that many of the streets identified during analysis genuinely have ICPs connected to more than one NSP. Monitoring controls are in place to identify and update incorrect NSPs, and were improved during the audit.</p> <p>I have rated the audit risk rating as low due to the small number of potentially mis mapped ICPs identified, and for 59 of the 62 ICPs both NSPs were within the same balancing area. If NSP assignment is found to be incorrect, it could have a minor impact on reconciliation.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Powerco has been monitoring exception reports to identify and correct any NSP discrepancies.		In place	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Powerco is confident in its controls to ensure new connections are assigned to the correct NSP.		In place	

Title: ICP location address	
Non-compliance	Description
<p>Audit Ref: 4.4</p> <p>With: 2 Schedule 11.1</p> <p>From: 19-Jun-20</p> <p>To: 13-Aug-20</p>	<p>3,132 active ICPs have duplicate addresses.</p> <p>1,062 active ICPs have addresses which do not have a street number or property name.</p> <p>Nine ICPs had incorrect address towns or regions assigned; and were corrected during the audit.</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 rated as strong.</p> <ul style="list-style-type: none"> There are controls in place to prevent new duplicate or incomplete addresses being created. One duplicate address was created during the audit period, due to a human error when a decommissioned ICP's address was reused. This occurs rarely. Address information is validated. <p>The audit risk rating is low as the volume of ICPs that are not readily locatable and duplicated is reducing. Incorrect addresses can have a direct impact on the retailer's ability to read, disconnect and reconnect these sites.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>As mentioned in 2.1 and 2.2 Powerco has improved its reporting so errors are found and therefore resolved more quickly.</p> <p>Powerco has scheduled dedicated resources to resolve historic data issues, steadily reducing errors in areas such as address duplicates.</p>		On-going	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Powerco will continue to monitor its reporting and make corrections when required. Powerco is also investigating alternative methods of verifying addresses as residual exceptions become more difficult to resolve.</p>		On-going	

Title: Distributors to Provide ICP Information to the Registry manager	
Non-compliance	Description
<p>Audit Ref: 4.6</p> <p>With: 7(1) of Schedule 11.1</p>	<p>3,132 active ICPs have duplicate addresses.</p> <p>1,062 active ICPs have addresses which do not have a street number or property name.</p> <p>Nine ICPs had incorrect address towns or regions assigned; and were corrected during the audit.</p> <p>62 ICPs had incorrect NSPs assigned and were corrected during the audit.</p> <p>Four ICPs had incorrect initial electrical connection dates; and were corrected during the audit.</p> <p>74 active ICPs have missing initial electrical connection dates.</p> <p>31 ICPs with known unmetered load (28 distributed unmetered load and three standard unmetered load) did not have distributor unmetered load details recorded on the registry and were corrected during the audit.</p> <p>36 private lights in the Palmerston North City Council region do not have shared unmetered load created.</p> <p>Two ICPs invalidly had "unmetered load" recorded in the distributor unmetered load details; and were corrected during the audit.</p>

From: 19-Jun-20 To: 28-Aug-20	Powerco had incorrect distributor unmetered load details recorded for three ICPs and out of date details recorded for six ICPs, which were corrected during the audit. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as the moderate because most information is correctly recorded, and errors are usually found and corrected as part of Powerco’s validation processes. The number of discrepancies is minor and has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
As mentioned in 2.1, 2.2 and 4.4 Powerco has improved its reporting so errors are found and therefore resolved more quickly. Powerco has scheduled dedicated resources to resolve historic data issues, steadily reducing errors in areas such as address duplicates.		On-going	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Powerco will continue to monitor its reporting and make corrections when required. Powerco is also investigating alternative methods of verifying addresses as residual exceptions become more difficult to resolve.		On-going	

Title: Provision of information to registry after the trading of electricity at the ICP commences	
Non-compliance	Description
<p>Audit Ref: 4.7</p> <p>With: 7(3) Schedule 11.1</p> <p>From: 01-Jun-19</p> <p>To: 19-Jun-20</p>	<p>Pricing was not provided within ten business days of initial electrical connection for 11 ICPs.</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>Late requests and information from external parties including traders and contractors are causing the delays, therefore I have rated the controls as moderate.</p> <p>The audit risk rating is low. The overall level of compliance is high, and there is no impact on settlement.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Powerco has worked with traders and contractors to ensure the correct information and effective dates have been sent to registry.	Complete	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco will continue to communicate its processes and requirements to contractors as well as traders to ensure new connections are compliant.	Ongoing	

Title: Maintenance of price category codes		
Non-compliance	Description	
<p>Audit Ref: 4.12 With: 23 Schedule 11.1</p> <p>From: 31-Mar-17 To: 31-Mar-20</p>	<p>Price category codes NLC, NLCT and NLCV were incorrectly end dated, and were corrected during the audit period.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are rated as strong. The pricing categories were closed off incorrectly prior to the audit period, and the issue was identified and corrected during the audit period.</p> <p>The audit risk is rated as low because the price categories were only assigned to distributor status ICPs, and there are no associated line charges.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco identified the price categories were closed off incorrectly and made the correction. The change had no impact on other participants and only administrative.	Complete	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco has reviewed its price categories in registry and confirmed this as an isolated issue.	Complete	