

Compliance plan for Auckland International Airport Limited (AIAL)

Title: Requirement to provide complete and accurate information		
Non-compliance	Description	
<p>Audit Ref: 2.1</p> <p>With: Clause 11.2(1)</p> <p>From: 03-Jul-18</p> <p>To: 03-Dec-18</p>	<p>At least five network updates had an incorrect event date recorded.</p> <p>At least two pricing updates had an incorrect event date recorded.</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>Strong controls are now in place, and a very small number of exceptions were identified since 01/10/18.</p> <p>The impact of the incorrect effective date for the initial electrical connection update is low. The correct initial electrical connection date was applied.</p>	
Actions taken to resolve the issue		Completion date
AIAL has appointed Tenco from the 01/10/2018 as its Embedded Network Services Manager including all Registry functions – part of the decision to change provider was to improve our level of compliance.		01/10/2018
Preventative actions taken to ensure no further issues will occur		Completion date
As above the appointment of a new services provider will assist AIAL in meeting its compliance obligations as Tenco is a specialist provider in the secondary network space and is setup and resourced to manage compliance for its secondary network clients.		01/10/2019
		Identified

Title: Timeliness of Provision of ICP Information to the registry manager			
Non-compliance	Description		
<p>Audit Ref: 3.4</p> <p>With: Clause 7(2) of Schedule 11.1</p> <p>From: 04-Sep-18</p> <p>To: 07-Sep-18</p>	<p>One ICP did not have a pricing code and ready status recorded prior to initial electrical connection.</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>Strong controls are now in place, no late updates have been identified since TENCO became an agent on 01/10/18.</p> <p>The impact is low, because the proposed trader and ready status were recorded within three business days of initial electrical connection.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
AIAL has appointed Tenco from the 01/10/2018 as its Embedded Network Services Manager including all Registry functions – part of the decision to change provider was to improve our level of compliance.		01/10/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above the appointment of a new services provider will assist AIAL in meeting its compliance obligations as Tenco is a specialist provider in the secondary network space and is setup and resourced to manage compliance for its secondary network clients.		01/10/2018	

Title: Timeliness of Provision of Initial Electrical Connection Date	
Non-compliance	Description
<p>Audit Ref: 3.5</p> <p>With: Clause 7(2) of Schedule 11.1</p> <p>From: 04-May-18</p> <p>To: 28-May-19</p>	<p>15 ICPs did not have initial electrical connection dates populated within ten business days of initial electrical connection.</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 they are sufficient to ensure that initial electrical connection dates are updated on time most of the time. Paperwork is often sent to the retailer first, then passed to TENCO, which can cause delays in updating the initial electrical connection date.</p> <p>The impact is low, because there is no direct impact on settlement. Eight late updates were made within 30 business days of the initial electrical connection date, and all were made within 66 business days.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
As above the appointment of a new services provider will assist AIAL in meeting its compliance obligations as Tenco is a specialist provider in the secondary network space and is setup and resourced to manage compliance for its secondary network clients. Separately to this the AIAL engineering team also advises Tenco on the IED's where these are available to them.		01/10/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above the appointment of a new services provider will assist AIAL in meeting its compliance obligations as Tenco is a specialist provider in the secondary network space and is setup and resourced to manage compliance for its secondary network clients. Tenco is also actively working with AIAL's engineering services team to improve process's including on IED's.		01/10/2018	

Title: Changes to registry information	
Non-compliance	Description
<p>Audit Ref: 4.1</p> <p>With: Clause 8 Schedule 11.1</p> <p>From: 04-Jan-18</p> <p>To: 29-May-19</p>	<p>One late address update.</p> <p>38 late network updates.</p> <p>68 late pricing updates.</p> <p>63 late status updates to decommissioned status.</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>Controls are rated as strong, as they are sufficient to ensure updates are on time most of the time. In most cases checked, the late update was at the request of another party, caused by another party's late provision of information to AIAL or the registry, or was a correction.</p> <p>The risk is assessed as low as a relatively small proportion of updates were affected.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
AIAL has appointed Tenco from the 01/10/2018 as its Embedded Network Services Manager including all Registry functions – part of the decision to change provider was to improve our level of compliance.	01/10/2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
As above the appointment of a new services provider will assist AIAL in meeting its compliance obligations as Tenco is a specialist provider in the secondary network space and is setup and resourced to manage compliance for its secondary network clients. Controls from 1/10/2018 are a lot stronger with Tenco managing compliance via daily refresh to registry. The late update by other market participants does however at times cause non-compliance for us	01/10/2018	

Title: Distributors to Provide ICP Information to the Registry manager		
Non-compliance	Description	
<p>Audit Ref: 4.6</p> <p>With: Clause 7(1) Schedule 11.1</p> <p>From: 20-May-19</p> <p>To: 14-Aug-19</p>	<p>ICPs 0003133794AA351 and 0003133795AAF14 had incorrect initial electrical connection dates, and were corrected during the audit.</p> <p>DUML ICP 0000031344AAEF5 had missing distributor unmetered load details, and was corrected during the audit.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</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 the moderate because most information is correctly recorded. The two initial electrical connection dates occurred during the period when Vector was an agent, and TENCO was not aware corrections were required on hand over.</p> <p>The number of discrepancies is minor and has no direct impact on reconciliation. The errors were corrected.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
As above – upon notification by Tara during the audit the 3 incorrect records were updated – controls are in place via Tenco to ensure that AIAL remain compliant in this area.	01/10/2018	Cleared

Preventative actions taken to ensure no further issues will occur	Completion date	
The appointment of Tenco from October-2018 is in part due to AIAL wanting to improve its level of compliance following our previous audit.	01/10/2018	

Title: Creation of loss factors		
Non-compliance	Description	
<p>Audit Ref: 8.1 With: Clause 11.2</p> <p>From: 01-Apr-19 To: 14-Aug-19</p>	<p>Current loss factors are based on Vector's 01/04/18 values, not Vector's 01/04/19 values.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as weak. The loss factors were reviewed following the 2018 audit. AIAL intended to monitor changes to Vector's loss factor codes and adjust their own, but this did not occur.</p> <p>The audit risk rating is low as UFE is allocated to participants; therefore there is no adverse impact on settlement but traders may use published losses in pricing decisions. The variance found was minor.</p>	
Actions taken to resolve the issue		Completion date
Loss Factors will be updated from the 01/12/2019 (2 months' notice required in registry) following confirmation from Anthony at AIAL that Tenco are now responsible for the management of losses on a go forward including updating from Dec-2019 and then again in May annually assuming that changes from the local network (VECT) do come through.		10/09/2018
Preventative actions taken to ensure no further issues will occur		Completion date
As above AIAL have authorised Tenco on a go forward to manage and update the AIAL losses as they do for other clients annually upon any changes made by local network companies.		10/09/2018