

Compliance plan for The Embedded Network Company (TENC)

Title: Requirement to provide complete and accurate information		
Non-compliance	Description	
<p>Audit Ref: 2.1</p> <p>With: Clause 11.2(1) and 10.6(1)</p> <p>From: 01-Oct-13</p> <p>To: 13-Sep-18</p>	<p>Incorrect parent NSPs are recorded for TQB0011 and TCL0011 from 01/10/13-13/09/18 following a backdated change to the effective date of the LE ICP NSP by Wellington Electricity.</p> <p>0001160076TC0CB had an incorrect event date applied for its initial electrical connection date registry update, 21/03/18 was applied instead of 01/04/18.</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 in place and a very small number of exceptions were identified.</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, and the effective date was within one week of this.</p> <p>The impact of the incorrect parent NSP effective dates is low. There is no direct impact on reconciliation, because all Wellington Electricity NSPs are in the same balancing area.</p>	
Actions taken to resolve the issue		Completion date
The incorrect IED's have been populated to Registry to clear this issue on the 2 incorrect dates.		09/08/2019
Preventative actions taken to ensure no further issues will occur		Completion date
For the IED's we have reminded our team of the Importance of double-checking entries to Registry given they are manual. For the NSP changes we are in the process of adding an additional field to Salesforce that will allow us to pick up changes in dates when the NSP does not change – this will allow us to ensure that we update where required – our view here was that this was a one-off and driven by WE* doing some data cleansing on their side.		Ongoing
		Identified

Title: Timeliness of Provision of ICP Information to the registry manager			
Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 03-Apr-18 To: 24-Apr-19	153 late updates to ready status for new connections. Four late updates to the proposed trader for new connections. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong, because most of the updates were made on time or very close to the initial electrical connection date. The impact is low, because the proposed trader and ready status were recorded within five business days of initial electrical connection.		
Actions taken to resolve the issue		Completion date	Remedial action status
The correct entries were made to the ICP's as part of normal business process however were late in some cases due to BD1 falling on a weekend or team members not getting the updates completed on BD1 as they should have.		During the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have increased the number of people in our business over the past 12 months and also looked to further improve operational focus on new Embedded Network setups to ensure that our levels of compliance continue to improve.		Ongoing	

Title: Timeliness of Provision of Initial Electrical Connection Date	
Non-compliance	Description
Audit Ref: 3.5 With: Clause 7(2) of Schedule 11.1 From: 10-Apr-18 To: 21-May-19	38 ICPs did not have initial electrical connection dates populated within ten business days of initial electrical connection. 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	<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 and 33 of the 38 late updates were made within 30 business days of the initial electrical connection date.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
All ICP's at the time of audit had an IED on them – the late input of these is as described above.		During audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
For new networks where we are putting many ICP's live on a single day (ie Greenfield Developments and Customer Network conversions) we are now inputting the IED into Registry on the day the network goes live – this will mean that in the case's where the retailer and or MEP is late in populating their records to Registry that we will remain compliant. The late update by Retailers or MEP's that causes us non-compliance should be dealt with by their own audit reports.		01/09/2019	

Title: Connection of ICP that is not an NSP			
Non-compliance	Description		
<p>Audit Ref: 3.6</p> <p>With: Clause 11.17</p> <p>From: 01-Apr-18</p> <p>To: 05-Oct-18</p>	<p>Four ICPs did not have a proposed trader 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>The controls are rated as strong, because most of the updates were made on time or very close to the initial electrical connection date.</p> <p>The impact is low, because the proposed trader and ready status were recorded within two business days of initial electrical connection.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The proposed retailer was populated within 2 business days of the ICP going live – a proposed retailer was already confirmed but had been overlooked for input when creating the ICP as NEW – it should not have been.		During the audit period	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
For ICP's that we are putting up as NEW for Greenfield and Customer Network conversions we now input proposed retailer, pricing etc into Registry with only the POC to be entered on the date of network go live.	01/09/2019	

Title: Changes to registry information		
Non-compliance	Description	
<p>Audit Ref: 4.1</p> <p>With: Clause 8 Schedule 11.1</p> <p>From: Jan-18</p> <p>To: May-19</p>	<p>Seven late address updates.</p> <p>26 late network updates.</p> <p>Seven late pricing updates.</p> <p>28 late 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 TENC 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
We have strong controls in place for the update of Registry and in some cases are reliant on other Participants completing updates for us to then be able to complete changes in Registry which at times causes us some non-compliance.		Throughout the audit period
Preventative actions taken to ensure no further issues will occur		Completion date
We continue to focus on our level of Compliance, understanding of process and depth of the team to ensure we have coverage		Ongoing

Title: ICP location address			
Non-compliance	Description		
<p>Audit Ref: 4.4</p> <p>With: Clause 2 Schedule 11.1</p> <p>From: 20-May-19</p> <p>To: 14-Aug-19</p>	<p>Ten ICPs with duplicate addresses, which were corrected to be unique during the audit.</p> <p>Two ICPs with difficult to locate addresses.</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 most ICPs will have unique and locatable addresses.</p> <p>The impact is low because in most cases address information is correct. 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
The ICPs with duplicate addresses or difficult to locate addresses have now been updated to ensure that they are unique and locatable.		Aug/Sep-19	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
When transferring ICPs from the local network we are introducing additional checks to ensure we are not inheriting non-compliant ICPs from the local network – in addition we will be running monthly checks across all ICP's to ensure that we have not had address updates input to Registry that result in non-unique addresses.		01/09/2019	

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: 01-Apr-18</p> <p>To: 14-Aug-19</p>	<p>Initial electrical connection dates were temporarily incorrect for ten ICPs.</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.</p> <p>The number of discrepancies is minor and has no direct impact on reconciliation.</p> <p>All incorrect initial electrical connection dates were corrected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
All details in Registry identified during audit have been corrected by us.		Aug/Set-2019	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
As noted in previous sections we are making changes to improve our level of compliance in the area where our ability to do so is within our control.		Ongoing	

Title: Maintenance of price category codes			
Non-compliance	Description		
<p>Audit Ref: 4.12</p> <p>With: Clause 23</p> <p>Schedule 11.1</p> <p>From: 25-May-17</p> <p>To: 24-May-18</p>	<p>Price category code TCPOP03's start date was recorded as 25/05/17 not 25/05/18.</p> <p>Price category code TCPOP03 was not created at least two months before the price category code came into effect.</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 strong, this appears to be an isolated error.</p> <p>There is no impact, the price code was created prior to being applied.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The late entry of the pricing code was caused by human error on the entry to Registry – it only applied for 1 ICP that was inherited from Powerco due to a change in metering at the gateway.		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
A reminder to the team to ensure that they double check entries to Registry.		01/09/2019	

Title: Creation and decommissioning of NSPs			
Non-compliance	Description		
<p>Audit Ref: 6.1</p> <p>With: Clause 11.8 and Clause 25 Schedule 11.1</p> <p>From: 01-Oct-18</p> <p>To: 01-Nov-18</p>	<p>Notification of a delayed start date for TFT0011 was not provided on time.</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, because one update was late, and the processes ensure that information is normally provided on time.</p> <p>The impact is low. An alleged breach was recorded and closed early.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
TFT0011 was an edge case for us as the planned shutdowns did not occur to allow the gateway meter installs despite being locked in due to Vector finding upon arriving at site that the isolation of power would impact more than just this property – the start date of the network should have been moved upon rebooking of the shutdown but was unfortunately overlooked.		Nov-18	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We believe our controls are strong in this area and this was a one off event that will not be repeated.		N/A	

Title: Provision of NSP information			
Non-compliance	Description		
<p>Audit Ref: 6.2</p> <p>With: Clause 26(1) and (2) Schedule 11.1</p> <p>From: 30-Jan-18</p> <p>To: 26-Sep-18</p>	<p>Notifications of NSP creation for TBW0011 and TGB0011 were not provided to the reconciliation manager at least ten business days before the NSP was electrically connected.</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, because a small number of updates were late and the processes ensure that information is normally provided on time.</p> <p>The impact is low, because notifications were provided prior to the NSPs being electrically connected.</p>		

Actions taken to resolve the issue	Completion date	Remedial action status
In the case of both TBW0011 and TGB0011 these were Greenfield developments and we received very late notice of livening date from the electrical contractors despite requesting at least 1 months' notice from them – given the scale of these projects and that there were no retailers impacted by the short notice we made a conscious decision to push ahead with a short notice period.	Sept-18 & Jan-18.	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We continue to proactively work with our clients and their contractors on the notice periods required for new Embedded Networks and regularly follow up with them – where a liven date is uncertain we will in some cases notify and then instruct our DA to submit zero volumes in network go live and livening dates do not align.	On going	

Title: Notice of supporting embedded network NSP information		
Non-compliance	Description	
<p>Audit Ref: 6.4</p> <p>With: Clause 26(4)</p> <p>Schedule 11.1</p> <p>From: 01-Feb-18</p> <p>To: 12-Aug-19</p>	<p>LE ICP numbers were not provided at least one month before network creation for TBW0011, TFT0011, TGB0011, THH0011 and TPW0012.</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 controls are strong, because the delays were primarily caused by other parties not providing information on time.</p> <p>The impact is low because for four of the five late updates, the LE ICP was provided before network creation. All other required information was provided on time.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
An LE ICP is always in place at time of network go live however the entry to RM portal had however is some cases been omitted – we also note that if an update to an NSP in the RM portal is made then the LE ICP strips out and needs to be re-input which does introduce risk of a correct previous entry being removed – we have made the RM aware of this.	During the audit period	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Going forward we are going to only notify a new network with 1 months' notice once we have the LE ICP available to us from the local network – we recognise that this may delay the start date for some networks as at times local networks can be very slow in providing response to our request for these.	01/09/2019	

Title: Responsibility for metering information for NSP that is not a POC to the grid		
Non-compliance	Description	
<p>Audit Ref: 6.8</p> <p>With: Clause 10.25(1) and 10.25(3)</p> <p>From: 18-Jan-18</p> <p>To: 22-Mar-19</p>	<p>Meter certification details were updated more than 20 business days after the certification date for WGF0011, PHS0011, TCT0011, TSG0011, TAW0011, WWC0011, WSC0011, TTT0011 and WPK0011.</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 strong, because the delays were primarily caused by the MEP being unable to provide information on time.</p> <p>The impact is low. The meters with late updates were certified at all times.</p>	
Actions taken to resolve the issue		Completion date
All LE ICP's have current and correct metering cert dates aside from those few that have had cert cancellations on them as covered in the AMS audit report.		Throughout the audit period
Preventative actions taken to ensure no further issues will occur		Completion date
We have submitted a proposed change to bring LE ICP metering details into Registry – our main constraint is getting meter recert details in from the MEP's on time as we are only aware of expiry dates and where they recert early and we do not get notice at the time causes us non-compliance – we are proactively looking to work with the 2 MEP's we use to improve the notices we receive.		Ongoing
		Identified

Title: Obligations concerning change in network owner			
Non-compliance	Description		
<p>Audit Ref: 6.10</p> <p>With: Clause 29 Schedule 11.1</p> <p>From: 01-Oct-18</p> <p>To: 05-Oct-19</p>	<p>Notifications of a revised start date for a change of network owner for ICPs connected to TFT0011 were not issued to reconciliation participants at least one month before the start 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 strong, because almost all notifications were issued on time.</p> <p>The impact is low because the notifications were issued four days late, and the affected participants were already aware of the change.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
TFT0011 was an edge case for us as the planned shutdowns did not occur to allow the gateway meter installs despite being locked in due to Vector finding upon arriving at site that the isolation of power would impact more than just this property – the start date of the network should have been moved upon rebooking of the shutdown but was unfortunately overlooked.		Oct-18	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We believe our controls in this area are strong and TFT0011 are an edge case for us.		Ongoing	

Title: Creation of loss factors	
Non-compliance	Description
<p>Audit Ref: 8.1</p> <p>With: Clause 11.2</p> <p>From: 14-Aug-19</p> <p>To: 14-Aug-19</p>	<p>Loss factor codes TCLCL01 and TCLCL02 were assigned to 329 ICPs which did not have parent network loss codes consistent with the loss code. For 181 of the ICPs there was no difference in loss factor.</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, because 97% of ICPs had a loss factor assigned which matched the expected value and 93% had the expected loss factor assigned. TENC intends to take corrective action to prevent recurrence.</p> <p>The impact is low because there was either a small or zero impact on loss factors.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We created new loss factors where required for the above and moved the ICP's on TPW0011 and TPW0012 to the correct new loss factor – given the changes made by WE* from 1 July-2019 we had already run a cleanse across the WE* connected Embedded Networks to ensure that these were correct.		Aug/Sept-19	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The Ops team here have been made aware of the above described issue and are modifying our process's accordingly to improve compliance.		01/09/2019	