

Compliance plan for Powerco

Title: Changes to registry information		
Non-compliance	Description	
<p>Audit Ref: 2.1</p> <p>With: 11.2(1)</p> <p>From: 01-Jun-18</p> <p>To: 19-Jun-19</p>	<p>117 network events did not have a correct effective date recorded.</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>The current process controls are rated as moderate, because most information is recorded correctly. Powerco is investigating whether event dates can be added where they are not available in the front end of CWMS.</p> <p>I have rated the audit risk rating as low as the initial electrical connection date has no direct impact on settlement.</p>	
Actions taken to resolve the issue		Completion date
<p>Powerco is in the process of resolving the effective date issue for IECD. This fix is intended to resolve historic inaccuracies, as well as future updates.</p> <p>This issue arose due to a fix of a greater issue (correct population of IECD date), as such Powerco is being cautious to ensure any changes to correct the effective date will not create any other unintended issues.</p>		31/10/2019
Preventative actions taken to ensure no further issues will occur		Completion date
<p>As above, Powerco is working on a system fix to resolve the IECD effective date issue as it occurs.</p> <p>Powerco has implemented a more comprehensive suite of reconciliation and validation reports, which are now scheduled weekly (down from monthly) in order to identify and correct any errors as quickly as practicable.</p>		<p>31/10/2019</p> <p>In place from 24/7/2019</p>
		Identified

Title: Requirement to correct errors			
Non-compliance	Description		
<p>Audit Ref: 2.2</p> <p>With: 11.2(2) and 10.6(2)</p> <p>From: 01-Jun-18</p> <p>To: 19-Jun-19</p>	<p>117 network events did not have a correct effective date recorded.</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>The current process controls are rated as moderate, because most information is recorded correctly. Powerco is investigating whether event dates can be added where they are not available in the front end of CWMS.</p> <p>I have rated the audit risk rating as low as the initial electrical connection date has no direct impact on settlement.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>In the process of resolving the effective date issue for IECD.</p> <p>This issue arose due to a fix of a greater issue (correct population of IECD date), as such Powerco is being cautious to ensure any changes to correct this will not create any other unintended issues.</p>		31/10/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Powerco is undertaking a comprehensive process review of unmetered load, with a large focus on street lighting and how it interacts with councils and their traders.</p> <p>As above, Powerco is working on a system fix to resolve the IECD effective date issue as it occurs.</p> <p>Powerco has implemented a more comprehensive suite of reconciliation and validation reports, which will now be scheduled weekly (down from monthly) in order to identify and correct any errors as quickly as practicable.</p>		<p>Detailed action plan by</p> <p>31/12/2019</p> <p>In place</p>	

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: 22-Jun-18</p> <p>To: 11-Apr-19</p>		<p>Registry not updated prior to commencement of trading for 76 ICPs (1.97%).</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>Delays from external parties including traders and contractors are causing 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 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
<p>As discussed, Powerco has implemented improvements to its processes for new connections and the creation of ICPs in registry. Our analysis shows that these controls would prevent non-compliance in almost all cases, leaving only exceptional situations.</p> <p>Where network asset work is required prior to connection, Powerco currently creates ICPs at the 'new' status and electrical connection may occur immediately following completion of this work. In these cases, it is impractical to delay electrical connection until registry is updated to ready where the retailer has accepted the connection, the MEP has completed meter installation and the consumer is ready to use the connection.</p> <p>Powerco is considering a change to its new connections process and the use of the 'new' status to help ensure compliance with clause 7(2) of Schedule 11.1.</p>		<p>In place from 1/4/2019</p> <p>1/2/2020</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Powerco is working with its approved contractors to ensure paperwork is completed and provided within prescribed timeframes. This is part of an ongoing focus on the timely provision of information from contractors and internal business units.</p>		Ongoing	

Title: Timeliness of Provision of Initial Electrical Connection Date			
Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 26-Jun-18 To: 15-Apr-19	Late population of initial electrical connection date for 109 ICPs (2.8%). Potential impact: None Actual impact: None Audit history: Twice Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls have improved from weak at the beginning of the audit period (with the initial electrical connection was based on the meter certification date and missing dates were monitored twice per month), to strong (with initial electrical connection dates based on the best information available and daily monitoring and resolution of missing and potentially incorrect dates). The audit risk rating is low, because there is no direct impact on submission. Retailers may use this information to check their active dates.		
Actions taken to resolve the issue		Completion date	Remedial action status
Powerco has implemented a new process for the population of the IECD. Internal monitoring indicates the changes have resulted in far greater accuracy and improved timeliness.		In place from 1/5/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Powerco will continue to use and refine the new IECD process as required.		In place	

Title: Connection of ICP that is not an NSP	
Non-compliance	Description
Audit Ref: 3.6 With: Clause 11.17 From: 26-Jun-18 To: 28-Jun-18	ICP 1000576622PC9B3 was electrically connected prior to having a trader nominated on the registry. 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	<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 by the Powerco approved contractor when on site.</p> <p>The impact is low, because the overall level of compliance is high. Only one genuine exception was identified, and the trader nomination was made two business days late.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Powerco has implemented improvements to its processes for new connections and the creation of ICPs in registry, which is reflected in the reduction of non-compliances.		In place from 1/4/2019	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: Connection of ICP that is not an NSP			
Non-compliance	Description		
<p>Audit Ref: 3.7</p> <p>With: 10.31</p> <p>From: 26-Jun-18</p> <p>To: 06-Jul-18</p>	<p>ICP 1000576622PC9B3 was electrically connected prior to the trader accepting responsibility.</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 over acceptance of trader responsibility are strong. The delay was caused by an upgrade work order being changed to a decommission and new ICP creation by the Powerco approved contractor when on site.</p> <p>The impact is low, because the overall level of compliance is high, and only one genuine exception was identified.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Powerco has implemented improvements to its processes for new connections and the creation of ICPs in registry, which is reflected in the reduction of non-compliances.		In place from 1/4/2019	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		
Audit Ref: 4.1 With: 8 Schedule 11.1 From: 01-Jun-18 To: 30-Apr-19	79 late address updates. 7524 late network updates. 1,258 late pricing updates. 443 late status updates. 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	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. There is a potential minor impact on settlement, hence the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
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.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above, Powerco has implemented improved reporting to identify errors quickly for correction and identify areas where processes and/or controls should be reviewed.		Ongoing	

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-18</p> <p>To: 11-Jun-19</p>	<p>Three ICPs with incorrect NSPs assigned, and one ICP likely to have an incorrect NSP assigned.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three 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. 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.</p> <p>I have rated the audit risk rating as low due to the small number of potentially mismapped ICPs identified. 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
New NSP reporting has been created and potential discrepancies are being investigated and corrected where necessary.		In place from 24/7/2019	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: Clause 2 Schedule 11.1</p> <p>From: 01-Jun-18</p> <p>To: 19-Jun-19</p>	<p>5,771 ICPs with addresses that are either duplicated or not readily locatable.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</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 as there were no ICPs created during the audit period that had duplicated addresses, or incomplete addresses.</p> <p>The audit risk rating is low as the volume of ICPs that are not readily locatable 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
Powerco will continue to resolve historic address issues using data from all available sources. Looking to review each ICP and identify where physical checks will be required.		1/4/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Powerco is confident that all new connections have complete and unique addresses under its current controls and processes. Powerco systems do not allow the creation of duplicate or incomplete addresses.		In place	

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>From: 01-Jun-18</p> <p>To: 19-Jun-19</p>	<p>Eleven ICPs had incorrect addresses recorded which have now been corrected.</p> <p>Five ICPs had redundant distributor unmetered load details recorded, which have now been removed.</p> <p>ICP 1000547492PC18A had an incorrect installation type recorded, which has now been corrected.</p> <p>38 ICPs did not have an initial electrical connection date recorded, which have now been corrected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</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, and errors are usually found and corrected as part of Powerco's validation processes.</p> <p>The number of discrepancies is minor and has no direct impact on reconciliation.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Powerco has implemented a new process for the population of the IECD. Internal monitoring indicates the changes have resulted in far greater accuracy and improved timeliness. Improved validation reporting has been implemented and discrepancies are being investigated and corrected when identified.	In place from 1/5/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Validation reports are run on a schedule from daily to weekly by type and any discrepancies are corrected as soon as they are identified.	In place from 24/7/2019	

Title: Creation of loss factors		
Non-compliance	Description	
Audit Ref: 8.1 With: 11.2 From: 01-Jun-18 To: 31-Mar-19	Loss factors are not accurate for balancing area BA1EASTPOCOG as indicated by the reconciliation losses. Potential impact: Medium Actual impact: Medium Audit history: Once Controls: Strong Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Medium	The controls are rated as strong because the loss factors are reviewed annually, using a compliant process. Loss factors have been revised from 01/04/19 and are expected to bring the losses to within the compliance threshold. 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.	
Actions taken to resolve the issue	Completion date	Remedial action status
Loss factors for BA1EAST have been updated in alignment with Powerco's annual pricing review. Powerco is confident that UFE will be within the +/-1% guideline following this change when R7 revisions are reconciled.	Complete	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Loss factor methodology in line with guidelines</p> <p>Loss factors reviewed. Rolling reviews scheduled annually covering technical and reconciliation losses by region.</p>	<p>Complete</p> <p>First review under new methodology 2020</p>	