

Compliance plan for Orion New Zealand Limited

August 2017

Initial energisation date updates		
Non-compliance	Description	
<p>Audit Ref: 3.5</p> <p>With: Clause 7(2A) of Schedule 11.1</p> <p>From: 01-Aug-16</p> <p>To: 31-May-17</p>	<p>20 initial energisation dates updated late to the registry.</p> <p>18 incorrect event dates.</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>Orion has reporting in place to ensure initial energisation dates are provided by contractors in a timely manner. I consider the controls are strong and the late updates reflect a small percentage of the total (0.4%)</p> <p>There is no impact on settlement. The only potential impact is where a trader may wish to compare their Active date to the IED, so the impact is considered minor, leading to an audit risk rating of low.</p>	
Actions taken to resolve the issue		Completion date
We update the registry and populate the correct IED date however we often have to wait for third parties to provide the paperwork and this creates delays in updating the registry (i.e. event date). Consequently we don't intend altering the event date for the 18 ICPs identified.		18/7/17
Preventative actions taken to ensure no further issues will occur		Completion date
We intend refreshing communication with livening agents to reinforce the need for timeliness of paperwork		30/9/17
		Identified

Registry updates		
Non-compliance	Description	
<p>Audit Ref: 4.1</p> <p>With: Clause 8 Schedule 11.1</p> <p>From: 01-Aug-16</p> <p>To: 31-May-17</p>	<p>Updates to registry backdated greater than 3 business days of the event.</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>Nearly all of the late updates were as a result of late information from other parties. Controls are strong and processes are well designed, but there will always be requests from other parties to backdate certain events.</p> <p>There is no impact on settlement. There would be a negative impact on traders and customers if Orion did not backdate pricing events. The Audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
We agree with the findings and support the auditor's explanation that backdated changes in these cases are to the benefit of customers. We spend significant administrative time monitoring, following up and working in with other parties to ensure information is correct.		18/7/17
Preventative actions taken to ensure no further issues will occur		Completion date
We don't intend introducing any further preventative actions in this case.		18/7/17
		Cleared

NSP accuracy		
Non-compliance	Description	
<p>Audit Ref: 4.2</p> <p>With: Clause 7(1)(b) of Schedule 11.1</p> <p>From: 01-Aug-16</p> <p>To: 23-Jun-17</p>	<p>Six ICPs with incorrect NSPs.</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 to ensure ICPs are allocated to the correct NSP for new connections.</p> <p>There is a very minor impact on settlement. The NSPs in question are in the same balancing area. The audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
We investigated each of the six issues identified and made corrections including decommissioning, confirming correct addresses with customers and following up with retailers.		27/7/17
Preventative actions taken to ensure no further issues will occur		Completion date
Orion will run an additional report quarterly to identify ICP NSP changes without connectivity in the GIS		30/9/17
		Cleared

Registry accuracy			
Non-compliance	Description		
<p>Audit Ref: 4.6</p> <p>With: Clause 7(1)</p> <p>Schedule 11.1</p> <p>From: 01-Sep-16</p> <p>To: 06-Oct-16</p>	<p>Six initial energisation dates incorrect.</p> <p>One incorrect unmetered wattage.</p> <p>Potential impact: Medium</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>Strong controls are in place where an ICP connects directly to Orion's network. Knowledge of initial energisation dates is more difficult to determine when the ICP is not connected directly to the network and this is where some additional controls may be required. Controls are strong for the management of other fields.</p> <p>There is no impact on settlement in relation to incorrect initial energisation dates. The initial energisation date is used a comparison for other dates but should not be relied on or copied by other participants. The trader is using the correct wattage for the one unmetered ICP. The impact on other participants is minor and the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>As the auditor indicates in the case of initial energisation dates it is difficult for us to confirm the IED for central supply customers.</p> <p>We will correct the unmetered load wattage issue identified.</p>		3/8/17	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We are reviewing our online connection process and will consider potential ways to work with customers/electricians to obtain the initial energisation date where a central supply exists. This could include providing prompts around central supply as part of the application process.</p> <p>We will also talk with retailers about whether they can take ICPs in an inactive state.</p>		31/3/18	