

Compliance Plan for TENC Distributor Audit 2024

Requirement to provide complete and accurate information		
Non-compliance	Description	
<p>Audit Ref: 2.1 With: Clause 11.2(1) and 10.6(1)</p> <p>From: 01-Oct-23 To: 13-Mar-24</p>	<p>Five ICPs had incomplete addresses, which were corrected to be readily locatable and unique upon discovery during the audit.</p> <p>One pricing update had an incorrect event date and was corrected upon discovery during the audit.</p> <p>Four network updates populating the initial electrical connection date have incorrect event dates, which are unable to be corrected.</p> <p>Three ICPs had incorrect initial electrical connection dates recorded on the registry, and were corrected as soon as they were identified during the audit.</p> <p>Two of the 48 active SB ICPs had loss factors greater than 1.00. One was corrected upon identification during the audit, and the other will have a new loss factor created.</p> <p>Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as strong:</p> <ul style="list-style-type: none"> TENCO has a robust set of discrepancy reports that are used to identify and correct any errors found, and TENCO's processes ensure that correct details are applied most of the time. <p>The audit risk rating is low as a small number of discrepancies found, and most do not have an impact on reconciliation. TENC has resolved or intends to resolve the remaining inaccuracies.</p>	
Actions taken to resolve the issue		Completion date
Validation is carried out on a regular basis to ensure ICP records are accurate and complete. All ICP records found to be non-compliant were corrected, where appropriate.		During audit period
Preventative actions taken to ensure no further issues will occur		Completion date
We intend to implement 'Axos Registry Manager' in 2024. This will provide additional rule-based structure to our registry updates and enhanced discrepancy reporting.		2024
Identified		

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: 24-Aug-23</p> <p>To: 24-Jan-24</p>	<p>Six ICPs were updated to “ready” status after 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	The controls are rated as strong, as the process is compliant and a small number of exceptions were identified. The impact is low, all the ICPs were moved to ready status within three business days of initial electrical connection.	
Actions taken to resolve the issue	Completion date	Remedial action status
A manually created and uploaded file is used to move ICPs between New to Ready state. The file to move the CIAL ICPs to Ready was processed one day late. 1 ICP was missed from a bulk update, which failed due to having too many characters in the unit field.	During audit period	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We intend to implement ‘Axos Registry Manager’ in 2024. This will provide additional rule-based structure to our registry updates and enhanced discrepancy reporting.	2024	

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: 08-Feb-23</p> <p>To: 14-Feb-24</p>	<p>96 ICPs created prior to the audit period had initial electrical connection dates populated late.</p> <p>135 ICPs created during the audit period had initial electrical connection dates populated late.</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. A sample check found most late updates were caused by late provision of paperwork.</p> <p>The audit risk rating is assessed to be low as this has no direct impact on reconciliation.</p>	

Timeliness of Provision of Initial Electrical Connection Date		
Actions taken to resolve the issue	Completion date	Remedial action status
IED's are updated daily for all ICPs which have been made Active and have an MEP event. Late IED updates for the x2 SB ICPs will have no impact on reconciliation.	During audit period	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We continue to follow up with traders and MEPs where we find discrepancies or where updates have not been made.	Ongoing	

Connection of ICP that is not an NSP		
Non-compliance	Description	
<p>Audit Ref: 3.6 With: Clause 11.17</p> <p>From: 24-Aug-23 To: 24-Jan-24</p>	<p>Six ICPs with late status updates to "ready" did not have a responsible trader recorded on the registry on the initial electrical connection date.</p> <p>952 ICPs which were created and initially electrically connected between 1 December 2022 and 4 March 2024 did not have a responsible trader recorded on the registry on the initial electrical connection date.</p> <p>Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are rated as strong, because almost all ICPs were made ready prior to the initial electrical connection date enabling the trader to claim them. TENC's new connection process ensures that trader consent is obtained.</p> <p>TENC cannot control the trader's process to claim the ICP, and some traders do not claim ICPs until they have become "active".</p> <p>The impact is low, because traders had accepted responsibility prior to initial electrical connection for all ICPs checked, but in some cases that acceptance was not shown on the registry.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
All ICPs were moved to Ready as soon as we became aware that this was required.	During audit period	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We intend to implement 'Axos Registry Manager' in 2024. This will provide additional rule-based structure to our registry updates and enhanced discrepancy reporting.	2024	

Connection of NSP that is not point of connection to grid			
Non-compliance		Description	
Audit Ref: 3.9 With: Clause 10.30 From: 21-Jun-23 To: 07-Mar-24		14 new NSPs had late meter certification updates, including two NSPs where no meter certification details have been provided. 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		The controls are moderate, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low because there no impact on reconciliation.	
Actions taken to resolve the issue		Completion date	Remedial action status
Metering details are provided as soon as paperwork is received from MEPs. In some cases paperwork is late thus causing Tenco to be non-compliant.		During audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We continue to proactively follow up for meter paperwork with MEPs, where this has not been received.		Ongoing	

Monitoring of "new" & "ready" statuses			
Non-compliance		Description	
Audit Ref: 3.14 With: Clause 15 Schedule 11.1 From: 09-Jul-21 To: 13-Mar-24		ICPs at "new" and "ready" status are not consistently checked with the trader every 24 months. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating		Rationale for audit risk rating	
Low		The controls are moderate, because there is a process to identify ICPs at new or ready status for extended periods and check whether they are still required. I found that sometimes Tenco checks the status of the ICPs directly with the customer or developer instead of the trader. The audit risk rating is low, because the status was confirmed to be correct for the affected ICPs.	

Actions taken to resolve the issue	Completion date	Remedial action status
<p>During construction phase when embedded network ICPs are at New, we work closely with developers and electrical contractors. They inform us once they are ready for installs and we request this direct from Wells or Influx. We update ICPs to Ready at this point. Once install paperwork is received, we send this on to traders and request they claim as of the install date. Asking traders for status updates is redundant on new embedded network set-ups, as we manage the meter installs and the customer/electrical contractor relationship pre-commissioning.</p>	<p>During audit period</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We monitor ICPs at New and Ready up till and over 24 months. We know their current physical status. We usually check with the Trader before 24 months is up, as this is required by code.</p>	<p>Ongoing</p>	

Changes to registry information		
Non-compliance	Description	
<p>Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Dec-22 To: 04-Mar-24</p>	<p>Three late address updates. Up to 590 late pricing updates. Four late distributed generation updates. 170 late network updates. Five late status updates to decommissioned. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<p>Low</p>	<p>Controls are rated as strong, as they are sufficient to ensure updates are on time most of the time. The risk is assessed as low as a relatively small proportion of updates were affected, and in many cases TENCO could not update the registry until other parties provided information or updated the registry. From the sample checked it is likely that many of the pricing updates will not be genuinely late.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>In general, we make updates as soon as we become aware of the requirement. Events are only back dated if there is a valid reason, that would otherwise distort accuracy or affect reconciliation.</p>	<p>During audit period</p>	<p>Identified</p>

Preventative actions taken to ensure no further issues will occur	Completion date
We have noted an increase in the late processing of DS010 files by the EA. At times this has exceeded 35 days and required the back dating of network and pricing events. It would be good to see this process reviewed as this has resulted in multiple non-compliances for us.	Ongoing

ICP location address		
Non-compliance	Description	
<p>Audit Ref: 4.4 With: Clause 2 Schedule 11.1</p> <p>From: 04-Mar-24 To: 13-Mar-24</p>	<p>Five ICPs had incomplete addresses, which were corrected to be readily locatable and unique upon discovery during the audit.</p> <p>One ICP had incorrect physical address street recorded and was corrected as soon as it was identified during the audit.</p> <p>Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as strong, as there are processes in place to validate addresses. A very small number of exceptions were found and corrected as soon as they were discovered during the audit.	
Actions taken to resolve the issue	Completion date	Remedial action status
Address validation is carried out on a regular basis to ensure ICPs are readily locatable. All ICP records found to be non-compliant have been corrected where appropriate.	During audit period	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
We intend to implement 'Axos Registry Manager' in 2024. This will provide additional rule-based structure to our registry updates and enhanced discrepancy reporting.	2024	

Distributors to Provide ICP Information to the Registry manager			
Non-compliance	Description		
<p>Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1</p> <p>From: 01-Dec-22 To: 13-Mar-24</p>	<p>Three ICPs had incorrect initial electrical connection dates recorded on the registry, and were corrected as soon as they were identified during the audit.</p> <p>Four network updates populating the initial electrical connection date have incorrect event dates, which are unable to be corrected.</p> <p>Two of the 48 active SB ICPs had loss factors greater than 1.00. One was corrected upon identification during the audit, and the other will have a new loss factor created.</p> <p>Potential impact: Low Actual impact: None Audit history: Multiple times Controls: Strong Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated are now rated as strong, processes are compliant and these were isolated errors.</p> <p>The audit risk rating is low, as a small number of exceptions were identified and most were corrected as soon as they were discovered.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>From time to time there will be inaccuracies in the ICP data we update. We actively engage with other participants where we see discrepancies and make corrections where required, in a timely manner. 2 ICPs with loss factor discrepancies were identified during the audit and the most practicable method to remedy this was agreed with the auditor.</p>		01/04/2024	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We intend to implement 'Axos Registry Manager' in 2024. This will provide additional rule-based structure to our registry updates and enhanced discrepancy reporting.</p>		2024	

Creation and decommissioning of NSPs			
Non-compliance		Description	
Audit Ref: 6.1 With: Clause 11.8 and Clause 25 Schedule 11.1 From: 05-Jul-23 To: 08-Dec-23		TENC reported a self breach for TWE0011TENCEN because less than one month's notice of the revised start date was provided. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1	
Audit risk rating		Rationale for audit risk rating	
Low		Controls are rated as strong as TENC's processes are compliant. The audit risk rating is low because just under one month's notice of the revised start date was provided for TWE0011TENCEN.	
Actions taken to resolve the issue		Completion date	Remedial action status
When the electrical contractor advised us that the transformer was to be commissioning prior to the expected date, we chose to short notify and self breach, rather than delay the start of the multi-level residential development TWE0011TENCEN.		During audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have extended the amount of notice we give traders from one month to two months in most cases as this allows them additional time to notify customers and make internal updates.		Ongoing	

Notice of supporting embedded network NSP information			
Non-compliance		Description	
Audit Ref: 6.4 With: Clause 26(4) Schedule 11.1 From: 01-Dec-22 To: 28-Feb-2024		20 late LE ICP notifications for new embedded networks. 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		The controls are moderate because TENC have not provided the required notice consistently across the LE ICP number requests. TENC's processes to make sure LE ICPs are requested are compliant, but there are often delays in receiving these from the parent network. The audit risk rating is low because the other required information was provided on time.	

Actions taken to resolve the issue	Completion date	Remedial action status
In most instances we provide all other NSP information to the RM in accordance with the 30-day rule. Where we are reliant on parent networks issuing LE ICPs, we often experience delays. This sometimes puts it outside of our control to update LE ICP information within the required timeframe.	During audit period	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We continue to work with parent networks to provide all information they require to issue ICPs in a timely manner. The process can often take 2-3 months and require multiple delays to the start date for new embedded networks, as without an LE ICP we are unable to install gate metering at the MSB.	Ongoing	

Responsibility for metering information for NSP that is not a POC to the grid		
Non-compliance	Description	
Audit Ref: 6.8 With: Clause 10.25(1) and 10.25(3) From: 07-Mar-22 To: 07-Mar-24	Meter certification details were updated more than 20 business days after the certification date for five NSPs from a sample of 11 checked. Meter certification was expired for eight ICPs at the time the checks were completed. 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	The controls are moderate, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low because there no impact on reconciliation.	
Actions taken to resolve the issue	Completion date	Remedial action status
We have found the late certification of some of these meters is due to low load situations at the outset of new developments, which prevents load checks from being carried out. Once site load is at the required level, the MEP will return to site to complete certification. Hence the delayed paperwork.	During audit period	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We continue to follow up with MEPs for paperwork to ensure their records match up with ours.	Ongoing	

Responsibility for metering information when creating an NSP that is not a POC to the grid		
Non-compliance	Description	
Audit Ref: 6.9 With: Clause 10.25(2) From: 21-Jun-23 To: 07-Mar-24	14 new NSPs had late meter certification updates, including two NSPs where no meter certification details have been provided. 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 moderate, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low because there no impact on reconciliation.	
Actions taken to resolve the issue	Completion date	Remedial action status
We have found the late certification of some of these meters is due to low load situations at outset of new developments, which prevents load checks from being carried out. Once site load is at the required level the MEP will return to site to complete certification. Hence the delayed paperwork.	During audit period	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We continue to follow up with MEPs for paperwork to ensure their records match up with ours.		

Creation of loss factors	
Non-compliance	Description
Audit Ref: 8.1 With: Clause 11.2 From: 01-Oct-23 To: 04-Mar-24	Two of the 48 active SB ICPs had loss factors greater than 1.00. One was corrected upon identification during the audit, and the other will have a new loss factor created. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	The controls are strong, almost all ICPs had the correct loss factor assigned and loss factors are calculated correctly. The impact on settlement and participants is minor as only two ICPs were affected.

Actions taken to resolve the issue	Completion date	Remedial action status
2 ICPs with loss factor discrepancies were identified during the audit and the most practicable method to remedy this was agreed with the auditor.	During audit period	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We intend to implement 'Axos Registry Manager' in 2024. This will provide additional rule-based structure to our registry updates and enhanced discrepancy reporting.	2024	