

Compliance plan for SmartCo – 2018

Participants to Provide Accurate Information		
Non-compliance	Description	
<p>Audit Ref: 2.5</p> <p>With: Clause 11.2 and Clause 10.6</p> <p>From: 01-May-17</p> <p>To: 31-Mar-18</p>	<p>Registry not always updated as soon as practicable by SmartCo</p> <p>Potential impact: Medium</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 recorded as moderate because they mitigate risk most of the time but some issues still occur.</p> <p>The impact on other participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
<p>SmartCo has a robust process to ensure registry data is updated as soon as practicable, this is described in detail in section 6.3 of this report. One area of non-compliance is the correction of IN24 to either the IN with the correct period of availability or where it can be shown there is no LCD, to UN24.</p> <p>A fix was put in place in December 2016 to prevent new IN24 RCCs going onto the registry, the table in section 6.2 shows the number has not increased since the last audit, in fact it has dropped by over a thousand. AMS are working on a separate project to clean up this backlog and have provided the Authority documentation on this in the past, and would be happy to discuss this with the Authority going forward.</p> <p>SmartCo have improved their process to cancel the certification of a metering installation where they have found an event as stated in the clause 20 of schedule 10.7. This audit has highlighted a handful of ICPs that were not done as soon as practicable, SmartCo will review the reasons for the lateness and adjust its processes to ensure this is not repeated.</p>		<p>IN24 - December 2018</p> <p>Late updates to registry – September 2018</p>
Preventative actions taken to ensure no further issues will occur		Completion date
<p>Correct all ICPs that have been incorrectly assigned the register content code of IN24</p> <p>Review ICPs that were updated late, identify causes and adjust processes to ensure this is not repeated.</p>		<p>IN24 - December 2018</p> <p>Late updates – September 2018</p>
		Identified

Registry Notification of Metering Records		
Non-compliance	Description	
<p>Audit Ref: 3.2</p> <p>With: Clause 2 of Schedule 11.4</p> <p>From: 01-May-17</p> <p>To: 31-Mar-18</p>	<p>Some registry updates later than 15 business days.</p> <p>Potential impact: Medium</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 in place to ensure the timeliness of updates, but SmartCo is often prevented from updating the registry due to late field notification.</p> <p>The impact on other participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
<p>Where SmartCo was nominated within the required timeframe it was 99.9992% compliant with this clause. There were 13 late updates out of 15,763 where we found issues we could control. These were predominantly data entry errors or late/incorrect paperwork. SmartCo hold regular meetings with the ATHs and these will be discussed at those meetings, with the aim to improve the return and flow of data through our systems, and how we deal with exceptions.</p>		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
<p>The Authority are looking at making nominating mandatory, SmartCo are very supportive of this, not only would it significantly improving our compliance to this clause, it would remove the need for us to continually chase retailers for nominations. SmartCo will continue with its B-to-B systems for ATHs and retailers, automating the majority of switches, allowing us to focus on the exceptions, as per above.</p>		Ongoing
		Identified

Metering Installation Design & Accuracy		
Non-compliance	Description	
<p>Audit Ref: 4.3</p> <p>With: Clause 4(1) of Schedule 10.7</p> <p>From: 29-Aug-13</p> <p>To: 01-Dec-17</p>	<p>Error and uncertainty calculations not conducted correctly for up to 642 Category 2 metering installations.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>I have recorded the controls as strong because ATHs have now improved their processes.</p> <p>There could be a minor impact on metering installation accuracy; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
<p>As stated in the Executive summary, the auditor noted that;</p> <p>“The previous audit report recorded that uncertainty calculations were not being conducted in accordance with the Code by ATHs. This matter was resolved in late 2017, but this audit is required to consider compliance over the entire audit period and SmartCo is therefore non-compliant in relation to those ICPs certified without uncertainty calculations being conducted”.</p> <p>Recheck a sample of the 642 ICPs to ensure their error and uncertainty calculations were conducted correctly.</p>		<p>Completed</p> <p>June 2018</p>
Preventative actions taken to ensure no further issues will occur		Completion date
Continue the monthly meetings with ATHs where issues such as this are discussed.		Ongoing

Changes to Registry Records		
Non-compliance	Description	
<p>Audit Ref: 4.10</p> <p>With: Clause 3 of Schedule 11.4</p> <p>From: 01-May-16</p> <p>To: 31-Mar-18</p>	<p>Some records updated to the registry later than 10 business days.</p> <p>Five incorrect certification dates</p> <p>Potential impact: Medium</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>I have recorded the controls as strong because they mitigate risk to an acceptable level.</p> <p>Late updates for new connections can have a minor impact on participants and settlement, therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue		Remedial action status
		Completion date

<p>For new connections updates to the registry later than 10 business days, where SmartCo was nominated within the required timeframe it was 99.999% compliant with this clause. There were 2 late updates out of 1,471 that SmartCo have found issues that they could control. These were data entry errors where the returned data was missing certain information such as channel missing and number of dials incorrect, these have been corrected.</p> <p>The 11 ICPs where new connections had occurred (where the certification date was different to the initial energisation date or the retailer’s active date) were analysed. All are certified metering installations, and most had the certification date out by 1-3 days.</p> <p>Initial energisation dates appear incorrect for six ICPs. This relates to a process by a distributor where sometimes they will install a dummy meter for livening and inspection. The IECD date is the date the distributor’s inspector installs the dummy, which is removed when the SmartCo meter is installed and certified.</p> <p>The Interim distributor process is summarised below.</p> <ul style="list-style-type: none"> • Wells are assigning the jobs for the areas Netcon no longer cover to Wells technicians to complete the metering. • When Wells back-office receive a job, and a living-agent has not been specified, or they have specified Netcon, Wells are then contacting the distributor about these jobs. • The distributor are then releasing their NCA’s to their appointed livening agent, who in turn contacts the electrician and organizes the Inspection and Livening. • The distributor has been advising Wells when the inspection and livening is going to happen. • The distributor’s appointed inspector either meets us on-site, or carries out the Inspection and installs a dummy meter. <p>The process is not ideal. However, we have been closely watching the area and ensuring the jobs are being delivered within expectation.</p> <p>SmartCo hold regular meetings with the ATHs and these will be discussed at those meetings, with the aim to improve the return and flow of data through our systems, and how we deal with exceptions.</p>	Ongoing	Identified
<p>Preventative actions taken to ensure no further issues will occur</p>	<p>Completion date</p>	
<p>SmartCo to continue to hold regular meetings with the ATHs and discussed these and other issues at those meetings.</p>	Ongoing	

Provision of Registry Information			
Non-compliance	Description		
<p>Audit Ref: 6.2</p> <p>With: Clause 7 (1), (2) and (3) of Schedule 11.4</p> <p>From: 01-May-17</p> <p>To: 31-Mar-18</p>	<p>Some registry records incomplete or incorrect.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>I have recorded the controls as moderate in this area. There are still a small number of areas where improvement can be made.</p> <p>Some of the discrepancies have a minor impact on participants, customers or settlement. The relevant ones in this regard are tariff related. The audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>As mentioned in section 2.5, a fix was put in place in December 2016 to prevent any new IN24 register content codes going onto the registry, the table above shows the number has not increased since the last audit, in fact it has dropped slightly. AMS are working on a separate project to clean up this backlog and have provided the Authority documentation on this in the past, and would be happy to discuss this with the Authority going forward.</p> <p>The auditor identified 266 sites where the tariff is UN only and the site has a control device. Investigation underway to identify cause and correct these.</p>		<p>IN24 – December 2018</p> <p>UN with LCD – July 2018</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Continue to focus on IN24 project and correct the ICPs already in the field. Investigate the cause for the 266 sites where there is an LCD on a UN only site. Correct ICPs and add this check to our reconciliation process.</p>		<p>IN24 – December 2018</p> <p>UN with LCD – July 2018</p>	

Correction of Errors in Registry			
Non-compliance	Description		
<p>Audit Ref: 6.3</p> <p>With: Clause 6 of Schedule 11.4</p> <p>From: 01-May-17</p> <p>To: 31-Mar-18</p>	<p>Discrepancies not resolved within 5 business days.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</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>I have recorded the controls as moderate because they mitigate risk most of the time but some late updates still occur.</p> <p>Some of the discrepancies have a minor impact on participants, customers or settlement. The relevant ones in this regard are tariff related. The audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
SmartCo reconcile against the registry regularly once or twice per week, this way the number of discrepancies remains manageable. This strategy does not align with the code, therefore, we will adjust our process to ensure one of the reconciliations is done on business day 13 each month.		July 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Change process to ensure a reconciliation is done on the 13 th business day of the month, and ensure corrections are completed within 5 business days.		July 2018	

Cancellation of Certification			
Non-compliance	Description		
<p>Audit Ref: 6.4</p> <p>With: Clause 20 of Schedule 10.7</p> <p>From: 10-Oct-16</p> <p>To: 30-Apr-18</p>	<p>Certification cancelled, and registry not updated within 10 business days for ICP 0000021432NT37F where only one phase is metered and four Category 2 installations where certification tests failed.</p> <p>Potential impact: Low</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>I have recorded the controls as weak in this area. Although only five examples were found, there were long delays and it appears there is room for improvement of controls.</p> <p>Whilst the inaccurate installations have an impact on settlement, the late updating of the registry only has a low impact because notification was provided to traders.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>ICP 0000021432NT37F: was incorrectly installed as a like-for-like replacement and should have been identified when the job was closed, however once we were made aware of it through this audit we cancelled the installation immediately (23/04/2018). This meter was previously an old x3 – this is recorded in our system, the registry and in the data returned to the retailer. Delta have confirmed this job should have been UTI'd by their tech 'no room on switchboard'. This job will require the customer to provide a larger switchboard, SmartCo are waiting for the retailer to advise them of when this will be available for recertification with a three-phase meter.</p> <p>Four Category 2 metering installations failed their recertification tests: All four have been correctly cancelled in the registry as per the install date (+1 day). All require CT replacement meaning plant shutdowns. SmartCo were late updating the registry, focus is to continue to get the relevant retailers to liaise with the customers to make the sites available to revisit.</p>		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>All Cat 2 jobs are managed by a dedicated person, SmartCo will review this process and see what further support they can provide to ensure all recertification's are completed in a timely manner and where the site fails, retailers are notified immediately.</p>		July 2018	

Certification and Maintenance		
Non-compliance	Description	
<p>Audit Ref: 7.1</p> <p>With: Clause 10.38 (a)</p> <p>From: 12-Aug-14</p> <p>To: 31-Aug-17</p>	<p>Certification expired for five ICPs.</p> <p>Potential impact: High</p> <p>Actual impact: Medium</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
Medium	<p>I have recorded the controls as moderate in this area because certification has been expired for a number of months for some ICPs and for four of the five there are errors outside the allowable thresholds.</p> <p>The impact on settlement is recorded as moderate because four installations have inaccurate metering installations; therefore the audit risk rating is medium.</p>	
Actions taken to resolve the issue		Completion date
<p>SmartCo produce a metering installation expiry report every quarter looking 12 months ahead.</p> <p>As described in 6.4, four Category 2 metering installations failed their recertification tests: All four have been correctly cancelled in the registry as per the install date (+1 day). All require CT replacement which means plant shutdowns. SmartCo were late updating the registry, initial focus will be to get the relevant retailers to liaise with the customers to make the sites available to revisit.</p> <p>ICP 0000021432NT37F will require the customer to provide a larger switchboard, SmartCo are waiting for the retailer to advise them of when this will be available for recertification with a three-phase meter.</p>		Ongoing – waiting on retailers to make available
Preventative actions taken to ensure no further issues will occur		Completion date
Currently all Cat 2 jobs are managed and followed through by dedicated person, SmartCo will review this process and see what further support they can provide to ensure all recertification's are completed in a timely manner and where the site fails, retailers are notified immediately.		July 2018
		Identified

Investigation of Faulty Metering Installations			
Non-compliance	Description		
<p>Audit Ref: 9.1</p> <p>With: Clause 10.43(4) and (5)</p> <p>From: 01-May-17</p> <p>To: 31-Mar-18</p>	<p>Faulty meters not reported to traders within 20 business days.</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>I have recorded the controls as moderate in this area because it appears the automated notification system is not working as expected from Salesforce and one Category 2 installation was notified late.</p> <p>The impact of the incorrect recording of the failed metering installations is moderate to high, but the impact of the late notification is rated as minor.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>'Salesforce has an automated notification function, but it appears this has not always been successful'.</p> <p>Investigation underway to identify why this checkbox is not always 'ticked', and where it isn't ticked, does this mean no notification was sent to the retailer in all cases. This only effects some of the larger retailers who have a B-to-B service with AMS.</p> <p>For all fault jobs that do not use this automated process, the retailers are manually notified within the required timeframes.</p>		June 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Investigate Salesforce issue and fix to prevent further non-communications.</p> <p>As described in 6.4, four Category 2 metering installations failed their recertification tests: All four have been correctly cancelled in the registry as per the install date (+1 day). All require CT replacement which means plant shutdowns. SmartCo are chasing the relevant retailers to liaise with the customers to make the sites available to revisit.</p>		<p>June 2018</p> <p>July 2018</p>	

Testing of Faulty Metering Installations		
Non-compliance	Description	
Audit Ref: 9.2 With: Clause 10.44 From: 01-Dec-16 To: 31-Aug-17	Statements of situation not arranged Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because there is room for improvement. The impact on settlement and participants is minor; therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
SmartCo do provide work order completion documentation to the retailers following fault jobs, the work orders contain what the fault was and what was done to remedy (usually replacement of faulty component and/or recertify). In the instances above SmartCo did not provide a statement of situation and therefore failed to meet its obligations under the code. We will adjust our processes to ensure a statement of situation is provided in these instances.		July 2018
Preventative actions taken to ensure no further issues will occur		Completion date
Review the process around reporting to retailers and providing a statement of situation when a metering installation is faulty and potentially inaccurate.		July 2018
		Identified

Electronic Interrogation of Metering Installations		
Non-compliance	Description	
<p>Audit Ref: 10.5</p> <p>With: Clause 8(2) of schedule 10.6</p> <p>From: 01-May-17</p> <p>To: 31-Mar-18</p>	<p>737 metering installations not read within the maximum interrogation cycle.</p> <p>Potential impact: Medium</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>I have recorded the controls as moderate in this area because there is room to tighten the timeframes for resolution of these matters.</p> <p>The impact on settlement is recorded minor because of the low number involved; therefore the audit risk rating for most retailers is low. For AMI only retailers, the impact would be major and the audit risk rating high.</p>	
Actions taken to resolve the issue		Completion date
<p>SmartCo are improving their comms fault process to ensure metering installations that are consistently not communicating are set to non-AMI (with agreement from the retailers) and will be manually read within the maximum interrogation cycle.</p> <p>The 737 metering installations noted above will be reviewed in conjunction with the retailer and either assigned non-AMI, or a further attempt to repair the comms may be requested.</p>		August 2018
Preventative actions taken to ensure no further issues will occur		Completion date
<p>Review SmartCos comms fault process to ensure any metering installations that have not communicated for a set length of time are automatically logged in the process and addressed as required.</p>		August 2018
		Identified