

Compliance plan for FCLM – 2018

Participants to Provide Accurate Information			
Non-compliance	Description		
Audit Ref: 2.5 With: Clause 11.2 and Clause 10.6 From: 01-Nov-17 To: 30-Jun-18	Registry not always updated as soon as practicable in some cases Incorrect meter readings provided when 3,504 meters reconfigured Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 6		
Audit risk rating	Rationale for audit risk rating		
High	Controls are recorded as moderate because there is room to improve the timeliness of registry updates. Controls are recorded as moderate because accurate information is provided most of the time. The impact on other participants is minor; therefore, the audit risk rating is low. The impact on retailers and settlement was high because incorrect billing, network billing and submission occurred and in total it was 103,465 kWh.		
Actions taken to resolve the issue		Completion date	Remedial action status
Immediate response to notify all retailers of the issue. Replacement reads sent. One off goodwill credits supplied to all retailers		30/06/2018	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Reporting issue rectified		30/06/2018	

Registry Notification of Metering Records	
Non-compliance	Description
Audit Ref: 3.2 With: Clause 2 of Schedule 11.4 From: 01-Nov-17 To: 30-Jun-18	39 registry updates later than 15 business days. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are in place to ensure the timeliness of updates, but FCLM 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	Remedial action status
<p>Work order module added to Orion for creating and tracking work orders.</p> <p>JIRA Service Desk installed 10/07/2018. This enables FCLM to track all service request emails and overdue service notifications are also a feature being used in the new system. These are based on a 10 day timeline for jobs to be completed.</p> <p>This also enables us to track our service provider's progress and take action when jobs are overdue.</p> <p>Weekly telephone operational conference calls with Wells and Vircom have been introduced to ensure progress against service levels is monitored and escalated as necessary.</p>		10/07/2018	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Continuing to work with service providers to work to keeping to our service agreement timeframes		Ongoing	

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: 01-Nov-17</p> <p>To: 30-Jun-18</p>	<p>ATHs are not always recording the design report reference, 23 x VEMS</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>I have recorded the controls as moderate because there is room to improve the records provided by ATHs and 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	Remedial action status

Issue identified and being discussed on improvements by the ATHs non-compliant.	30/04/2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Ongoing discussions will confirm and expect to resolve non-compliance ATHs.	30/04/2018	

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-Nov-17</p> <p>To: 30-Jun-18</p>	<p>Some records updated on the registry later than 10 business days.</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>I have recorded the controls as moderate in this area.</p> <p>The late updates for new connections occurred after the trader had populated their records, therefore the impact on participants, customers or settlement is minor, therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
<p>Work order module added to Orion for creating and tracking work orders.</p> <p>JIRA Service Desk installed 10/07/2018. This enables FCLM to track all service request emails and overdue service notifications are also a feature being used in the new system. These are based on a 10 day timeline for jobs to be completed.</p> <p>This also enables us to track our service provider's progress and take action when jobs are overdue.</p> <p>Weekly telephone operational conference calls with Wells and Vircom have been introduced to ensure progress against service levels is monitored and escalated as necessary.</p>		10/07/2018
Preventative actions taken to ensure no further issues will occur		Completion date
Working with retailers to ensure they adhere to timeframes for updating the registry		Ongoing

Accurate and Complete Records			
Non-compliance	Description		
Audit Ref: 5.1 With: Clause 4(1) of Schedule 10.6 From: 01-Nov-17 To: 30-Jun-18	Metering records not populated on registry for 30 ICPs Some CT information is missing. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	I have recorded the controls as moderate because there is room for improvement. There is a minor impact on other participants; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Ownership unknown - Emails sent to Retailers to gather information or create service requests for all ICPs		29/06/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Future connections require all components and their owner to be on the cert.		Ongoing	

Provision of Registry Information	
Non-compliance	Description
Audit Ref: 6.2 With: Clause 7 (1), (2) and (3) of Schedule 11.4 From: 01-Nov-17 To: 30-Jun-18	Some registry records incomplete or incorrect. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	I have recorded the controls as strong in this area. There are still a small number of areas where improvement can be made. Certification date accuracy is a good example. Very few of the discrepancies have an impact on participants, customers or settlement. The only relevant ones in this regard are tariff related and there were only a small number. The audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
Orion stage 3 upgrades will assist this process.	October 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Database upgrades scoped.	As necessary and to meet customer requirements	

Cancellation of Certification		
Non-compliance	Description	
<p>Audit Ref: 6.4 With: Clause 20 of Schedule 10.7</p> <p>From: 01-Nov-17 To: 31-May-18</p>	<p>Certification cancelled and registry not updated for incorrect monitoring of 7 installations certified at a lower category.</p> <p>Certification cancelled and registry not updated for 2 installations not monitored since insufficient load certification was completed.</p> <p>Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Weak Breach risk rating: 6</p>	
Audit risk rating	Rationale for audit risk rating	
Medium	<p>I have recorded the controls as weak in this area as there is no monitoring conducted of installations certified with insufficient load.</p> <p>The issues found can all potentially have a moderate impact on other participants and on settlement. The audit risk rating is medium.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status

<p>Monitoring in place 07/07/2018 this includes % thresholds to give advance warning, automated reporting and a means of identifying installations to be monitored. FCL had temporary monitoring in place Oct 2017 and in fact identified 1 site that was over the threshold and has been recertified at a higher category. The original 9 sites were purchased from another MEP and we were not aware of the certification at the time of purchase. As a rule we do not use this method of certification and try to certify at the correct installation category according to the CT size.</p> <p>FCL staff trained to check the certification type on Cat 2 and above installations.</p> <p>FCL will revisit the 7 sites once more to recertify as was done previous to our last audit.</p>	October 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Monitoring upgrades implemented into Orion and recertifying 7 sites identified.	October 2018	

Certification and Maintenance			
Non-compliance	Description		
<p>Audit Ref: 7.1</p> <p>With: Clause 10.38 (a), clause 1 and clause 15 of Schedule 10.7</p> <p>From: 01-Nov-17</p> <p>To: 30-Jun-18</p>	<p>Certification expired for 2,995 ICPs</p> <p>Potential impact: High</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		
Medium	<p>I have recorded the controls as moderate in this area because certification has been expired for a number of years for some ICPs and because some of the expired installations were fully certified at one point.</p> <p>The impact on settlement is recorded as moderate because of the increased likelihood of failure or inaccuracy for metering installations with expired certification, therefore the audit risk rating is medium.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status

<p>FCLM is a 100% subsidiary of TLC and have responsibility for 32,820 ICPs nationally.</p> <p>TLC network accounts for 23,371 ICPs (71%) Remainder of NZ accounts for 9,449 ICPs (29%)</p> <p>TLC network summary is as per the summary attached for 2325 installations</p> <p>Off network (Remainder of NZ)</p> <p>Off Network our requests to replace our expired metering have been met with refusals by most of the large retailers as they have been previously engaged with other MEPs as part of their deployment roll outs. However, these have now come to an end for the majority and our meeting remains in place. We have now engaged with all of the retailers and with the exception of Powershop our requests to access our meters for compliance related work are now being actioned. We now have a plan for each Retailer. Service Request are now being issued through our Orion MDMS (previously this was via manual spreadsheets) and in March 2018 – 250 requests were raised. This is in line with the contact information being received from the Retailers and the availability of resource of our two ATHs – VircomEMS and Wells.</p>	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Orion compliance reporting identifies installations due for recertification. Work orders are created from the reports to ensure compliance is maintained.	Ongoing	

Insufficient Load for Certification Tests	
Non-compliance	Description
<p>Audit Ref: 7.7</p> <p>With: 14(3) and (4) of Schedule 10.7</p> <p>From: 01-Nov-17</p> <p>To: 30-Jun-18</p>	<p>Monitoring not conducted of 2 installations certified with insufficient load.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>
Audit risk rating	Rationale for audit risk rating

Medium	<p>I have recorded the controls as weak in this area as the monitoring is done incorrectly.</p> <p>The issues found can all potentially have a moderate impact on other participants and on settlement. The audit risk rating is medium.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Investigation underway as to why these were certified in this manner. Our service providers are contracted to supply load banks in these instances. We do not expect to have any certified using the insufficient load method.		31/08/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Dialogue with test houses of our contractual requirements.		31/08/2018	

Alternative Certification Requirements			
Non-compliance	Description		
<p>Audit Ref: 7.9</p> <p>With: 32(2), (3) and (4) of Schedule 10.7</p> <p>From: 01-Nov-17</p> <p>To: 30-Jun-18</p>	<p>The market administrator was advised later than 10 business days after the date of certification of the metering installation.</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 as there was only one example and it was four days late.</p> <p>There is no impact on settlement or other participants. The audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Work order module added to Orion for creating and tracking work orders.</p> <p>JIRA Service Desk installed 10/07/2018 .This enables FCLM to track all service request emails and overdue service notifications are also a feature being used in the new system. These are based on a 10 day timeline for jobs to be completed.</p> <p>This also enables us to track our service provider's progress and take action when jobs are overdue.</p>		10/07/2018	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Continuing to work with service providers to work to keeping to our service agreement timeframes	Ongoing	

Interim Certification			
Non-compliance		Description	
Audit Ref: 7.19 With: Clause 18 of Schedule 10.7 From: 01-Nov-17 To: 30-Jun-18		1,118 ICPs with expired interim certification. Potential impact: High Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4	
Audit risk rating		Rationale for audit risk rating	
Medium		I have recorded the controls as moderate in this area because certification has been expired for a number of years for these ICPs. The impact on settlement is recorded as moderate because of the increased likelihood of failure or inaccuracy for metering installations with expired certification, therefore the audit risk rating is medium.	
Actions taken to resolve the issue		Completion date	Remedial action status
Some ICPs have been visited and are unable to be completed as information listed in section 7 of this report. We are unable to do anything more to make these compliant at this stage without additional assistance from Networks/Retailers. The remainder are ongoing.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue working with participants to get these compliant.		Ongoing	

Electronic Interrogation of Metering Installations	
Non-compliance	Description

Audit Ref: 10.5 With: Clause 8 of Schedule 10.6 From: 01-Sep-17 To: 30-Jun-18	874 ICPs not read during the maximum interrogation cycle. Processes not in place to resolve issues preventing interrogation. Potential impact: High Actual impact: Medium Audit history: Once Controls: Weak Breach risk rating: 6	
Audit risk rating	Rationale for audit risk rating	
Medium	I have recorded the controls as weak in this area because processes have not been developed to resolve issues preventing interrogation. The impact on settlement is considered moderate, because some traders will be required to estimate data. The impact on traders and customers is also moderate because some customers will be required to switch retailers if AMI data is not available. The audit risk rating is medium.	
Actions taken to resolve the issue	Completion date	Remedial action status
FCL believe the 90 day rule is correct as the reading of the meters is done under contract with the retailers. Some do not require AMI reads and read all of their meters. Others receive readings within the timeframe and would send a service request if a meter stopped communicating.	N/A	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
Discussion with the EA to revise the proposed use of AMI and interrogation cycle.	2018	

Time Errors for Metering Installations	
Non-compliance	Description
<p>Audit Ref: 10.7</p> <p>With: Clause 8(4) of Schedule 10.6</p> <p>From: 01-Sep-17</p> <p>To: 30-Jun-18</p>	<p>Clock errors greater than the threshold for 8 ICPs</p> <p>Potential impact: Low</p> <p>Actual impact: None</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 recorded as strong because interrogation is attempted daily and clock errors are addressed during all interrogations.</p> <p>The errors were all small and none were across a trading period, therefore there is no impact on participants or settlement. The audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
This is due to meters suddenly communicating after a long period of non-communication.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Action immediately as current process.		Ongoing	