

## Compliance plan for Electric Kiwi

Non-compliance	Description		
<p>Audit Ref: 2.1</p> <p>With: 11.2</p> <p>From: 01-Jan-17</p> <p>To: 31-Dec-17</p>	<p>Registry discrepancies for some ICPs, incorrect calculation of submissions for SUML ICP and incorrect HHR submissions caused by rounding</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		
<b>Low</b>	<p>The controls are rated as moderate because there are some improvements that can be made to them. Electric Kiwi put a number of monitoring tools in place. The audit risk rating is low because the impact on the settlement outcome is minor.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>-Resubmitted UML to RM with correct calculations within same month as original submission</p> <p>- ANZIC Codes were corrected</p> <p>- Development work to be done to correct HHR rounding issues in RM reports</p>		<p>-14/2/18</p> <p>-Jan/Feb 2018</p> <p>-Estimated: May 2018</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>-New Flight Path report developed to ensure all incorrect ANZSIC Codes are caught. This is a secondary check in addition to a NEST ticket already getting created.</p> <p>-For UML: our sign up process does not allow UML ICPs. If a distributor changes the UML field once a customer is already with ELKI, a ticket is created in NEST to alert us. We will contact the customer advising them that they need to switch away. We aim to switch them away from before the UML start date and never have to reconcile on UML.</p>		25/1/18	

Non-compliance	Description		
<p>Audit Ref: 3.3</p> <p>With: 10 of Schedule 11.1</p> <p>From: 01-Jan-17</p> <p>To: 31-Dec-17</p>	<p>Information related to trader information and ICPs' status was backdated</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are rated as moderate because there are some improvements that can be made to them. Backdated status changes to the registry have a minor impact on settlement outcomes because Electric Kiwi uses ICP's billing status to determine if volumes should be submitted. The company has a project underway to line up the registry and NEST information. Audit Risk Rating is recorded as low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>-Since our audit in 2017, we have implemented a monthly LIS file checker to compare the ICP days count from the LIS file VS the ICP Days created by NEST. Because of this checker, we are backdating several changes in the registry. However, the checker now ensures that we catch all discrepancies between NEST and the registry.</p> <p>-In May 2017, we introduced the reconnect and disconnect buttons in NEST. This means that we can open/close all account aspects as well as send a status update to the registry with 1 button.</p>		<p>-Early 2017</p> <p>-May 2017</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>-We will continue to monitor the LIS file monthly, as we finish the clean up during the coming months the backdated switches will be less frequent.</p> <p>-We have already built a Flight Path report which will do a comparison of NEST's billing status vs NEST ICP status daily. Because the NEST ICP status is driven by the daily EDA file downloads, this will ensure that we can find any mismatches between the registry and NEST's billing status (i.e. we could close a billing status in NEST because we disconnected a customer, but we didn't update the registry. This situation would be caught in Flight Path).</p> <p>We feel that we have very strong controls in place, however it has taken us a while to review all past statuses due to our fast growth. These controls allow us to catch all inconsistencies – albeit a bit late until we are fully caught up.</p>	<p>-June 2018</p> <p>-January 2018</p>	
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Non-compliance	Description		
Audit Ref: 3.6 With: 9(1)(k) of Schedule 11.1 From: 01-Jan-17 To: 31-Dec-17	Five ICPs had incorrect ANZSIC code assigned Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	Controls are rated strong only five ICPs out of 20,000 had incorrect ANZSIC code assigned. No impact on settlement outcomes. Audit Risk rating is rated low.		
Actions taken to resolve the issue		Completion date	Remedial action status
-0000013828WE7EA, 0000122621UN711, and 0000360512TUDCC were all updated to residential -0002124468CND0F – customer was contacted after sign up. Their email made it seem like it was real estate, but likely it was just under the realtor's name whilst being sold. We've updated to 000000. -1099575031CN0B2 – updated to 0000000		-January 2018 -February 2018 -February 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
-New Flight Path report developed to ensure all incorrect ANZSIC Codes are caught. This is secondary check in addition to a NEST ticket already getting created for all non-residential ANZSIC's so that the operations team can confirm with the property.		25/1/18	

Description	Recommendation	Audited party comment	Remedial action
Incorrect address description for 10 ICPs	Electric Kiwi to contact distributors and ask for update of address details in the registry	We are currently focusing on completing this audit report, and as soon as complete, we will contact the distributors about these updates.	Contact distributors

Non-compliance	Description		
<p>Audit Ref: 3.8</p> <p>With: 19(a) of Schedule 11.1</p> <p>From: 01-Jan-17</p> <p>To: 31-Dec-17</p>	<p>Incorrect application of the “active” status” in the registry for some ICPs</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are rated as moderate because there are some improvements that can be made to them. Electric Kiwi developed a new tool to allow an operator to change the ICP status in the registry. It will take till next audit to show that the process is consistent and continuous. Audit Risk Rating assigned as low because any impact on settlement outcomes is minor</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>-Since our audit in 2017, we have implemented a monthly LIS file checker to compare the ICP days count from the LIS file VS the ICP Days created by NEST. Because of this checker, we are backdating several changes in the registry. However, the checker now ensures that we catch all discrepancies between NEST and the registry.</p> <p>-In May 2017, we introduced the reconnect and disconnect buttons in NEST. This means that we can open/close all account aspects as well as send a status update to the registry with 1 button.</p>		<p>-Early 2017</p> <p>-May 2017</p>	Choose an item.
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>-We will continue to monitor the LIS file monthly, as we finish the clean up during the coming months the backdated switches will be less frequent.</p> <p>-We have already built a Flight Path report which will do a comparison of NEST's billing status vs NEST ICP status. Because the NEST ICP status is driven by the daily EDA file downloads, this will ensure that we can find any mismatches between the registry and NEST's billing status (i.e. we could close a billing status in NEST because we disconnected a customer, but we didn't update the registry. This situation would be caught in Flight Path).</p> <p>We feel that we have very strong controls in place, however it has taken us a while to review all past statuses due to our fast growth. These controls allow us to catch all inconsistencies – albeit a bit late until we are fully caught up.</p>	<p>-June 2018</p> <p>-January 2018</p>	
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Non-compliance	Description		
<p>Audit Ref: 3.9</p> <p>With: 19(1)(a) of Schedule 11.1</p> <p>From: 01-Jan-17</p> <p>To: 31-Dec-17</p>	<p>Incorrect application of the “inactive” status” in the registry for some ICPs</p> <p>Potential impact: Low</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		
<b>Low</b>	The controls are rated as moderate because there are some improvements that can be made to them. Audit Risk Rating assigned as low because any impact on settlement outcomes is minor		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>-Since our audit in 2017, we have implemented a monthly LIS file checker to compare the ICP days count from the LIS file VS the ICP Days created by NEST. Because of this checker, we are backdating several changes in the registry. However, the checker now ensures that we catch all discrepancies between NEST and the registry.</p> <p>-In May 2017, we introduced the reconnect and disconnect buttons in NEST. This means that we can open/close all account aspects as well as send a status update to the registry with 1 button.</p>		<p>-Early 2017</p> <p>-May 2017</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>-We will continue to monitor the LIS file monthly, as we finish the clean up during the coming months the backdated switches will be less frequent.</p> <p>-We have already built a Flight Path report which will do a comparison of NEST's billing status vs NEST ICP status. Because the NEST ICP status is driven by the daily EDA file downloads, this will ensure that we can find any mismatches between the registry and NEST's billing status (i.e. we could close a billing status in NEST because we disconnected a customer, but we didn't update the registry. This situation would be caught in Flight Path).</p> <p>We feel that we have very strong controls in place, however it has taken us a while to review all past statuses due to our fast growth. These controls allow us to catch all inconsistencies – albeit a bit late until we are fully caught up.</p>	<p>-June 2018</p> <p>-January 2018</p>	
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Non-compliance	Description		
<p>Audit Ref: 4.2</p> <p>With: 3 of Schedule 11.3</p> <p>From: 25-Aug-17</p> <p>To: 25-Aug-17</p>	<p>One AN file sent late by one day</p> <p>Potential impact: None</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		
<b>Low</b>	<p>The controls are rated as strong because the process is well managed. We identified only one AN file which was late. Audit Risk Rating assigned as low because there is no impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>We believe this was a 1 off scenario and is very harsh to receive a non-compliance point for 1 AN being 1 day late out of 4341 ANs sent last year.</p> <p>It is clear that we actively monitor our ANs in order to make sure we're compliant, and our policy is to always send the AN within 1 BD of receiving an NT.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We will continue our policy of making sure to send an AN within 1BD of switch notification</p> <p>We have a development task which has now been prioritized which will automate the sending of ANs to the registry from NEST</p>		<p>-ongoing</p> <p>-estimated: June 2018</p>	

Non-compliance	Description		
<p>Audit Ref: 4.3</p> <p>With: 5 of Schedule 11.3</p> <p>From: 01-Jan-17</p> <p>To: 31-Dec-17</p>	<p>343 CS files were submitted late to the registry.</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		
<b>Low</b>	<p>The controls are rated as strong. Since putting a new process in place it was noted the sharp drop of late CS files Risk Rating assigned as low because any impact on settlement outcomes is minor.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Since last year, we've made changes to ensure that the Switch Breach report is checked daily. The switching team ensures that all TR and MI switches are to be processed within 3 BD since. This is evident in the sharp drop in breaches since early Oct 2017. You can see there were only 4 TR switches completed after 5 BD in October. There were no late switches in Nov or Dec 2017 which highlights strong controls put in place. We also hired a new switching specialist (he came from Pulse) in late September.</p>		Sep/Oct 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We will continue to monitor the Switch Breach Report daily.</p> <p>We are also developing a dashboard which will be placed in the office which will show a count of ICPs in switching status and how many days until breach.</p> <p>We have a development task which has now been prioritized which will automate the sending of CSs to the registry from NEST. This will be worked on post the automation of ANs.</p>		<p>-ongoing</p> <p>-estimated: April 2018</p> <p>-estimated: Q3 2018</p>	

Non-compliance	Description		
<p>Audit Ref: 4.4</p> <p>With: 6(1) of Schedule 11.3</p> <p>From: 01-Jan-17</p> <p>To: 31-Dec-17</p>	<p>For some switches Electric Kiwi does not use a switch event read provided by a losing trader</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: twice previously</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated weak because Electric Kiwi's strategy is not to switch on the same read if the difference between a switch event read from CS files and a switch event read from a losing trader is less than or equal to 20kWh. A tool to calculate the difference is in place but parameters used are not in accordance with this clause.</p> <p>Audit risk rating is rated as low because Electric Kiwi trades low volume ICPs. The switch event reads provided by a losing trader could under-estimate or over-estimate. Overall, across 10,000 switches, the difference could cancel each other out. Of course, from a customer perspective, the picture is different. The issue may have a minor impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The 20 kWh difference was not Electric Kiwi's strategy. This was agreed upon at the switching forum by all attending retailers. Previously, other retailers would reject ELKI's RRs if they were less than 20 kWh different. However, since last month, we are now sending RR's for all TR and MI switches if the read is 1 kWh or greater difference. Post this change, we had multiple other retailers get in contact complaining about how many RRs we were sending, but we've explained that we're following the code. We are closely monitoring what RRs reject and getting in touch with the losing retailers if they reject them.</p>		January 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>We will continue to push the MEPs to deliver data to us quick enough to meet the deadline of 5BD. In 2017, AMS (who the majority of our ICPs are with) was not providing register reads 7 days per week (they did only 5). This as well as the fact that they take up to 10 BD to deliver us data, and only recently started providing data for backdated switches. We expect that 2018 will be an improvement with sending RRs.</p> <p>We have a development task which will automate the sending of RRs to the registry from NEST. NEST will compare reads received from the MEPs and the CS we received. If there is any discrepancy, an RR will automatically be sent to the registry. Any rejects will come back into NEST as ticket in which the operators need to review and reach out to the losing retailer. This will be worked on post the automation of ANs.</p>	<p>-ongoing</p> <p>-estimated: Q3 2018</p>	
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Non-compliance	Description		
<p>Audit Ref: 4.10</p> <p>With: 11 of Schedule 11.3</p> <p>From: 01-Jan-17</p> <p>To: 31-Dec-17</p>	<p>200 CS files were sent later than 5 BD after notification from the registry.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are rated as strong. Since putting a new process in place, it was noted the sharp drop of late CS files. Risk Rating assigned as low because any impact on settlement outcomes is minor .</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Since last year, we've made changes to ensure that the Switch Breach report is checked daily. The switching team ensures that all TR and MI switches are to be processed within 3 BD since. This is evident in the sharp drop in breaches since early Oct 2017. You can see there were only 5 MI switches completed after 5 BD from Oct to Dec 2017 which highlights strong controls put in place. We also hired a new switching specialist (he came from Pulse) in late September.</p> <p>Also, upon review of several of the latest CS's &gt; 5 BD, we can see they were due to NW's being sent after the NT. We then had to wait for the gaining retailer to respond. Once the gaining retailer rejected it, we sent the CS right away. Please see these ICPs as examples:</p> <p>1001102826LC5FF</p> <p>0006410600RN83C</p> <p>0006688195RN78A</p> <p>We believe these aren't breaches, so the issues are less than 200.</p>		Sep/Oct 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>We will continue to monitor the Switch Breach Report daily.</p> <p>We are also developing a dashboard which will be placed in the office which will show a count of ICPs in switching status and how many days until breach.</p> <p>We have a development task which has now been prioritized which will automate the sending of CSs to the registry from NEST. This will be worked on post the automation of ANs.</p>	<p>-ongoing</p> <p>-estimated: April 2018</p> <p>-estimated: Q3 2018</p>	
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Non-compliance	Description		
<p>Audit Ref: 4.11</p> <p>With: 12 of Schedule 11.3</p> <p>From: 01-Jan-17</p> <p>To: 31-Dec-17</p>	<p>For some switches Electric Kiwi does not use a switch event read provided by a losing trader</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: twice previously</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated weak because Electric Kiwi's strategy is not to switch on the same read if the difference between a switch event read from CS files and a switch event read from a losing trader is less than or equal to 20kWh. A tool to calculate the difference is in place but the parameters used are not in accordance with this clause.</p> <p>Audit risk rating is rated as low because Electric Kiwi trades low volume ICPs. The switch event reads provided by a losing trader could be under-estimated or over-estimated. Overall across 18,000 switches the difference could cancel each other out. Of course, from a customer perspective, the picture is different. The issue may have a minor impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The 20 kWh difference was not Electric Kiwi's strategy. This was agreed upon at the switching forum by all attending retailers. Previously, other retailers would reject ELKI's RRs if they were less than 20 kWh different. However, since last month, we are now sending RR's for all TR and MI switches if the read is 1 kWh or greater difference. Post this change, we had multiple other retailers get in contact complaining about how many RRs we were sending, but we've explained that we're following the code. We are closely monitoring what RRs reject and getting in touch with the losing retailers if they reject them.</p>		January 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>We will continue to push the MEPs to deliver data to us quick enough to meet the deadline of 5BD. In 2017, AMS (who the majority of our ICPs are with) was not providing register reads 7 days per week (they did only 5). This as well as the fact that they take up to 10 BD to deliver us data, and only recently started providing data for backdated switches. We expect that 2018 will be an improvement with sending RRs.</p> <p>We have a development task which will automate the sending of RRs to the registry from NEST. NEST will compare reads received from the MEPs and the CS we received. If there is any discrepancy, an RR will automatically be sent to the registry. Any rejects will come back into NEST as ticket in which the operators need to review and reach out to the losing retailer. This will be worked on post the automation of ANs.</p>	<p>-ongoing</p> <p>-estimated: Q3 2018</p>	
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Non-compliance	Description		
<p>Audit Ref: 4.15</p> <p>With: 17 of Schedule 11.3</p> <p>From: 01-Jan-17</p> <p>To: 31-Dec-17</p>	<p>23 late NW files and 17 AW files</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		
<b>Low</b>	<p>Controls are rated strong. The process is well monitored. Only a small number of NW files were sent after 2 calendar months.</p> <p>Audit risk rating is rated as low. The issue may have a minimal impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We aim to send all NWs and AWs within allowed time frame and will continue to closely monitor this in the future. As noted above in the audit commentary, many of the late NWs are only done because wrong properties are discovered late in the billing cycle.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will actively continue to monitor our switching timeframes to ensure we're sending all AWs and ANs within the allowed timeframe		ongoing	

Non-compliance	Description		
Audit Ref: 11.4 With: 15.8 From: 01-Jan-17 To: 31-Dec-17	HHRAGGR files do not contain electricity supplied information Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Electric Kiwi submits submissions volumes as per the reconciliation manager specification.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Non-compliance	Description		
<p>Audit Ref: 12.9</p> <p>With: 2 of Schedule 15.3</p> <p>From: 21-Dec-17</p> <p>To: 15-Jan-18</p>	<p>Submission volumes for ICP 1000555666PC131 were incorrectly calculated.</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		
<b>Low</b>	<p>Controls are recorded as Strong. Good processes are in place, a small mistake was made in the calculation of SUML submission volumes. No impact on settlement outcome. Audit Risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Our sign up process does not allow UML ICPs. If a network changes the UML field once a customer is already with ELKI, we will contact the customer advising them that they need to switch away. We aim to switch them away and never have to reconcile on UML.</p> <p>In the rare circumstance where we need to reconcile UML, we will ensure to submit correct calculations to the RM. This was a one off as we were unfamiliar with the calculation.</p>		ongoing	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	