

# Compliance plan for Powershop – 2018

Relevant information		
Non-compliance	Description	
Audit Ref: 2.1 With: Clause 10.6, 11.2, 15.2 From: 01-Jul-17 To: 30-Jun-18	Some registry discrepancies exist. Some submission inaccuracies exist. 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 they mitigate risk most of the time. The impact on settlement and participants is minor, therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
Please refer to appropriate sections for detailed comments.		NA
Preventative actions taken to ensure no further issues will occur		Completion date
Please refer to appropriate sections for detailed comments.		NA
		Remedial action status
		Identified

Non-compliance	Description	
Audit Ref: 2.6 With: Clause 10.7(2),(4),(5) and (6) From: 15-May-18 To: 25-Jul-18	Access not arranged for MEP to conduct time checks 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 they mitigate risk most of the time but there is room for improvement. There is a minor impact on the MEP because they are also non-compliant, therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
		Remedial action status

No actions have been taken by Powershop to resolve the issues it is believed that the refusal was reasonable as the request was from an MEP that is also a trader and the requested ICPs only related to a large value customer and not to all the MEPs installations that have time-clocks. To Powershop this appeared as an attempt for the retail arm to target specific customers under the guise of MEP obligations. We accept that the Code does not allow for access to be reasonably refused.	N/A	Disputed
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
Powershop will continue to reasonably refuse access in situations such as this.	N/A	

Electrical Connection of Point of Connection		
Non-compliance	Description	
Audit Ref: 2.11 With: Clause 10.32 From: 01-Jul-17 To: 06-Jun-18	25 reconnections were not certified within five business days. Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	I've rated the controls as moderate because they are strong for new connections but there are no controls in place for ensuring certification occurs at the time of reconnection. Uncertified metering installations are likely to be less accurate than certified metering installations, so there could be a minor impact on settlement. The audit risk rating is recorded as low.	
Actions taken to resolve the issue		Completion date
All affected MEPs have been advised that their uncertified installation has been reconnected and that certification is required		August 2018
Preventative actions taken to ensure no further issues will occur		Completion date
A weekly discrepancy report has been put in place to capture any non-certified meters that we have reconnected		Ongoing

Changes to registry information		
Non-compliance	Description	
Audit Ref: 3.3 With: Clause 10 Schedule 11.1  From: 01-Dec-17 To: 31-May-18	Registry not updated within five business days of the event for some MEP changes, reconnections and disconnections. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are rated as moderate because some of the late status changes were due to processing issues; therefore, there is room for improvement. There was a minor effect on settlement; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
All status changes were made on the Registry, just late.		NA
Preventative actions taken to ensure no further issues will occur		Completion date
Further training will be provided to staff.		Ongoing
		Remedial action status
		Unknown

Provision of information to the registry manager		
Non-compliance	Description	
Audit Ref: 3.5 With: Clause 9 Schedule 11.1  From: 01-Dec-17 To: 31-May-18	Some late changes to active. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	This area has strong controls and the late updates identified relate to isolated circumstances. The audit risk rating is low, because the impact on settlement is minor.	
Actions taken to resolve the issue		Completion date
All changes were made on the Registry, just late.		NA
		Remedial action status
		Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Powershop is happy that the process improvements made have had a significant (positive) impact on code compliance, and will continue to refine the process to make further improvements.	Ongoing	

ANZSIC codes	
Non-compliance	Description
<p>Audit Ref: 3.6</p> <p>With: 9 (1(k) of Schedule 11.1</p> <p>From: 29-May-2018</p> <p>To: 29-May-2018</p>	<p>24 active ICPs with no or "Don't know" ANZSIC codes assigned.</p> <p>12 of 150 ANZSIC codes appear to be incorrect</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
<b>Low</b>	<p>There is an improvement opportunity for the controls in place to ensure codes are correct.</p> <p>There is no impact on settlement outcomes from incorrect ANZSIC codes but there is a minor impact on the Electricity's reporting accuracy, therefore the audit risk rating is low.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Powershop will review the ANZSIC codes provided by customers	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powershop no longer allows T99x to be entered as an option. The ANZSIC code entered is the one provided by the customer on inbound which we have no reason to believe is incorrect.	NA	

Changes to unmetered load			
Non-compliance	Description		
Audit Ref: 3.7 With: Clause 9(1)(f) of Schedule 11.1  From: 26-Feb-18 To: 16-Jul-18	2 ICPs with incorrect unmetered load. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but did not identify that these figures were inaccurate.  There is only a minor impact on settlement (300 kWh up until 16/07/18) because submission is occurring when it shouldn't be, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
All identified discrepancies are being investigated		October 2018	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
No comment		NA	

Management of "inactive" status			
Non-compliance	Description		
Audit Ref: 3.9 With: Clause 19 Schedule 11.1  From: 01-Jul-17 To: 30-Jun-18	Some ICPs have an incorrect inactive status. Potential impact: Medium Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but 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	Remedial action status

All identified instances of incorrect status have been rectified	August 2018	Unknown
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
No comment	NA	

Losing trader response to switch request and event dates - standard switch			
Non-compliance	Description		
Audit Ref: 4.2 With: Clause 3 of Schedule 11.3  From: 11-Aug-17 To: 14-Aug-17	Two late AN files by one day and two days Potential impact: Low Actual impact: None Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are strong for the management of AN files. There was only one late file and it was only one day late. There is no impact on settlement or on other participants because only one file was one day late. The audit risk rating is therefore low.		
Actions taken to resolve the issue		Completion date	Remedial action status
The AN files were delivered, just late.		NA	Unknown
Preventative actions taken to ensure no further issues will occur		Completion date	
No comment		NA	

Losing trader must provide final information - standard switch	
Non-compliance	Description
Audit Ref: 4.3 With: Clause 5 Schedule 11.3  From: 01-Jun-17 To: 31-May-18	5 late CS files. Customer read labelled as an actual for one ICP. Daily kWh incorrect for four ICPs Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2

<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Low</b>	<p>The controls are rated as moderate because they mitigate risk most of the time.</p> <p>There is no impact on settlement and a minor impact on other participants. The audit risk rating is low.</p>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
The CS files were delivered, just late.		NA	Unknown
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
No comment		NA	

<b>Retailers must use same reading - standard switch</b>			
<b>Non-compliance</b>	<b>Description</b>		
<p>Audit Ref: 4.4</p> <p>With: Clause 6(1) and 6A Schedule 11.3</p> <p>From: 01-Dec-17</p> <p>To: 31-May-18</p>	<p>4 late RR files.</p> <p>1 RR rejected and should have been accepted.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Low</b>	<p>The controls are recorded as strong because they mitigate risk to an acceptable level.</p> <p>The impact on settlement and participants is minor, therefore the audit risk rating is low.</p>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
The RR files were delivered, just late.		NA	Unknown
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
No comment		NA	

Losing trader provides information - switch move			
Non-compliance	Description		
Audit Ref: 4.8 With: Clause 10(1) Schedule 11.3  From: 05-Apr-18 To: 09-Apr-18	One incorrect AN code. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are strong for the management of AN files. There is no impact on settlement or on other participants because only one file was one day late. The audit risk rating is therefore low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Sending AA rather than AD did not have any impact on the other trader so no further action has been taken.		NA	Unknown
Preventative actions taken to ensure no further issues will occur		Completion date	
No Comment		NA	

Losing trader must provide final information - switch move			
Non-compliance	Description		
Audit Ref: 4.10 With: Clause 11 Schedule 11.3  From: 01-Jun-17 To: 31-May-18	50 late CS files. Incorrect daily kWh for six ICPs. Readings in two CS files were from an incorrect date. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as moderate because there is room for improvement. There is a minor impact on settlement and on other participants if the daily kWh figures are used and there is a minor impact on traders where CS files were sent late. The audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status



The CS files were delivered, just late.	NA	Unknown
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
No Comment	NA	

Gaining trader changes to switch meter reading - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.11</p> <p>With: Clause 6(1) and 6A Schedule 11.3</p> <p>From: 01-Dec-17</p> <p>To: 31-May-18</p>	<p>17 late RR files.</p> <p>6 late AC files.</p> <p>Some RR files rejected which were for AMI sites and contained actual reads.</p> <p>Potential impact: Medium</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	
Low	<p>Controls do not appear to be adequately identifying instances where RR files should be accepted.</p> <p>There is a minor impact on settlement, other participants and customers. In every case the other trader will be using the actual AMI reading therefore the customer will be over billed or under billed and the submission will be too high or too low.</p>	
Actions taken to resolve the issue		Completion date
The RR files were delivered, just late.		NA
Preventative actions taken to ensure no further issues will occur		Completion date
RR files are sent by Powershop to make corrections to switch reads for the benefit of the consumer. Powershop believes that this should be an acceptable exception for lateness		NA

Withdrawal of switch requests			
Non-compliance	Description		
Audit Ref: 4.15 With: Clauses 17 and 18 Schedule 11.3  From: 01-Dec-17 To: 31-May-18	39 late NW files and three late AW files. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are strong for the management of withdrawals. Whilst 42 files were late the issues only become clear after billing had occurred and then an investigation was completed. There was a minor impact on settlement due to the correction of consumption information. There was also only a minor impact on the customer, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
The NW and AW files were delivered, just late.		NA	Unknown
Preventative actions taken to ensure no further issues will occur		Completion date	
No comment		NA	

Maintaining shared unmetered load			
Non-compliance	Description		
Audit Ref: 5.1 With: Clause 11.14  From: 11-Jan-18 To: 16-Jul-18	2 shared unmetered load ICPs without registry populated or submission occurring. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are strong because they mitigate risk to an acceptable level. More frequent monitoring will assist in this area. There was a minor impact on settlement due to the under submission of 73 kWh, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status

All identified discrepancies are being investigated	October 2018	Unknown
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
No comment	NA	

Electricity conveyed & notification by embedded generators			
Non-compliance		Description	
Audit Ref: 6.1 With: Clause 10.13  From: 01-Jul-17 To: 31-May-18		While meters were bridged, energy was not metered and quantified according to the code for 25 ICPs.  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		The controls are recorded as moderate because bridged meters are identified but estimates do not always occur for the bridged period.  There is a minor impact on settlement because estimates are not always conducted for the period of the bridge, therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date	Remedial action status
All identified instances of bridged periods have now been rectified.		August 2018	Unknown
Preventative actions taken to ensure no further issues will occur		Completion date	
Process improvements and further staff training has taken place.		August 2018	

Derivation of meter readings			
Non-compliance	Description		
Audit Ref: 6.6 With: Clause 3(2) of schedule 15.2  From: 01-Jun-17 To: 31-May-18	Customer reads from photos used as validation reads in the reconciliation process and in some cases, they are not validated against other reads taken by a meter reader.  Potential impact: Low Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as strong because although validation does not always occur against another set of meter reading values, Powershop has other validations in place and there is no evidence of customer provided photos being less accurate than a meter reading sourced from a manual reading.  There was no impact on settlement, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
No action has been taken on existing reads due to the absence of any impact		NA	Unknown
Preventative actions taken to ensure no further issues will occur		Completion date	
Powershop has changed its process so that its handling of customer photos more closely aligns with the Authority's instruction.		NA	

NHH meter reading application			
Non-compliance	Description		
Audit Ref: 6.7 With: Clause 6 Schedule 15.2  From: 01-Jun-17 To: 31-May-18	Not all meter readings are correctly applied.  Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.  The impact on settlement and participants is minor, therefore the audit risk rating is low.		

<b>Actions taken to resolve the issue</b>	<b>Completion date</b>	<b>Remedial action status</b>
A system fix has been implemented to ensure NGCM and SMCO reads are applied at the correct time of day.	June 2018	Unknown
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
No comment	NA	

<b>Interrogate meters once</b>			
<b>Non-compliance</b>	<b>Description</b>		
<p>Audit Ref: 6.8</p> <p>With: Clause 7(1) and (2) Schedule 15.2</p> <p>From: 01-Jun-17</p> <p>To: 31-May-18</p>	<p>No process for getting meter readings during the period of supply, where the period of supply is less than 150 days.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Low</b>	<p>A process is not in place for those ICPs with Powershop for a short period. If the period is longer the controls are strong.</p> <p>The impact on settlement from an estimate for a short period is minor therefore the audit risk rating is low.</p>		
<b>Actions taken to resolve the issue</b>	<b>Completion date</b>	<b>Remedial action status</b>	
Once an ICP has left Powershop there is no way to comply is a read has not yet been obtained.	June 2018	Unknown	
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>		
No comment	NA		

Electronic meter readings and estimated readings			
Non-compliance	Description		
Audit Ref: 9.6 With: Clause 17 Schedule 15.2  From: 01-Jun-17 To: 30-Jun-18	Event information not provided by ARC innovations. Potential impact: Medium Actual impact: Unknown Audit history: Once Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is unknown but other validations are in place, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
ARC continues to not deliver event information despite our requests and contractual obligations.		Ongoing	Unknown
Preventative actions taken to ensure no further issues will occur		Completion date	
Discussions will continue		Ongoing	

Permanence of meter readings for reconciliation			
Non-compliance	Description		
Audit Ref: 12.8 With: Clause 4 of Schedule 15.2  From: 01-Jan-17 To: 31-Jan-17	Some estimates not replaced at R14. Some incorrect labelling of HE as FE. 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 considered moderate because meter reading processes are strong leading to a very small proportion of FE still existing at 14 months. There is a minor impact on settlement, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status

A system fix has been sized by Powershop's system provider and it is more than would be considered reasonable given the absence of any impact. The RM has advised Powershop that they do not even utilize the HE data therefore the impact should be "none" rather than low. The absence of an impact level of "none" being available to auditors is farcical.	NA	Investigating
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
No comment	NA	

Reconciliation participants to prepare information			
Non-compliance		Description	
Audit Ref: 12.9 With: Clause 2 Schedule 15.3  From: 01-Jul-17 To: 30-Jun-18		Submission information not reported for some inactive ICPs. Submission did not occur for two unmetered ICPs Potential impact: Medium Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2	
Audit risk rating		Rationale for audit risk rating	
Low		The controls are recorded as moderate because submission information is correct for most scenarios.  The impact on settlement is minor because of the low number of ICPs and the small amount of consumption. The audit risk rating is low.	
Actions taken to resolve the issue		Completion date	Remedial action status
Powershop does not agree with this non-compliance as it believes compliance of Clause 2 of Schedule 15.3 should be limited to whether volumes are not being included that do exist rather than volumes that do not exist (e.g. missing volumes from bridged or faulty meters identified in Section 6.1).		NA	Disputed
Preventative actions taken to ensure no further issues will occur		Completion date	
No comment		NA	

Historical estimates and forward estimates		
Non-compliance	Description	
Audit Ref: 12.10 With: Clause 3 of schedule 15.3 From: 01-Jun-17 To: 30-Jun-18	Incorrect labelling of HE as FE. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. There is no impact on settlement, therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
A system fix has been sized by Powershop's system provider and it is more than would be considered reasonable given the absence of any impact. The RM has advised Powershop that they do not even utilize the HE data therefore the impact should be "none" rather than low. The absence of an impact level of "none" being available to auditors is farcical.		NA
Preventative actions taken to ensure no further issues will occur		Completion date
No comment		NA
		Investigating

Historical estimate reporting to RM		
Non-compliance	Description	
Audit Ref: 13.3 With: Clause 10 of Schedule 15.3 From: Nov-Dec 16, Jan-Mar 17, Oct-Dec 17	Historic estimate thresholds were not met for some revisions. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	Strong controls are in place to get actual or customer readings to derive submission information. The impact on settlement is minor, therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
		Remedial action status



Besides the known labelling issue, Powershop will be reviewing data to identify any other issues.	Nov 2018	Unknown
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
No comment	NA	