

Compliance plan for Unison Network – 2019

| Requirement to provide complete and accurate information | | |
|---|---|------------------------|
| Non-compliance | Description | |
| <p>Audit Ref: 2.1</p> <p>With: 11.2(1) and 10.6(1)</p> <p>From: 01-Dec-17</p> <p>To: 30-Nov-18</p> | <p>Not all practicable steps are taken to ensure that the information provided is complete and accurate.</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 | |
| Low | <p>The registry discrepancies processes are robust</p> <p>The inaccurate information has no direct impact on reconciliation therefore the audit risk rating is low.</p> | |
| Actions taken to resolve the issue | | Completion date |
| <p>System Change for ICP switching between NSPs</p> <p>Unison has revised the automated process to populate NSP changes for ICP switches. We have provided the auditor with a test report that gives assurance that this change has now worked as intended in the material change request. The unintended consequence of GPS coordinates not updating for new ICPs has also been corrected. Although the provision of GPS coordinates is not an audit requirement, Unison has put this process in place to ensure ICPs are readily identifiable.</p> <p>Recertification Date of Atiamuri Gate Meter</p> <p>Unison has provided Reconciliation Manager with the correct recertification date of the Atiamuri gate meter so that the NSP Supply Point Table can be updated.</p> | | Completed |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| | | Identified |

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| <p>System Change for ICP Switching Between NSPs</p> <p>Unison will set up regular system reporting and interrogation of the accuracy of the system change for populating NSP information for ICP switching. These reports will be run nightly for the first month, and if no issues are identified, will move to fortnightly reporting. This will provide a regular compliance check to ensure that any failures of this process will be identified early and minimise the impact on reconciliation should any failure occur.</p> | <p>31 March 2019 / Ongoing regular reporting</p> | |
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| Distributors must create ICPs | | | |
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| Non-compliance | Description | | |
| <p>Audit Ref: 3.1 With: 11.4</p> <p>From: 01-Sep-99 To: 30-Nov-18</p> | <p>DUML ICPs not created per NSP for Napier CC, Hastings DC and Hawkes Bay NZTA in accordance with schedule 11.1.</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 | | |
| Low | <p>The controls are rated as strong as the current process is robust. The non-compliance relates to historical DUML ICP creation</p> <p>The audit risk rating is low as the missing ICPs are all within the same balancing area.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| <p>Unison has successfully engaged with Rotorua Lakes Council and acquired the corrected the information DUML ICPs for that region. Taupo District Council Lights relate to a single NSP so no change is required. In the case of Hawke' Bay councils the previous audit identified a number of lights not recorded in the DUML database. We have first focussed on addressing this to ensure completeness. Unfortunately, responsibility for a significant number of these lights believed to be the responsibility of a council has not yet been resolved. We put this down to the relative priority of this issue for councils who outsource management of lighting data and assets. Based on recent engagement and progress we are optimistic this will soon be resolved and we can progress the reallocation of lighting among ICPs based on the corrected database.</p> | | TBC – Dependent on third party provision of information. | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| <p>In addition to the above engagement with streetlight owners, their agents and retailers we will also be ensuring all new lighting connections are approved by the retailer, including Unison providing the DUML ICP details for the correct NSP to the retailer and council (or their agent). This corrective action is further detailed in our response to audit finding 3.16 in respect of Code obligation under 10.33A.</p> | | TBC – Dependent on third party provision of information. | |

| Provision of ICP Information to the registry manager | | | |
|---|---|-----------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 3.3</p> <p>With: 11.7</p> <p>From: 09-Oct-18</p> <p>To: 30-Nov-18</p> | <p>10 new ICPs electrically connected during the audit period with unmetered load details not recorded in accordance with schedule 11.1.</p> <p>Potential impact: Low</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>The controls are rated as moderate as all other details were correctly recorded the details were recorded, but not in the correct area in the registry</p> <p>The audit risk rating is low as only ten ICPs were affected during the audit period.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Unison has updated the Registry to show the UML details relating to the ten ICPs electrically connected during the audit period. Unison also notes that we had been advised by a previous auditor not to put the value of the distributed UML in the UML field. | | Completed | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Unison are investigating changes to the new connections wizard to allow for populating UML information. This will minimise human error in populating information. | | 31 March 2019 | |

| Timeliness of Provision of ICP Information to the registry manager | | |
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| Non-compliance | Description | |
| <p>Audit Ref: 3.4</p> <p>With: Clause 7(2) of Schedule 11.1</p> <p>From: 22-May-18</p> <p>To: 24-May 18</p> | <p>Registry not updated prior to commencement of trading for one ICP.</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 | |
| Low | <p>Controls are rated as strong because almost all registry updates occurred on time.</p> <p>The audit risk rating is low because one of the 1010 new ICPs (0.09%) was affected, and the information was provided two business days late.</p> | |
| Actions taken to resolve the issue | | Completion date |
| <p>The clause in question states: “The distributor must provide the information specified in subclauses (1)(a) to (1)(o) to the registry manager as soon as practicable after the ICP identifier for the ICP to which the information relates is created, and before electricity is traded at the ICP.”</p> <p>When the PoC was livened in error no ICP identifier was in existence, and no trader was associated with the PoC. This clause was not breached because as soon as the separate request was received to liven the ICP the registry information was updated.</p> | | N/A |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| | | Disputed |

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| <p>We disagree with this audit finding. There was no request to liven the PoC in question until 24/05. It is purely a coincidence that it was livened in error 2 days prior. Had there been no request to create and liven this ICP it would have been electrically disconnected correcting the original error and there would have been no status change in registry information</p> <p>The alleged breach of S11.1 7 (2) (which we dispute) is based on the discrepancy in the livening date populated and the date the ICP identifier and associated information was populated which differ by two days only as a consequence of the coincident nature of the two distinct and separate events. Firstly, the operational error which was pending correction, and secondly a separate request to create an ICP and liven which was received before the original error had been corrected. We do not believe these two separate events can be combined in this way to establish a breach, although we acknowledge that the original error does constitute a breach of 11.17 (as detailed further in the audit report).</p> <p>We observe that the situation is in no way a reflection of inadequate controls. If such a series of events is to be determined to be a breach, it only serves to incentivise recording information to ensure audit compliance ahead of accuracy.</p> <p>Finally, we note the feedback received from the auditor that the alleged breach shall remain recorded as a breach in the audit report for reasons of consistency with past distributor audits however, we question whether it is necessary to continue to treat a matter as a breach for reasons of consistency when the alleged breach has been shown not to exist. The accuracy of this and future audits should be the priority, not consistency with past audits.</p> | <p>N/A</p> | |
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| Timeliness of Provision of Initial Electrical Connection Date | | | |
|---|--|-------------------------------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 3.5</p> <p>With: Clause 7(2A) of Schedule 11.1</p> <p>From: 04-Jan-18</p> <p>To: 06-Dec-18</p> | <p>Late population of the initial electrical connection date for 42 ICPs (4%).</p> <p>Potential impact: Low</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>Controls are rated as moderate, as they are sufficient to ensure that initial electrical connection dates are accurate and populated on time most of the time.</p> <p>The potential impact is low, of the 42 late updates, 36 were updated within 20 business days of the initial electrical connection date.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Unison notes the non-compliance findings; however, there is no further action we can take to resolve the issue in the Registry. | | N/A | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| <p>In the last Audit report Unison noted that we would implement a full performance management review of third parties (livening agents) who work on our network. This relationship and performance framework was deferred due to a wider review of third party contractor management, but is set down in the workplan in the 2019/20 financial year. This work is now in the workplan for the 2019/20 financial year.</p> <p>Unison has developed a mobile web portal for livening agents to submit livening certificates onsite. This will reduce the delay in Unison receiving the relevant paperwork. The test phase is about to commence with our main agent, before being rolled out to all livening agents.,</p> | | <p>End of 2019</p> <p>June 2019</p> | |

| Connection of ICP that is not an NSP | | | |
|---|---|-----------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 3.6</p> <p>With: Clause 11.17</p> <p>From: 22-May-18</p> <p>To: 24-May 18</p> | <p>One ICP was electrically connected before proposed trader information was provided to 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 | | |
| Low | <p>Controls are rated as strong because almost all registry updates occurred on time.</p> <p>The audit risk rating is low because one of the 1,010 new ICPs (0.09%) was affected, and the information was provided two business days late.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| The incorrect livening of the ICP in question was a genuine error made by a third party, Vircom (the incorrect fuse holder in the pedestal next to two new builds was livened, despite Unison providing the correct address information). Vircom reported the error to Unison straight away, after which the usual business processes were followed. Unison has advised Vircom to disconnect the ICP if an incorrect livening occurs again in the future. | | N/A | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| There are no further actions Unison can take to prevent a genuine error made by a third party. Unison's processes in this area are strong, as noted by the auditor, and these cannot prevent all human errors. | | ?? | |

| Connection of ICP that is not an NSP | | | |
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| Non-compliance | Description | | |
| <p>Audit Ref: 3.7</p> <p>With: Clause 10.31</p> <p>From: 22-May-18</p> <p>To: 24-May 18</p> | <p>One ICP was electrically connected before proposed trader permission was provided.</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 | | |
| Low | <p>Controls are rated as strong because almost all registry updates occurred on time.</p> <p>The audit risk rating is low because one of the 1010 new ICPs (0.09%) was affected.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| | | N/A | Disputed |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| <p>We disagree that this clause has been breached. Clause 10.31 clearly relates to the intentional temporary connection of an ICP and the conditions under which a participant is permitted to do this. This was not intentional and in fact not temporary as the ICP was never disconnected following the initial error. We acknowledge that the error was a breach of 11.7 covered in the previous audit section but disagree that it breaches clause 10.31.</p> | | N/A | |

| Non-compliance | | Description | |
|---|--|---|------------------------|
| <p>Audit Ref: 3.16</p> <p>With: Clause 10.33A(4)</p> <p>From: 01-Jan-18</p> <p>To: 30-Nov-18</p> | | <p>Streetlight circuits electrically connected without permission being gained from the trader.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: None</p> <p>Breach risk rating: 5</p> | |
| Audit risk rating | | Rationale for audit risk rating | |
| Low | | <p>Controls are rated as none as there is no process in place to gain permission from the trader for the connection of streetlight circuits.</p> <p>The risk rating is low as the volume of new streetlight circuit connections in relation to the overall network will be small.</p> | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Unison notes that we have incorrectly interpreted this clause in the Code and not included a single streetlight being connected to an existing DUMML ICP as a point of connection. However, we do have strong processes in place for gaining approval from a trader before electrically connecting a point of connection. We will ensure that streetlight circuits are now included in this process. | | Completed | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| As context to this recommendation and breach, Unison understands that the Trader is responsible for the accuracy of the DUMML database and subsequent reconciliation. We also note that we have been processing the connection of additional lighting points and circuits to existing ICPs in line with common industry practice, and that this matter has not been raised in previous audits which have found Unison's controls in this area to be strong. However, we appreciate the incorrect interpretation now being drawn to our attention and will include streetlighting connections in our new connection trader approval process immediately. | | Completed | |

| Changes to registry information | | | |
|--|---|-----------------|------------------------|
| Non-compliance | Description | | |
| Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 1/12/17 To: 30/11/18 | Some price, network, status, and address changes were updated more than three business days after the event date. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Medium | Controls were as rated as weak at the time of the site audit as the change to NSP updates has not produced the desired outcome and created a high volume of backdated NSP changes. Unison have corrected this as of February 1 st and provided evidence to support this therefore I have rated the overall controls as moderate. The risk rating is medium, as the correct NSP is required to ensure that volumes are reconciled correctly. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Unison acknowledges the non-compliances identified here. However, we note that there is no further action we can take to resolve the non-compliances identified. | | N/A | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |

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| <p>Address Events:</p> <p>Unison notes that changes of address events are arguable not a late update as it is replacing information already in the Registry, at the Trader's request. There is no option available to put in a 'correct' date.</p> <p>Network Events/NSP Changes:</p> <p>Unison has revised the automated process to populate NSP changes for ICP switches. We have provided the auditor with a test report that gives assurance that this change has now worked as intended in the material change request. The unintended consequence of GPS coordinates not being populated for new ICPs has also been corrected. Although the provision of GPS coordinates is not an audit requirement, Unison has put this process in place to ensure ICPs are readily identifiable.</p> <p>Unison will set up regular system reporting and interrogation of the accuracy of the system change for populating NSP information for ICP switching. These reports will be run nightly for the first month, and if no issues are identified, will move to fortnightly reporting. This will provide a regular compliance check to ensure that any failures of this process will be identified early and minimise the impact on reconciliation should any failure occur.</p> <p>Pricing Events:</p> <p>As noted by the Auditor, Unison proposed a code change to allow backdating of pricing events, providing there is agreement between the distributor and retailer. The Code change was included in the Authority's 'Switching' consultation, which we have submitted on. It is expected the Code change will occur in 2019.</p> <p>Status Events:</p> <p>Unison has done a thorough review of its decommissioning process and we have now identified a good process for actively managing and reducing the number of ICPs that are "inactive ready for decommissioning" and "decommissioned". To implement this process with external parties, we are creating a new service request workflow for permanent disconnection in our Gentrack system which will allow Unison to initiate and control the decommissioning process.</p> | <p>N/A</p> <p>Completed</p> <p>31 March 2019 / Ongoing regular reporting</p> <p>TBA 2019 (dependent on Authority schedule)</p> <p>31 March 2019</p> | |
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| Notice of NSP for each ICP | | | |
|---|--|-----------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 4.2</p> <p>With: Clauses 7(1),(4) and (5) Schedule 11.1</p> <p>From: 1/1/18</p> <p>To: 30/11/18</p> | <p>Two existing ICPs with an incorrect NSP recorded.</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 | <p>The controls are rated as strong as the GIS clearly identifies transformer and therefore NSP connection point.</p> <p>The audit risk rating is low as only two ICPs were found to be mis-mapped and the list of 254 roads checked so no further incidents of this are expected to be found.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Unison has investigated this ICP and we have amended the Registry to reflect the correct NSP. | | N/A | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| As highlighted, there is scope for data capture errors which are unavoidable but of very low incidence. We propose to monitor this on a monthly basis to mitigate the risk going forward. | | Completed | |

| ICP location address | | | |
|---|--|--|------------------------|
| Non-compliance | | Description | |
| <p>Audit Ref: 4.4</p> <p>With: Clause 2</p> <p>Schedule 11.1</p> <p>From: 04-Sep-18</p> <p>To: 25/1/19</p> | | <p>One ICP does not have a physical address unit number, street number, property name or GPS coordinates to allow it to be readily located.</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 | |
| Low | | Controls are rated as strong and the risk as low, because only one ICP had an address that could not be readily located. | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Unison has corrected the address details in the Registry for the one ICP and the GPS details of ICPs have been repopulated. | | Completed | Cleared |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| The NSP switching system change had an unintended consequence that prevented GPS coordinates being populated for new ICPs. Although the provision of GPS coordinates is not an audit requirement, Unison has this process in place to ensure ICPs are readily identifiable. The process has been amended to allow for this information to continue to be populated as intended. | | Completed | |

| Provide ICP Information to the Registry manager | | | |
|---|---|-----------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 4.6</p> <p>With: Clause 7(1)(m) & (p) Schedule 11.1</p> <p>From: 1/12/17</p> <p>To: 30/11/18</p> | <p>Known unmetered load not recorded in the correct field on the registry.</p> <p>One incorrect initial electrical connection date.</p> <p>Four active ICPs with no initial electrical connection date recorded connected prior to January 2018.</p> <p>Potential impact: Low</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>The controls are rated as moderate as Unison mitigate risk most of the time but there is room for errors to occur, specifically in relation to the recording of unmetered load.</p> <p>The audit risk rating is recorded as low as the overall number of variances is low.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| <p>UML: Where unmetered load has been identified in the audit but not recorded, Unison has updated this in the Registry to include the unmetered load details.</p> <p>Initial Electrical Connection Date: Unison has corrected the initial electrical connection date for ICP 0000042265HRC21.</p> | | Completed | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| <p>Unmetered Load:</p> <p>As noted in our response to 3.3, Unison are investigating changes to the new connections wizard to ensure correct population of UML information. This will minimise human error in populating information.</p> <p>Initial Electrical Connection Date:</p> <p>Unison notes that due diligence needs to be applied when inputting ICP information manually.</p> | | 31 March 2019 | |