

## Distributor inherent risk register

Inherent risk register							
Distributor audits							
Function 1 – Administrative tasks							
Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime key goal at risk	Consequence	Likelihood	Inherent risk rating
Audit of distributors' processes	Clause 11.10 and Part 16A	The inherent risks identified under the distributor functions 2–7	Functions 2–7 are not audited	All three key goals	Major	Almost certain	High
Function 2 – Creation of ICPs							
Creation of ICP	Clauses 11.4 and 11.5(3), Schedule 11.1, clause 1(1)	ICP identifier not created	Delayed consumer / embedded generator switching  Inaccurate reconciliation  Inaccurate or no invoicing of participants and consumers	All three key goals	Major	Likely  Multiple new connections each day, involving multiple participants	High
Creation of	Schedule	Incorrect losses	Inaccurate	All three key goals	Moderate	Likely	High

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ICP	11.1, clause 6	applied to consumption at ICP	reconciliation  Inaccurate invoicing of participants and consumers			Multiple new connections each day, involving multiple participants	
Creation of ICP	Schedule 11.1, clause 7	Incorrect population of static data or ICP identifier information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Likely  Multiple new connections each day, involving multiple participants	High
Creation of ICP	Schedule 11.1 clause 7(2) and 7(7)	Late population of ICP identifier information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Likely  Multiple new connections each day, involving multiple participants	High
Determining whether an ICP has a designation of 'dedicated'	Schedule 11.1, clause 7(1)(l)	ICPs are assigned to an NSP to which they are not usually connected	Inaccurate reconciliation  Inaccurate invoicing of participants	Timely and accurate settlement of the WEM	Major	Likely  Network owners/ operators often not fully aware of the meshing	High

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						capability of their networks	
Electrical connection of ICP	Clauses 11.17, 10.28(7) and 10.31	No responsible trader at electrically connected ICP	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM  Participants provide accurate and complete information to others in a timely manner	Major	Likely  Multiple new connections each day, involving multiple participants	High
Electrical connection of NSP	Clause 10.30(2)	Reconciliation does not occur at new NSP	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM  Participants provide accurate and complete information to others in a timely manner	Major	Unlikely	Medium
Provision of ICP information	Clause 11.7, Schedule 11.1, clauses 13, 15, and 20	Unused ICP not decommissioned	Inaccurate reconciliation  Inaccurate invoicing of participants	Participants provide accurate and complete information to others in a timely manner	Minor	Rare	Low

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<b>Function 3 – Maintenance of registry information</b>							
Populating ICP information in the registry	Schedule 11.1, clauses 7(1), 7(3), 7(8), 7(9), 14(1), 14(2), 16, 20 and 23	Registry information is inaccurate	<p>Delayed consumer / embedded generator switching or a consumer is switched to a retailer that cannot service the customer</p> <p>Inaccurate reconciliation</p> <p>Inaccurate invoicing of participants and consumers</p>	All three key goals	Major	<p>Likely</p> <p>Multiple connections, involving multiple participants</p>	High
Updating ICP information in the registry	Schedule 11.1, clause 8	ICP information incorrect or not updated in a timely manner	<p>Delayed consumer / embedded generator switching</p> <p>Inaccurate reconciliation</p> <p>Inaccurate invoicing of participants and</p>	All three key goals	Major	Likely	High

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			consumers				
Notifying the registry of the NSP identifier	Schedule 11.1, clauses 7(4) and 7(5)	ICP assigned to incorrect NSP	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Possibly	High
Advising consumer / embedded generator of ICP identifier	Clause 11.31	Consumer / embedded generator actions inhibited	Delayed consumer / embedded generator switching	Participants provide accurate and complete information to others in a timely manner	Moderate	Possibly	High
ICP's location address	Schedule 11.1, clauses 2 and 7(1)(a)	ICP not able to be readily located	Delayed consumer / embedded generator switching or wrong ICP switched  Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Participants provide accurate and complete information to others in a timely manner	Minor	Possibly	Medium
ICP de-energisation	Schedule 11.1, clause 3	De-energising an ICP causes another ICP to be de-energised	Consumer(s) at an ICP lose benefits of using electricity	Timely and accurate settlement of the WEM	Moderate	Possibly	Medium

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			Alternatively, it may not be possible to de-energise a vacant ICP or de-energise an ICP for credit or safety reasons	Participants provide accurate and complete information to others in a timely manner			
<b>Function 4 – Creation and maintenance of loss factors</b>							
Creation of loss factors	Schedule 11.1, clauses 21(2), 21(4), 22(1), 22(2), 22(3), 22(5) and 22(5)	Participants are assigned incorrect losses	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Likely  Multiple connections	High
Maintenance of loss factor information in the registry	Schedule 11.1, clause 21(1)	Registry information is inaccurate	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Likely  Multiple connections	High

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<b>Function 5 – Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs)</b>							
Creating or decommissioning an NSP	Clauses 10.25(2), 10.30(1), and 11.8 and Schedule 11.1, clauses, 24(1), 25, 26(3) 26(4) and 29,	Failure/delay in notifying reconciliation manager of NSP created / decommissioned and NSP details	Delayed consumer / embedded generator switching  Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Unlikely  Relatively infrequent event	Medium
Transferring ICPs between NSPs	Schedule 11.1, clauses 25 and 27, Schedule 11.2, clauses 1–7 and 8	Failure/delay in notifying relevant parties of ICP transfer to different NSP and/or obtaining necessary consents for transfer to proceed	Delayed consumer / embedded generator switching  Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Unlikely  Relatively infrequent event	Medium
Creating an NSP identifier	Schedule 11.1, clause 26(1) and (2)	Delay in requesting or creating an NSP identifier	Delayed consumer / embedded generator switching  Inaccurate	All three key goals	Major	Unlikely  Relatively infrequent event	Medium

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			reconciliation  Inaccurate invoicing of participants and consumers				
Changes to balancing areas	Schedule 11.1, clause 24(2) and (3)	Failure/delay in notifying reconciliation manager of balancing area change or associated details	Delayed consumer / embedded generator switching  Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Unlikely  Relatively infrequent event	Medium
Metering of electricity conveyed at NSP that is not point of connection to grid	Clause 10.25(1)	Consumer assigned incorrect consumption	Inaccurate reconciliation  Inaccurate invoicing of participants and potentially consumers	All three key goals	Major	Unlikely  Multiple connections	Medium
Changing MEPs	Clause 10.22(1)(b)	Failure/delay in notifying reconciliation manager of new MEP	Inaccurate records and publications  Inefficient processes for ensuring metering	Timely and accurate settlement of the WEM  Participants	Moderate	Unlikely  Relatively infrequent event	Medium



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			installations remain certified	provide accurate and complete information to others in a timely manner			
<b>Function 6 – Maintenance of unmetered load</b>							
Notifying parties of ICPs with shared unmetered load	Clause 11.14(2) and (4)	Failure/delay in notifying traders and the registry	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Moderate for ICPs with unmetered load  Not applicable for all other ICPs	Possibly	Medium for ICPs with unmetered load  Not applicable for all other ICPs
Change in capacity of unmetered load or unmetered load decommissioned	Clause 11.14(5)	Failure/delay in notifying traders	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM  Participants provide accurate and complete information to others in a timely manner	Moderate for ICPs with unmetered load  Not applicable for all other ICPs	Unlikely  Relatively infrequent event	Medium

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<b>Function 7 – Calculation of loss factors</b>							
Calculation of loss factors	Clause 11.2	Incorrect data and/or methodology used	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Likely  Multiple connections	High