

Compliance plan for Powerco Distributor Audit – 2023

Requirement to correct errors		
Non-compliance	Description	
Audit Ref: 2.2 With: 11.2(2) and 10.6(2) From: 01-Aug-21 To: 06-Dec-22	629 active ICPs have duplicate addresses. 727 active ICPs have addresses which do not have a street number or property name. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as strong as the processes in place will mitigate risk and they have a dedicated resource who is working through the historic addresses to resolve these. The audit risk rating is low as the volume of ICPs that are not readily locatable and duplicated is reducing greatly during the audit period. Incorrect addresses can have a direct impact on the retailer’s ability to read, disconnect and reconnect these sites.	
Actions taken to resolve the issue	Completion date	Remedial action status
As in the previous audit period, Powerco has allocated a dedicated resource to resolve historic data issues, primarily focused on addresses. As of 22 March 2023, the number of duplicate addresses were down to 129.	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco’s systems and processes prevent duplicate or incomplete addresses from being created and monitoring is in place to detect these issues if they present from other updates.	In place	

Distributor must create ICPs		
Non-compliance	Description	
Audit Ref: 3.1 With: 11.4 From: 19-Jun-20 To: 07-Mar-23	Some private lights in the Manawatu District Council, Matamata Piako District Council, New Plymouth District Council and Palmerston North City Council regions do not have their load recorded against an ICP. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	I have rated the controls as strong as Powerco have a robust ICP creation process and these lights are an historic issue and no other such instances have been identified. I have rated the audit risk rating as low as the kWh volume associated with these lights will be small, and some of the private lights may be metered.	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco is following up with the respective councils and their retailers to ensure all lights are being reconciled and new ICPs are created where necessary.	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco is continuing to work closely with councils to ensure better understanding of the requirements and obligations for streetlight connections.	Ongoing	

Distributor must create ICPs	
Non-compliance	Description
Audit Ref: 3.2 With: 11.5(3) From: 13-Oct-21 To: 22-Nov-21	Powerco received a request to create a new standard unmetered load ICP on 13 October 2021, but the ICP was not created until 22 November 2021 and Powerco did not advise the trader why the ICP could not be created within three business days. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	<p>I have rated the controls as strong as Powerco have a robust ICP creation process, and this is an isolated non-compliance relating to a rare scenario where shared unmetered load is replaced with standard unmetered load.</p> <p>The audit risk rating is low because the ICP was created within 40 days of the request, and revised submission data will be provided through the reconciliation process.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Powerco has identified that ICP requests through non-standard channels may not always be identified and treated as such immediately. Going forward, requests from retailers will be checked for potential ICP requests to meet Powerco's obligation in the Code.</p>		In place	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Powerco will be vigilant to identify requests outside of normal channels as ICP requests and act within its obligated timeframe.</p>		In place	

Provision of ICP Information to the registry manager			
Non-compliance	Description		
<p>Audit Ref: 3.3 With: 11.17 From: 01-Aug-21 To: 07-Mar-23</p>	<p>Five ICPs had missing initial electrical connection dates and were corrected during the audit.</p> <p>Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>I have rated the controls as strong because a small number of exceptions were identified over a ten year period.</p> <p>The audit risk rating is low because there is no direct impact on submission. Retailers may use this information to check their active dates.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Powerco is investigating the remaining missing IECDs and will populate where the ICPs were first electrically connected on or after 29 August 2013.</p>		1/4/2024	Cleared

Preventative actions taken to ensure no further issues will occur	Completion date	
As described in 2.1, Powerco has processes and reporting to populate the IECED in an accurate and timely manner.	In place	

Timeliness of Provision of ICP Information to the registry manager		
Non-compliance	Description	
<p>Audit Ref: 3.4</p> <p>With: 7(2) of Schedule 11.1</p> <p>From: 01-Aug-21</p> <p>To: 06-Dec-22</p>	<p>13 ICPs did not have ready status populated prior to being electrically connected.</p> <p>Two ICPs did not have a proposed trader, network information (excluding the proposed trader), and address information populated prior to being electrically connected.</p> <p>Four ICPs did not have pricing populated prior to being electrically connected.</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	The controls are rated as strong and the audit risk rating is low. The overall level of compliance is high, and the number of ICPs affected is very small and will only have a minor impact on settlement.	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco is working with contractors to communicate the importance of correct and timely information for new connections. It will continue to backdate and correct where appropriate to provide the most accurate information to registry.	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
As above, Powerco is continuing to work with its approved contractors to get accurate and timely information for new connections.	Ongoing	

Timeliness of Provision of Initial Electrical Connection Date			
Non-compliance		Description	
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 01-Aug-21 To: 06-Dec-22		223 ICPs did not have initial electrical connection dates populated within ten business days of being electrically connected. Potential impact: None Actual impact: None Audit history: Multiple times Controls: Moderate Breach risk rating: 2	
Audit risk rating		Rationale for audit risk rating	
Low		Controls are moderate. Initial electrical connection dates based on the best information available and daily monitoring and resolution of missing and potentially incorrect dates. Many of the late updates were caused by CWMS invalidly removing initial electrical connection dates or corrections due to CWMS being unable to set event dates accurately. The audit risk rating is low because there is no direct impact on submission. Retailers may use this information to check their active dates.	
Actions taken to resolve the issue		Completion date	Remedial action status
Powerco has corrected IECDs where identified in reporting.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Powerco monitors IECD accuracy through daily reporting as well as in its weekly registry reconciliation.		In place	

Connection of ICP that is not an NSP			
Non-compliance		Description	
Audit Ref: 3.6 With: 11.17 From: 01-Aug-21 To: 06-Dec-22		A proposed trader was not recorded on the registry prior to commencement of trading for one ICP created and electrically connected during the audit period, and one ICP created prior to the audit period. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1	
Audit risk rating		Rationale for audit risk rating	
Low		The controls are rated as strong, and the audit risk rating is low. The trader had accepted responsibility for the ICP prior to initial electrical connection.	

Actions taken to resolve the issue	Completion date	Remedial action status
As above, Powerco created the ICPs as soon as they were identified to ensure the correct information was supplied to registry.	Complete	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco is continuing to work with contractors to ensure complete and accurate information is supplied to avoid these errors.	Ongoing	

Changes to registry information		
Non-compliance	Description	
Audit Ref: 4.1 With: 8 Schedule 11.1 From: 01-Aug-21 To: 06-Dec-22	68 late address updates. 1,620 late distributed generation updates. 3,422 late network updates (excluding the 1,620 late distributed generation updates). Two late NSP changes. 247 late updates to decommissioned status. 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	I have rated the controls as moderate as the controls in place will mitigate the risk most of the time, and many of the late updates related to corrections. There is a potential minor impact on settlement, hence the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco is committed to correcting data inaccuracies to the appropriate effective date as soon as they are identified. Improvements to processes and reporting will lead to less errors to be corrected and the timeliness of any updates	Ongoing	Identified

Preventative actions taken to ensure no further issues will occur	Completion date
Powerco will continue to work with its contractors to maintain and improve timeframes for providing information. Regular reporting provides Powerco with visibility of timeframes and any issues are raised with contractors as required. Powerco is continuing to improve reporting to identify errors quickly for correction and identify areas where processes and/or controls should be reviewed.	Ongoing

Changes to registry information		
Non-compliance	Description	
Audit Ref: 4.2 With: 7(1),(4) and (5) Schedule 11.1 From: 01-Aug-21 To: 06-Dec-22	Two ICPs had incorrect NSPs and were corrected during the audit. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	I have rated the controls as strong. The errors occurred because CWMS does not allow users to select an event date when processing updates to network attributes making it more difficult to ensure that the correct attributes are applied on the event date. There is a manual process which is used to check and update the registry information, and almost all exceptions are resolved through this process. The NSPs were located in the same balancing area so the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco is working through potential NSP assignment errors as identified through NSP reporting as well as those identified in address validation and reporting.	In-place	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco has reporting in place to detect potential errors in NSP assignment and correct them as soon as possible.	In-place	

ICP location address		
Non-compliance	Description	
<p>Audit Ref: 4.4</p> <p>With: 2 Schedule 11.1</p> <p>From: 01-Aug-21</p> <p>To: 06-Dec-22</p>	<p>629 active ICPs have duplicate addresses.</p> <p>727 active ICPs have addresses which do not have a street number or property name.</p> <p>Three ICPs with incorrect address information were identified and corrected during the audit.</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 new connection process is robust and the historic addresses are being resolved using as many tools as are available to Powerco.</p> <p>The audit risk rating is low as the volume of ICPs that are not readily locatable and duplicated is reducing. Incorrect addresses can have a direct impact on the retailer's ability to read, disconnect and reconnect these sites.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
As discussed in 2.2, Powerco has allocated a dedicated resource to resolve historic data errors. As of 22 March 2023, the number of duplicate addresses on Powerco's network were down to 129.	On-going	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
As noted in 2.2, systems and processes prevent the creation of new exceptions and Powerco will continue to correct errors in its weekly and ad-hoc reporting.	In-place	

Distributors to Provide ICP Information to the Registry manager		
Non-compliance	Description	
<p>Audit Ref: 4.6 With: 7(1) of Schedule 11.1</p> <p>From: 01-Aug-21 To: 07-Mar-23</p>	<p>1,279 ICPs in total have duplicate and/or incomplete addresses and Powerco is working through resolving these.</p> <p>Three ICPs had incorrect address information were corrected during the audit.</p> <p>One ICP had incorrect distributed generation information and was corrected during the audit.</p> <p>Two ICPs had some incorrect unmetered load details and were corrected during the audit.</p> <p>Two ICPs had incorrect NSPs and were corrected during the audit.</p> <p>At least two ICPs had incorrect initial electrical connection dates and were corrected during the audit.</p> <p>Five ICPs had missing initial electrical connection dates and were corrected during the audit.</p> <p>One ICP had an incorrect network event date and was corrected during the audit.</p> <p>Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>I have rated the controls as strong. The errors mainly occurred because CWMS does not allow users to select an event date when processing updates to network attributes making it more difficult to ensure that the correct attributes are applied on the event date. There is a manual process which is used to check and update the registry information, and almost all exceptions are resolved through this process.</p> <p>The impact is low because there may be a small impact on settlement.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco has continued to work with traders and contractors to ensure the correct information and effective dates have been sent to registry	Ongoing	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco is confident in its processes for assigning pricing to new connections but will continue to monitor and report on them to identify issues and correct them as soon as practicable.	In-place	