

Compliance plan for Waka Kotahi BOP West DUML Manawa 2023

Deriving submission information			
Non-compliance	Description		
<p>Audit Ref: 2.1 Clause 11(1) of Schedule 15.3</p> <p>From: 22-Mar-21 To: 08-Feb-23</p>	<p>The database is not confirmed as accurate with a 95% level of confidence. There is a 95% level of confidence that the annual consumption is estimated to be 3,500 kWh p.a. lower than the database indicates.</p> <p>42 lights likely to be incorrectly flagged as “inactive” resulting in an estimated under submission of 28,248 kWh p.a.</p> <p>Database snapshot used to calculate submission.</p> <p>Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Weak Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are recorded as weak as there is no process to ensure that new items of load are added to the database at the point they are electrically connected.</p> <p>The impact on settlement and participants is medium; therefore, the audit risk rating is medium.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We need to determine if the 42 lights flagged as inactive are actually inactive, the audit has only revealed that this is “likely”. Once the status of these lights is determined we will correct the database and submission values.		31 May 2023	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Clarify the situation that was occurring at Westlink when changes were processed in the database, that is causing the inactive status flag to be set on the existing light asset.</p> <p>Establish a business process whereby Administrators at Manawa Energy, responsible for processing DUML load changes each month, will conduct reasonableness checks on the light changes being notified. These will include checks to ensure reasonable evidence is provided to support where lights are recorded as inactive.</p>		31 July 2023	

Description and capacity of load		
Non-compliance	Description	
Audit Ref: 2.4 Clause 11(2)(c) & (d) of Schedule 15.3 From: 22-Mar-21 To: 08-Feb-23	65 items of load with no gear wattage recorded. Potential impact: None 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 the correct values are added but this is occurring outside of the database. The audit risk rating is low as submission is correct, but this is derived outside of the database.	
Actions taken to resolve the issue	Completion date	Remedial action status
We will remind Westlink – as maintainers of the database, that this information is required to be stored in the database itself, and not looked up outside the database. There is low impact as the correct data is making its way into the market submission	31 May 23	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Westlink will need to include the additional data in their database. We will work with them to have this included, but given it is not affecting accuracy and is of a technical breach nature – we suspect getting this prioritised with Westlink might take some time.	31 Aug 23	

Database accuracy			
Non-compliance	Description		
<p>Audit Ref: 3.1</p> <p>With: Clause 15.2 and 15.37B(b)</p> <p>From: 22-Mar-21</p> <p>To: 08-Feb-23</p>	<p>The database is not confirmed as accurate with a 95% level of confidence. There is a 95% level of confidence that the annual consumption is estimated to be 3,500 kWh p.a. lower than the database indicates.</p> <p>65 items of load with no gear wattage recorded.</p> <p>18 items of load with the incorrect gear wattage applied.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are recorded as weak as there is no process to ensure that new items of load are added to the database at the point they are electrically connected.</p> <p>The audit risk rating is medium as the missing lights will be resulting in under submission and an increase in losses which are then shared by all traders.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The changes in who is responsible for recording and loading new lights into the database has been the main reason a stable and well managed process in now introducing risk and inaccuracy.</p> <p>We will work with Waka Kotahi to understand where the new lights are expected to sit, and from which date they were livened. If these lights are expected to sit in the Westlink database against the Manawa Energy ICP – we will correct data and reconciliation volumes accordingly.</p>		31 May 23	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We will work with Waka Kotahi to understand where the new lights are expected to sit for future lights added in the area. If these lights are expected to sit in the Westlink database against the Manawa Energy ICP – we will work with them to reestablish the process that has historically been in place and will check for new additions in lights as part of the monthly updates we receive.</p>		31 Aug 23	

Volume information accuracy		
Non-compliance	Description	
<p>Audit Ref: 3.2 Clause 15.2 and 15.37B(c)</p> <p>From: 22-Mar-21 To: 08-Feb-23</p>	<p>The database is not confirmed as accurate with a 95% level of confidence. There is a 95% level of confidence that the annual consumption is estimated to be 3,500 kWh p.a. lower than the database indicates.</p> <p>42 lights likely to be incorrectly flagged as “inactive” resulting in an estimated under submission of 28,248 kWh p.a.</p> <p>Database snapshot used to calculate submission.</p> <p>Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Weak Breach risk rating: 6</p>	
Audit risk rating	Rationale for audit risk rating	
Medium	<p>The controls are recorded as weak as there is no process to ensure that new items of load are added to the database at the point they are electrically connected.</p> <p>The impact on settlement and participants is medium; therefore, the audit risk rating is medium.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
In addition to the work already noted in this audit – to work with Waka Kotahi to clarify which retailer and which ICP new light assets are expected to be added to and reconciled under - we also need to determine if the 42 lights flagged as inactive are actually inactive, the audit has only revealed that this is “likely”. Once the status of these lights is determined we will correct the database and submission values.	31 May 23	Investigating

Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Clarify the situation that was occurring at Westlink when changes were processed in the database, that is causing the inactive status flag to be set on the existing light asset.</p> <p>Establish a business process whereby Administrators at Manawa Energy, responsible for processing DUMML load changes each month, will conduct reasonableness checks on the light changes being notified. These will include checks to ensure reasonable evidence is provided to support where lights are recorded as inactive.</p> <p>Work with Waka Kotahi to understand which retailer, which ICP and which database new light assets are supposed to be recorded under in this region, and ensure our processes capture these changes and lead to accurate submission calculations.</p> <p>We note the audit finding that the long term intent is for Waka Kotahi assets to be maintained in a new database, under a new ICP – maintained by Waka Kotahi with Meridian as retailer.</p>	31 August 23	