

Compliance Plan for TENC Distributor Audit 2023

| Requirement to provide complete and accurate information | | |
|---|--|------------------------|
| Non-compliance | Description | |
| <p>Audit Ref: 2.1 With: Clause 11.2(1) and 10.6(1)</p> <p>From: 01-Oct-21 To: 04-Oct-22</p> | <p>20 ICPs had duplicate and/or incomplete addresses, which were corrected to be readily locatable and unique during the audit.</p> <p>At least 16 network updates which entered the initial electrical connection date had an incorrect event date.</p> <p>Six ICPs had incorrect initial electrical connection dates, which were corrected during the audit.</p> <p>Eight of the 27 SB ICPs had loss factors greater than 1.00 and were corrected during the audit.</p> <p>Potential impact: Low Actual impact: Low Audit history: Twice previously</p> <p>Controls: Strong Breach risk rating: 1</p> | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | <p>Controls are rated as strong:</p> <ul style="list-style-type: none"> TENCO has a robust set of discrepancy reports that are used to identify and correct any errors found, and TENCO have updated their process to ensure that correct event dates are consistently applied; I found that any corrections to events processed since this change had correct event dates applied. <p>The audit risk rating is low as the number of discrepancies found were small overall. All incorrect ICP attributes identified were corrected during the audit, apart from some historic event dates remain incorrect.</p> | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| <ol style="list-style-type: none"> The duplicate addresses were found during the Veritek review, these were inherited from local networks upon new Embedded Networks being setup. We have historically used the date of entry as the network event date. The incorrect IECDs were as a result of metering and active events not being aligned with our IECD. Further clarification was requested from retailers and IECDs corrected accordingly. Incorrect loss codes were applied during an historical network transfer. | During the audit period | Identified |

| Preventative actions taken to ensure no further issues will occur | Completion date |
|--|-----------------|
| <ol style="list-style-type: none"> 1. We are establishing reporting which will identify where we have duplicate addresses on our networks. 2. We have updated our process to match the network event date to the IECD date. 3. Our process has been updated to verify alignment of metering and active dates before the IECD is updated. We will put reporting in place to track where participants later change their events. 4. Checks are now in place to capture any incorrectly applied loss codes. | Ongoing |

| Timeliness of Provision of ICP Information to the registry manager | | |
|--|--|-------------------------|
| Non-compliance | Description | |
| Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 22-Apr-22 To: 25-Jul-22 | 46 ICPs were updated to “ready” status after initial electrical connection. Two ICPs had pricing, address and proposed trader information populated after initial electrical connection. 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, as the process is robust. The impact is low, the ICPs were moved to “ready” status 1-35 business days late (three days late on average). The two ICPs which had updates 35 business days late were an isolated exception caused by an issue with addressing information. | |
| Actions taken to resolve the issue | | Completion date |
| <ol style="list-style-type: none"> 1. The 46 ICPs were moved to ready as soon as we became aware that they were still sitting at NEW upon confirmation of the electrical connection. 2. As part of a file upload to the registry 2 ICPs failed to create due to exceeding the Unit field length. | | During the audit period |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| <ol style="list-style-type: none"> 1. Processes have been updated to include moving ICPs to ready as soon as the NSP is available for all new embedded networks. Developing report which notifies us of ICPs at new where the GXP is live 2. A check between Salesforce and Registry via the Datawarehouse has now been introduced to ensure that this does not occur going forward. We are going to start monitoring the *.ack files. | | Ongoing |

| Timeliness of Provision of Initial Electrical Connection Date | | | |
|--|---|-------------------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 3.5 With: Clause 7(2) of Schedule 11.1</p> <p>From: 01-Oct-21 To: 04-Oct-22</p> | <p>16 ICPs created prior to the audit period had initial electrical connection dates populated late during the audit period.</p> <p>137 ICPs created during the audit period had initial electrical connection dates populated late.</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 | | |
| Low | <p>Controls are rated as moderate as they are sufficient to ensure that initial electrical connection dates are updated on time most of the time.</p> <p>The audit risk rating is assessed to be low as this has no direct impact on reconciliation.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| <p>The non-population of IED's is monitored via the Salesforce Compliance Dashboard – the delay in populating will be due to the late population/provision of information to Registry via the Trader or MEP thus causing Tenco's non-compliance.</p> | | During the audit period | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| <p>We believe our controls in this space are strong and the Compliance Dashboard is monitored each business day.</p> | | Ongoing | |

| Connection of ICP that is not an NSP | | |
|---|--|--|
| Non-compliance | Description | |
| <p>Audit Ref: 3.6 With: Clause 11.17</p> <p>From: 22-Apr-22 To: 25-Jul-22</p> | <p>46 ICPs were not updated to "ready" status prior to the initial electrical connection date, and the trader was not recorded as having accepted responsibility for the ICP in the registry.</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 process is robust.</p> <p>The impact is low, the ICPs were moved to "ready" status 1-35 business days late (three days late on average). The two ICPs which had updates 35 business days late were an isolated exception caused by an issue with addressing information.</p> | |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|---|-------------------------|-------------------------------|
| The 46 ICPs were moved to ready as soon as we became aware that they were still sitting at NEW upon confirmation of the electrical connection. | During the audit period | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Processes have been updated to include moving ICPs to ready as soon as the NSP is available for all new embedded networks. Developing report which notifies us of ICPs at new where the GXP is live | Ongoing | |

| Connection of NSP that is not point of connection to grid | | |
|---|--|-------------------------------|
| Non-compliance | Description | |
| Audit Ref: 3.9 With: Clause 10.30 From: 28-Apr-22 To: 01-Dec-22 | Five new NSPs had late meter certifications. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | The controls are moderate, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low because there no impact on reconciliation. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Tenco enters the metering certification from the MEP as soon as we receive and process the paperwork, in some cases the MEP's paperwork is late thus causing Tenco to be non-compliant. | During the audit period | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Tenco continue to proactively follow up for meter paperwork with the MEP when it has not been received. | Ongoing | |

| Changes to registry information | |
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| Non-compliance | Description |
| Audit Ref: 4.1 With: Clause 8 Schedule 11.1 | 38 late address updates. 77 late pricing updates. One late NSP change. Three late distributed generation updates. 25 late network updates. Four late status updates to decommissioned. Potential impact: Low |

| From: 01-Oct-21 To: 04-Oct-22 | 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 they are sufficient to ensure updates are on time most of the time The risk is assessed as low as a relatively small proportion of updates were affected, and in many cases TENCO could not update the registry until other parties provided information or reversed their network events. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| The late address updates were caused by human error there is no reason for an address update to be back dated. <ol style="list-style-type: none"> 1. The late pricing events were either due to the request from the retailer being missed or a correction to an incorrect pricing code being applied. 2. The late NSP change was due to the SF dashboard not being checked in time. 3. The late distributed generation input was a result of the initial record for the ICP being incorrectly input and was updated upon finding this human error. 4. The late decommission updates were the result of late updates to Inactive by retailers. | During the audit period | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| <ol style="list-style-type: none"> 1. Staff have been reminded of ensuring that address updates are on a go forward only. 2. Requests from retailers is now automated to avoid pricing change requests being missed. 3. Staff have been reminded to check the SF dashboard daily. 4. This was a one-off human error and controls in this space are deemed to be strong. 5. We have no control over the timeliness of updates by other participants. | Ongoing | |

| ICP location address | |
|---|---|
| Non-compliance | Description |
| Audit Ref: 4.4 With: Clause 2 Schedule 11.1 From: 04-Oct-22 To: 04-Oct-22 | 20 ICPs had duplicate and/or incomplete addresses, which were corrected to be readily locatable and unique during the audit. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Strong Breach risk rating: 1 |

| Audit risk rating | Rationale for audit risk rating | | |
|--|--|--------------------------------|------------------------|
| <p>Low</p> | <p>Controls are rated as strong, as there is a check in place to ensure that all addresses are readily locatable, additional checks will be introduced for inherited sites.</p> <p>The impact is low because in most cases address information is correct.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| <p>The duplicate addresses were found during the Veritek review, most were inherited from the local network upon new Embedded Network setup, a few were new ICPs being created by Tenco.</p> | | <p>During the audit period</p> | <p>Cleared</p> |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| <p>We will introduce a process for regular duplicate address checks for ICPs on our embedded networks. We will also add a step into the process for transferring existing ICPs to Tenco embedded networks, whereby checks for duplication are carried out. We are establishing reporting which will identify where we have duplicate addresses on our networks</p> | | <p>Ongoing</p> | |

| Distributors to Provide ICP Information to the Registry manager | | | |
|--|--|--------------------------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1</p> <p>From: 21-Jun-21 To: 01-Jun-22</p> | <p>Six ICPs had incorrect initial electrical connection dates, which were corrected during the audit.</p> <p>At least 16 network events had incorrect event dates applied.</p> <p>Potential impact: Low</p> <p>Actual impact: None</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 | | |
| <p>Low</p> | <p>The controls are now rated as strong:</p> <ul style="list-style-type: none"> • processes have been updated to ensure that correct event dates are consistently applied, and • there are robust processes in place to identify and record the correct initial electrical connection date. <p>The audit risk rating is low, as a small number of exceptions were identified, and the incorrect dates were updated once they were identified during the audit.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| <p>1. Incorrect IECD's were the result of changes to MEP/retailer events and upon clarification being sought, new dates confirmed and updated to the registry.</p> | | <p>During the audit period</p> | <p>Identified</p> |

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| 2. Tenco has historically populated the network event date as the date of the update was made for IECD updates. | | |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| 1. We ensure MEP and Active dates align before using this to update the IECD. Going forward we will monitor reversals to these events to ensure we remain compliant. | Ongoing | |
| 2. This process has been updated and going forward the IECD will also be used as the event date. | | |

| Provision of information to registry after the trading of electricity at the ICP commences | | |
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| Non-compliance | Description | |
| Audit Ref: 4.7 With: Clause 7(3) Schedule 11.1 From: 21-Jun-22 To: 21-Jun-22 | Two ICPs had pricing information populated more than ten business days after initial electrical connection. 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 rated as strong, as the process is robust. The impact is low. The two ICPs which had updates 35 business days late were an isolated exception caused by an issue with addressing information. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| A file upload to the Registry failed due to the character length for the Unit on one of the ICPs. The price code (and other attributes) was updated as soon as we became aware of the issue. | During the audit period | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| A check is now carried out to confirm all file uploads to the Registry have been successful. We are going to start monitoring the *.ack files. | Ongoing | |

| Creation and decommissioning of NSPs | | | |
|--|--|---|------------------------|
| Non-compliance | | Description | |
| Audit Ref: 6.1 With: Clause 11.8 and Clause 25 Schedule 11.1 From: 20-Jul-21 To: 26-Jul-22 | | Alleged breaches 2206TENC1 and 2111TENC1 are recorded for late provision of NSP information to the reconciliation manager. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1 | |
| Audit risk rating | | Rationale for audit risk rating | |
| Low | | Controls are rated as strong as TENC0's processes are compliant. The audit risk rating is low as the number of late updates was low. | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| 2206TENC1 and 2111TENC1 were the result of the late notice of new NSP's to the RM portal, due to last minute changes by our clients to bring livening dates forward on Greenfield developments. There was no market impact on any participants and no further action was taken as a result of either breach. | | During the audit period | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Continuing to remind our clients of the need to advise us of the earliest possible livening date on Greenfield developments even if the livening date is not absolute to continue to maintain compliance with the code. | | Ongoing | |

| Notice of supporting embedded network NSP information | | | |
|--|--|---|--|
| Non-compliance | | Description | |
| Audit Ref: 6.4 With: Clause 26(4) Schedule 11.1 From: 01-Oct-20 To: 31-Aug-21 | | One late notification of new NSP network and start date information. 21 late notifications of new NSP LE ICP information. 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 moderate because TENC have not provided the required notice consistently across the LE ICP number requests. TENC0's processes to make sure LE ICPs are requested are compliant, but there are often delays in receiving these from the parent network. The audit risk rating is low because almost all other required information was provided on time. | |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|---|-------------------------|------------------------|
| Tenco is reliant on the timely provision of LE ICP's upon request from the local network, in many cases the provision of these from the local network is late thus causing Tenco non-compliance as if we were to wait then we would end up short notifying the NSP to the RM which in our view carries more market impact than the late provision of the LE ICP in the RM portal as the LE ICP serves no purpose within it. Furthermore, the RM portal only holds 1 LE ICP per NSP whereas in many cases there are multiple LE ICP's to an NSP thus the records are incomplete in any case (we do include these in the notes section of the portal) | During the audit period | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| We apply for LE ICP's as early as we are able to do so and prior to the notification of the NSP to the RM however due to the sometimes slow process within the Local Networks for the creation of the LE ICP's (which at times is understandable as these are not just simple connections) then we end up non-compliant with the provision of the LE ICP's but are meeting the 1 months notice period of the NSP. | Ongoing | |

| Notification of transfer of ICPs | | |
|---|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 6.7 With: Clause 11.8 and Clause 25 Schedule 11.1 From: 01-Feb-22 To: 25-Feb-22 | Alleged breaches 2202TENC1 and 2202TENC2 are recorded for late provision of ICP transfer information to the reconciliation manager. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | Controls are rated as strong as TENCO's processes are compliant. The audit risk rating is low as the number of late updates was low, and notification was provided prior to the start date. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| 2202TENC1 and 2202TENC2 were the result of DS-010 files being rejected due to formatting errors. They were initially submitted on time but the time taken to reformat the files caused a delay which resulted in the late notice for transfer to the reconciliation manager. These were reported as self-breaches and found to have no market impact. | During the audit period | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| DS-010 files are now filed as soon as retailer consent has been received to allow enough time to resolve any errors. | Ongoing | |

| Responsibility for metering information for NSP that is not a POC to the grid | | |
|---|---|-------------------------|
| Non-compliance | Description | |
| Audit Ref: 6.8 With: Clause 10.25(1) and 10.25(3) From: 01-Oct-21 To: 04-Oct-22 | Meter certification details were updated more than 20 business days after the certification date for nine NSPs. Meter certification was expired for five ICPs at the time the checks were completed, and later recertified. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating:2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | The controls are moderate, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low because there no impact on reconciliation. | |
| Actions taken to resolve the issue | | Completion date |
| Tenco enters the metering certification from the MEP as soon as we receive and process the paperwork, in some cases the MEP's paperwork is late thus causing Tenco to be non-compliant. | | During the audit period |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| Tenco continue to proactively follow up for meter paperwork with the MEP when it has not been received. Contracting with the MEP's directly from the 01/10/2021 we anticipate should assist with the timeliness of meter install paperwork. | | Ongoing |
| Remedial action status | | |
| Identified | | |

| Responsibility for metering information when creating an NSP that is not a POC to the grid | | |
|---|--|-------------------------|
| Non-compliance | Description | |
| Audit Ref: 6.9 With: Clause 10.25(2) From: 28-Apr-22 To: 01-Dec-22 | Five new NSPs had late meter certifications. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | The controls are moderate, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low because there no impact on reconciliation. | |
| Actions taken to resolve the issue | | Completion date |
| Tenco enters the metering certification from the MEP as soon as we receive and process the paperwork, in some cases the MEP's paperwork is late thus causing Tenco to be non-compliant. | | During the audit period |
| Remedial action status | | |
| Identified | | |

| Preventative actions taken to ensure no further issues will occur | Completion date | |
|---|-----------------|--|
| Tenco continue to proactively follow up for meter paperwork with the MEP when it has not been received. Contracting with the MEP's directly from the 01/10/2021 we anticipate should assist with the timeliness of meter install paperwork. | Ongoing | |

| Creation of loss factors | | |
|--|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 8.1 With: Clause 11.2 From: 01-Oct-21 To: 04-Oct-22 | Incorrect loss factors were recorded for eight SB ICPs, which were corrected during the audit. Potential impact: Low Actual impact: Low Audit history: Twice 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 minor as only eight ICPs were affected. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Incorrect loss factors were applied to eight SB ICPs due to human error. Corrections were made as soon as we became aware of the inaccuracies. | During the audit period | Cleared |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Regular loss factor reviews are carried out as part of in-house checks. | Ongoing | |