

Compliance plan for Octopus Energy Limited 2023

Relevant information		
Non-compliance	Description	
<p>Audit Ref: 2.1 With: Clause 11.2 & 15.2</p> <p>From: 01-Nov-21 To: 16-Jan-23</p>	<p>Some inaccurate data is recorded and was not updated as soon as practicable. Some submission data was inaccurate and was not corrected at the next available opportunity.</p> <p>Potential impact: Medium Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as strong as where process issues have been identified during the audit period these have been rectified.</p> <p>The impact is assessed to be low based on the minor impact on submission accuracy.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p><u>HHR part day volumes not submitted for disconnection day.</u></p> <p>Limitation in registry where only full days can have a particular status which applies from 12.00am. Disconnections and reconnections however occur part way through the day, so the ICP is both active and inactive on the disconnection and reconnection date. Looking at options to resolve with Ops staff, MEPs and system provider. The EA could also look at introducing timestamps within registry event dates.</p> <p><u>Arc Meters</u></p> <p>ARC meters are currently in the process of being displaced so the issue of interval data being received to one decimal place will ultimately be eliminated.</p>	Ongoing	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>Application of CS readings</u></p> <p>A Robotron esales job can now be run in a mode that rescales already scaled amounts (previously this wasn't the case). Therefore after change of read (e.g. RR process) the half-hourly estimations will be adjusted accordingly.</p>	April 2023	

Changes to registry information		
Non-compliance	Description	
<p>Audit Ref: 3.3 With: Clause 10 Schedule 11.1</p> <p>From: 01-Nov-21 To: 16-Jan-23</p>	<p>14 late updates to “active” status. One late update to “inactive” status. Seven late trader updates relating to backdated MEP nominations. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate. The manual nature of the current process to update status events can lead to delays where resourcing is low and there is a risk some updates are missed.</p> <p>The impact on settlement and participants is minor, as while 93% (14 out of 15) late “active” updates were for HHR submitted ICPs the late updates to “active” has impacted the Reconciliation Managers calculation of seasonal shapes for all NHH retailers, the overall number is small, and no late update exceed more than one consumption period therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
We have improved reporting and increased resourcing so registry changes are more likely to be made on time.	01/11/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We have improved reporting and increased resourcing so registry changes are more likely to be made on time.	01/11/2022	

ANZSIC codes			
Non-compliance	Description		
<p>Audit Ref: 3.6</p> <p>With: Clause 9 (1(k) of Schedule 11.1</p> <p>From: 01-Nov-21</p> <p>To: 16-Jan-23</p>	<p>Nine incorrect ANZSIC codes; all have now been corrected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as weak because there are insufficient checks within the onboarding process to identify business customers and validate the correct ANZSIC codes prior to updating the existing ANZSIC code on the registry.</p> <p>The impact is minor; therefore, the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>We have made some initial changes to Registry to correct the incorrect ANZSIC codes found in the audit.</p> <p>We have created improved reporting to detect any potential business customers that have signed up as residential customers.</p> <p>We undertook updates to Registry to rectify the incorrect ANZSIC codes identified by this reporting.</p>		May 2023	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>1. We have specified a change to the kraken signup workflow that will allow much more efficient checking of registry and allow the detection of potential business customers signing up as residential.</p> <p>2. Running new reporting monthly to detect any inbound ICs that have come through the residential signup channel.</p>		May 2023	

Losing trader must provide final information - standard switch		
Non-compliance	Description	
Audit Ref: 4.3 With: Clause 5 Schedule 11.3 From: 01-Nov-21 To: 16-Jan-23	Two CS breaches recorded during the audit period. The method to calculate average daily consumption is not consistent with the average consumption for the last read to read period. Potential impact: Low 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 average daily consumption is a reasonable reflection of an ICPs consumption pattern, however, it does not meet the definition of how this is to be calculated. The impact of the average daily consumption calculation is low therefore the risk is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
As we are only supplying smart meters. We believe the data we're providing in CS files is more accurate than what is specified in the code. The way we calculate average daily usage uses the following the following hierarchy. <ol style="list-style-type: none"> 1. average between last actual read AND read 7 or more days earlier, or 2. average between last actual read AND next previous read, or 3. average between last estimate (should be always switch read) and previous read. 	N/A	Disputed
Preventative actions taken to ensure no further issues will occur	Completion date	
We think the code should be changed to better utilise smart meter data and will look to submit a proposed code change to the EA relating to this issue. The code in its current form works best for non-ami.	N/A	

Retailers must use same reading - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.4 With: Clause 6(1) and 6A Schedule 11.3</p> <p>From: 01-Nov-21 To: 16-Jan-23</p>	<p>Incorrect readings used for two ICPs sampled where Octopus settle as HHR, the CS read was estimated, and no read request change was sent to ensure the transfer read is accurate across the change of trader and submission types resulting in an over submission of 218 kWh.</p> <p>Incorrect readings used for three ICPs sampled where Octopus settle as HHR, the CS read was estimated, and the read request change was rejected by the losing trader but not followed up by Octopus to ensure the transfer read is accurate across the change of trader and submission types resulting in an over submission of 16 kWh.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because as the gaining trader, Octopus needs to ensure no volume is lost during the switch process where there is a change in submission type.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Additional training has been provided on the critical task that re-calculates gain read based on actual reads received.	Dec-22	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Additional training has been provided on the critical task that re-calculates gain read based on actual reads received.</p> <p>Energy Specialists will now continue to re-try until it is determined that getting any actual reads for on or very near switch date is not possible.</p>	Dec-22	

Gaining trader informs registry of switch request - switch move		
Non-compliance	Description	
Audit Ref: 4.7 With: Clause 9 Schedule 11.3 From: 01-Nov-21 To: 16-Jan-23	NT files sent late after preconditions were met for three ICPs (of a sample of eight). 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 recorded as strong as the processes to ensure preconditions are met are robust and the issue identified was due to a system issue, which has now been resolved. The impact is low due to only three affected NT files identified from the sample of eight and the system issue was resolved once the issue was identified.	
Actions taken to resolve the issue	Completion date	Remedial action status
The multiple signup exception issue was mostly due some email comms not arriving to customer email inbox. Customer thinking they had not successfully signed up. This issue has been fixed, minimising this type of exception from happening. Octopus Energy will continue to correct switches of incorrect ICPs and re-switch correct properties.	Aug-22	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Increased resourcing and improved reporting have allowed us to pick up these exceptions sooner.	Aug-22	

Losing trader provides information - switch move		
Non-compliance	Description	
Audit Ref: 4.8 With: Clauses 10(1) Schedule 11.3 From: 01-Nov-21 To: 16-Jan-23	Three T2 breaches. 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 recorded as strong as the processes to ensure AN and CS files are sent are robust and the issue identified was due to an incorrect system parameter set up, which has now been resolved. The impact was low due to only three affected CS files were identified and the system issue was resolved once the issue was identified.	
Actions taken to resolve the issue	Completion date	Remedial action status
CS is now sent within 5 business days of receipt of the NT. This was a system change.	Nov-2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Losing trader must provide final information - switch move		
Non-compliance	Description	
Audit Ref: 4.10 With: Clause 11 Schedule 11.3 From: 01-Nov-21 To: 16-Jan-23	The method to calculate average daily consumption is not consistent with the average consumption for the last read to read period for ICP 0006086349RNA76. Potential impact: Medium 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 average daily consumption is a reasonable reflection of an ICPs consumption pattern, however, it does not meet the definition of how this is to be calculated. The impact of the average daily consumption calculation is low therefore the risk is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
N/A - see commentary below	N/A	Disputed
Preventative actions taken to ensure no further issues will occur	Completion date	
As we are only supplying smart meters. We believe the data we're providing in CS files is more accurate than what is specified in the code. The way we calculate average daily usage uses the following the following hierarchy <ol style="list-style-type: none"> 1. average between last actual read AND read 7 or more days earlier, or 2. average between last actual read AND next previous read, or 3. average between last estimate (should be always switch read) and previous read. OCTO will look to submit a proposed code change to the EA relating to this issue.	N/A	

Gaining trader changes to switch meter reading - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.11 With: Clause 12 Schedule 11.3</p> <p>From: 01-Nov-21 To: 16-Jan-23</p>	<p>Incorrect readings used for ICP 1001274604UN7FD sampled where Octopus settle as HHR, the CS read was estimated, and no read request change was sent to ensure the transfer read is accurate across the change of trader and submission types resulting in an over submission of 8 kWh.</p> <p>Incorrect readings used for three ICPs sampled where Octopus settle as HHR, the CS read was estimated, and the read request change was rejected by the losing trader but not followed up by Octopus to ensure the transfer read is accurate across the change of trader and submission types resulting in an over submission of 55 kWh.</p> <p>HHR estimated volumes not rescaled for ICP 0007113141RN054 on receipt of an accepted amended read from an incoming RR file resulting in an over submission of 198 kWh.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because as the gaining trader, Octopus needs to ensure no volume is lost during the switch process where there is a change in trader.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
<p>This was a one off scaling issue with the Robotron esales system. A job can now be run in a mode that rescales already scaled amounts. Therefore after change of read (e.g. RR process) the half-hourly estimations will be adjusted accordingly. We are monitoring to ensure this does not happen again.</p>		April 2023
Preventative actions taken to ensure no further issues will occur		Completion date
<p>Now that the scaling issue is resolved the likelihood of future issues is low and we have ongoing monitoring in place.</p> <p>The process of obtaining switch reads is inefficient. Octopus believes that if MEPs were compelled to provide switch reads to the market it would greatly improve operational efficiency and market submission accuracy.</p>		N/A
Identified		

Withdrawal of switch requests		
Non-compliance	Description	
Audit Ref: 4.15 With: Clauses 17 and 18 Schedule 11.3 From: 01-Nov-21 To: 16-Jan-23	Nine NA breaches. One SR breach. 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. They are sufficient to mitigate risk in most cases. Only nine NW files were late. The audit risk rating is low because a small number of files were affected.	
Actions taken to resolve the issue	Completion date	Remedial action status
Octopus has and will always look to correct errors in switching regardless of time period. Particularly, if we switched a wrong property for a customer, will always work with the alt retailer to fix switch problem	N/A	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
The process remains in place to avoid or minimise recurrences of this.	N/A	

Correction of HHR metering information		
Non-compliance	Description	
<p>Audit Ref: 8.2 With: Clause 19(2) Schedule 15.2</p> <p>From: 01-Nov-21 To: 16-Jan-23</p>	<p>Corrections for one sampled meter change (ICP 0000283321MP942) did not ensure all consumption recorded by the removed meter was included in the volume correction.</p> <p>Correction not applied for ICP 0007113141RN054 where a switch event read amendment was accepted but the estimated HHR data was not corrected to align with this revised switch event reading.</p> <p>Initial estimation of missing HHR volumes is not corrected when a partial replacement of missing HHR volumes with actual HHR volumes occurs to ensure overall HHR volumes still aligns with the difference between register reads either side of the estimated period.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because while estimates are created, they are not always reviewed or revised where some updated information is provided from either the switching process or from the AMI MEP.</p> <p>The impact is assessed to be low due to the small number of affected ICPs.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
We have improved training for all Energy Specialists to ensure removal reads are correctly entered into the Robotron system.	Dec-22	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We have further changes coming to assist in making it easier and more efficient to enter removal reads in the Robotron system.	TBC	

Half hour estimates		
Non-compliance	Description	
<p>Audit Ref: 9.4</p> <p>With: Clause 15</p> <p>Schedule 15.2</p> <p>From: 01-Nov-21</p> <p>To: 16-Jan-23</p>	<p>Corrections for one sampled meter change (ICP 0000283321MP942) did not ensure all consumption recorded by the removed meter was included in the volume correction.</p> <p>Correction not applied for ICP 0007113141RN054 where a switch event read amendment was accepted but the estimated HHR data was not corrected to align with this revised switch event reading.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because while estimates are created, they are not always reviewed or revised where some updated information is provided from either the switching process or from the AMI MEP.</p> <p>The impact is assessed to be low due to the small number of affected ICPs.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Once missed removal reads were entered, estimates were re-scaled and will be corrected in submissions.</p> <p>Training has been provided to all Energy Specialists to ensure removal reads are input in a timely manner.</p>	Dec-22	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>A Robotron esales job can now be run in a mode that rescales already scaled amounts (previously this wasn't the case). Therefore, after change of read (e.g. RR process) the half-hourly estimations will be adjusted accordingly.</p> <p>We have further changes coming to assist in making it easier and more efficient to enter removal reads in the Robotron system.</p>	<p>Apr-23</p> <p>TBC</p>	

Calculation of ICP days		
Non-compliance	Description	
Audit Ref: 11.2 With: Clause 15.6 From: 01-Nov-21 To: 16-Jan-23	ICP days values were not provided for ICPs 0000102561TR5A2, 0015702380EL86D for multiple submissions where volumes were present in AV-090 and AV-140. 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 they are sufficient to ensure that most ICPs are correctly reported. The issue was system related and required vendor intervention. The impact is assessed to be low, as updated data will be provided through the revision process.	
Actions taken to resolve the issue	Completion date	Remedial action status
Due to a complicated meter setup the system did not configure automatically. Once aware of the ICPs they were manually configured within Robotron *esales.	Mar-23	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
A report has been created which monitors any issues with ICP set-up and now sends an email to users to investigate and make necessary corrections.	June 2023	

Creation of submission information		
Non-compliance	Description	
<p>Audit Ref: 12.2 With: Clause 15.4</p> <p>From: 01-Nov-21 To: 16-Jan-23</p>	<p>HHR Initial submission files for June 2022 was provided late to the Reconciliation Manager.</p> <p>HHR estimated volumes not rescaled for ICP 0007113141RN054 on receipt of an accepted amended read from an incoming RR file resulting in an over submission of 198 kWh.</p> <p>HHR volumes for day of disconnection not included in submission.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</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 because while most submission information was accurate, there is room for improvement around the management of HHR estimates where switch read amendments are received and accepted and also around ensuring all HHR volumes are included for the day of disconnection.</p> <p>The impact is low because as only a small number of ICPs are impacted.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p><u>HHR part day volumes not submitted for disconnection day.</u></p> <p>Limitation in registry where only full days can have a particular status which applies from 12.00am. Disconnections and reconnections, however occur part way through the day, so the ICP is both active and inactive on the disconnection and reconnection date. Looking at options to resolve with Ops staff, MEPs and system provider. The EA could also look at introducing timestamps within registry event dates.</p>	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>HHR estimated volumes not rescaled.</u></p> <p>A Robotron esales job can now be run in a mode that rescales already scaled amounts (previously this wasn't the case). Therefore, after change of read (e.g. RR process) the half-hourly estimations will be adjusted accordingly.</p>	April 2023	

Accuracy of submission information		
Non-compliance	Description	
Audit Ref: 12.7 With: Clause 15.12 From: 01-Nov-21 To: 16-Jan-23	Some submission data was inaccurate and was not corrected at the next available opportunity. Arc provides interval data to one decimal place, which is not considered to be sufficiently accurate. Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as moderate as the controls have been improved during the audit period but there is still room for improvement. The impact is assessed to be low as the impact on submission accuracy is small.	
Actions taken to resolve the issue	Completion date	Remedial action status
<u>HHR part day volumes not submitted for disconnection day.</u> Limitation in registry where only full days can have a particular status which applies from 12.00am. Disconnections and reconnections however occur part way through the day, so the ICP is both active and inactive on the disconnection and reconnection date. Looking at options to resolve with Ops staff, MEPs and system provider. The EA could also look at introducing timestamps within registry event dates. <u>Arc Meters</u> ARC meters are currently in the process of being displaced so the issue of interval data being received to one decimal place will ultimately be eliminated.	Ongoing	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
<u>Application of CS readings</u> A Robotron esales job can now be run in a mode that rescales already scaled amounts (previously this wasn't the case). Therefore, after change of read (e.g. RR process) the half-hourly estimations will be adjusted accordingly.	April 23	