

Compliance plan for Horizon Energy Distribution Limited

October 2023

Timeliness of Provision of Initial Electrical Connection Date		
Non-compliance	Description	
<p>Audit Ref: 3.5</p> <p>With: Clause 7(2A) of Schedule 11.1</p> <p>From: 01-Mar-22</p> <p>To: 30-Jun-23</p>	<p>Seven late initial electrical connection date updates.</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 because the audit compliance report is checked weekly to identify missing IECDs. There are only two approved contractors, and the notification processes are robust.</p> <p>There is no impact on settlement. The only potential impact is where a trader may wish to compare their active date to the IECD, so the impact is considered minor, leading to an audit risk rating of low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>The level of non-compliance is relatively low and reflects the strong controls that are in place to monitor and manage the timeliness and accuracy of initial electrical connection dates.</p> <p>Since February 2023 a second staff member has been trained to manage registry information. Responsibility has been shared and coordinated via a centralised inbox and shared e-mails since May 2023.</p> <p>Where issues are outside of our control, such as errors with paperwork received, we will continue to actively monitor and ensure information is corrected as soon as possible.</p>	May 2023	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We will continue to monitor IECD on a weekly basis to ensure there is an ongoing high level of compliance.	Ongoing	

Changes to registry information		
Non-compliance	Description	
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Mar-22 To: 30-Jun-23	Updates to registry backdated greater than three business days of the event. 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 audit controls are rated as strong, because Horizon monitors the audit compliance report weekly to identify potential discrepancies. Many of the late updates are caused by parties Horizon has no control over. The audit risk rating is low as there is only a minor impact on participants with late updates.	
Actions taken to resolve the issue		Completion date
		Remedial action status

<p>There are strong controls in place to monitor and manage the timeliness and accuracy of information populated on the registry.</p> <p>In terms of the individual updates reviewed:</p> <p>Address updates: The audit has identified a processing issue where address updates were being incorrectly backdated. We have updated our processes and expect the number of backdated address events to significantly reduce.</p> <p>Action was taken on 24 August 2023.</p> <p>Status Events: This is where the status is being updated to 'decommissioned'. As the ICPs are already 'inactive' there is no impact on the accuracy of market settlement.</p> <p>Differing retailer processes have made this obligation challenging to comply with, as sometimes the status is set to 'ready for decommissioning' prior to receiving the request to physically decommissioning and at other times it is received after physical decommissioning has occurred.</p> <p>We have implemented a twice weekly report to identify ICPs where the status has been set to ready for decommissioning, so we can follow-up on ICPs that have not yet been physically decommissioning, and those that were waiting for the status change in order to make the update.</p> <p>The report was implemented on 11 September 2023.</p> <p>Once the report has been bedded in, we will review the timeliness and effectiveness of this report to determine if further improvements can be made.</p> <p>Distributed Generation: Horizon Networks expect an ongoing level of non-compliance due to the prevalence of unnotified distributed generation, and lack of incentive for generators to provide timely information to the EDB.</p> <p>Until generator obligations are enforced, there is likely to be an ongoing level of non-compliance that is outside of our control.</p> <p>Horizon Networks supports the auditors in formally raising this as an "issue" within the audit report and looks forward to the Electricity Authority responding to this issue.</p> <p>NSP changes – the cause of the non-compliance was human error. Our controls were effective in detecting the error so it could be corrected promptly.</p>	<p>23 August 2023</p>	<p>Identified</p>
<p>Preventative actions taken to ensure no further issues will occur</p>	<p>Completion date</p>	

<p>Address updates: Processes have been updated from 24 August 2023.</p> <p>Status Events: New report to improve management of ICPs at status of “ready for decommissioning” implemented from 11 September 2023.</p>	24 August 2023	
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ICP location address		
Non-compliance	Description	
<p>Audit Ref: 4.4</p> <p>With: Clause 2 of Schedule 11.1</p> <p>From: 15-Dec-22</p> <p>To: 24-Aug-23</p>	<p>Two “active” ICPs with duplicate addresses.</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 reporting in place provides good visibility of this, so these are addressed.</p> <p>The audit risk rating is low as this has a minor impact on traders because addresses are relied on for meter reading and disconnection purposes.</p>	
Actions taken to resolve the issue		Completion date
<p>Horizon Networks has good controls in place and duplicate addresses are monitored in our weekly reports.</p> <p>The two addresses identified were corrected on 24 August 2023.</p>		24 August 2023
Preventative actions taken to ensure no further issues will occur		Completion date
<p>We monitor duplicate address information on a weekly basis.</p> <p>Most address updates are triggered by a retailer request. We have implemented an additional step in this process to check if an address update would create a duplicate address in the registry. This will help reduce the chance of a duplicate address being entered in the registry.</p>		24 August 2023
		Cleared