

## Compliance plan for Arc Innovations

Non-compliance	Description		
<p>Audit Ref: 4.10</p> <p>With: 3 of Schedule 11.4</p> <p>From: 16-Jul-17</p> <p>To: 30-Apr-17</p>	<p>Information updated in the registry later than 10BD</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		
<b>Low</b>	<p>The controls are rated as moderate because there are some improvements that can be made to them to achieve compliance. The impact on settlement is potentially minor, therefore audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Arcs overall compliance is very good in this area, the majority of late updates is due to backdating of corrections. We will continue with this as it makes the information in the registry more accurate.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The bug in the Vanilla job manager (VJM) database relates to the system picking up the previous site certificate date and entering that as the asset removal date. As there are very few of these occurring now (we do not provide removal dates as the Registry does this on a new MEP update) we will switch off the automated process and deal with each on a case by case basis to ensure a correct date is used. This will continue to diminish over the next few years.		August 2018	

Non-compliance	Description		
<p>Audit Ref: 6.1</p> <p>With: 1(1) of Schedule 11.4</p> <p>From: <a href="#">Click here to enter a date.</a></p> <p>To: 14-Mar-18</p>	<p>MEP nomination acceptance for one ICP was backdated to 17/08/13 as a part of clean-up process</p> <p>Potential impact: None</p> <p>Actual impact: None</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	Controls are recorded as strong. Arc Innovations does not get many MEP nominations. They are checked daily and evaluated. No impact on settlement outcomes		
Actions taken to resolve the issue		Completion date	Remedial action status
ARCM do not accept any nominations, the above ICP was accepted by mistake and is a very rare event.		Cleared	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
ARCS nomination acceptance is currently automated, we will look at our company policy on this to ensure we still accept nominations within the required timeframes when required or reject the nomination asap and request the retailer nominate NGCM.		August 2018	

Non-compliance	Description		
<p>Audit Ref: 6.2</p> <p>With: 7(1) of Schedule 11.4</p> <p>From: 16-Jul-17</p> <p>To: 30-Apr-17</p>	<p>Information for 8 ICPs is missing; some information for metering installations on Scanpower's network is incorrect (controls devices for 1,224 ICPs)</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiply times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are recorded as moderate. The impact on settlement is potentially minor, therefore audit risk rating is low. Meters on Scanpower's network will be replaced as part of an upgrade to smart meters</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Data cleansing has reduced the ICPs with no information to 8 out of 113,000. These were gifted to Arc without correct information and efforts to gather this info have been unsuccessful. These will be upgraded when we clean up the interim certified meters in the Scanpower area.</p> <p>The 1,224 ICPs are mostly legacy metering, some expired interim certified which is due to be displaced. We will investigate the rest to try and identify what configuration is on site and gather the missing LCD info.</p>		September 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Ongoing reconciliation between the registry and our systems will pick up any anomalies and these will be corrected. An investigation will be done to confirm these sites configuration and correct/gather further info if needed.</p>		September 2018	

Non-compliance	Description		
Audit Ref: 6.3 With: 6 of Schedule 11.4 From: 16-Jul-17 To: 30-Apr-17	There is not a process to comply fully with this clause. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The impact on settlement is potentially small, therefore audit risk rating is low. In the past Arc Innovations put a lot of work into the clean-up of records in the registry.		
Actions taken to resolve the issue		Completion date	Remedial action status
New report being created to check reconcile the asset level information against the registry on a monthly basis. Focus will be on ensuring corrections are done within the timeframes allowed.		July 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Escalate creation of new report, prioritization of resource to carry out reconciliation.		July 2018	

Non-compliance	Description		
<p>Audit Ref: 7.1</p> <p>With: 10.38(a)</p> <p>From: 16-Jul-17</p> <p>To: 30-Apr-17</p>	<p>Certification expired for 197 metering installation (168 cat 2 and 29 cat 1)</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiplier times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<p><b>Low</b></p>	<p>The controls are rated as moderate because there are some improvements that can be made to them to achieve compliance. The number of non-certified installations will possibly be increasing every year as a result of the deployment of the smart meters strategy in the past. It could have a minor impact on settlement outcomes if discovered that installations record incorrect volumes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status

<p>The Cat 1 ICPs are all still certified however we are finding issues where some component’s certification dates were not correctly entered when initially installed. The Arc system derives the installation certification expiry date from the oldest component in the system, if a component was incorrectly certified then it will affect the date in the registry.</p> <table><thead><tr><th>ICP</th><th>Meter cat</th><th>Cert Exp date</th><th>Comments</th></tr></thead><tbody><tr><td>0005437890RN7B6</td><td>1</td><td>01/01/2016</td><td>Ripple relay cert date is 1/01/2001?</td></tr><tr><td>0005458722RN1B6</td><td>1</td><td>01/01/2016</td><td>expiry date updated in Registry to 29/01/2023</td></tr><tr><td>0005652642RN1DA</td><td>1</td><td>01/02/2018</td><td>Pre pay to post pay, new meter installed 2011 with cert date 1/02/2003?</td></tr><tr><td>0005974232RNAF1</td><td>1</td><td>01/01/2016</td><td>Second meter has cert date 1/01/2001?</td></tr><tr><td>0006171613RN07A</td><td>1</td><td>01/02/2018</td><td>Meter cert 1/02/2003? Installed in 2008?</td></tr><tr><td>0006500889RN9A1</td><td>1</td><td>26/07/2017</td><td>Pre pay to post pay in 2012, meter cert is 2002?</td></tr><tr><td>0006601154RNFA5</td><td>1</td><td>01/01/2016</td><td>Installed 2007, meter cert date 2001?</td></tr><tr><td>0006639690RNA6E</td><td>1</td><td>01/01/2016</td><td>expiry date updated in Registry to 23/05/2033</td></tr><tr><td>0006748597RNBDA</td><td>1</td><td>11/01/2018</td><td>expiry date updated in Registry to 17/05/2033</td></tr><tr><td>0006799825RN11C</td><td>1</td><td>01/01/2016</td><td>Installed 2008, one meter cert date 2001? Ripple relay cert date 1/01/2001 yet replaced in 2018</td></tr><tr><td>0006830269RNE9F</td><td>1</td><td>01/01/2016</td><td>Meter cert 2001, installed in 2007</td></tr><tr><td>0007117773RN7AF</td><td>1</td><td>01/01/2016</td><td>Meter cert 2001, installed in 2007</td></tr><tr><td>7012005000CHFA0</td><td>1</td><td>04/12/2016</td><td>Registry showing metering category 9?</td></tr></tbody></table> <p>Around 100 Cat 2s have a similar issue where component dates are incorrect in our system causing the installation expiry date to be earlier than 10 years, these will be corrected in bulk and this will flow through to the registry.</p> <p>This year is 10 years since the bulk of Arc Cat 2 were deployed and a large number of meters are expiring. Due to the high number of certifications falling due over the next 12 months, the ATH has been unable to keep up and have therefore enlisted an additional technician to bring this recertification back on track. We expect they will have caught up by Oct/Nov 2018</p>				ICP	Meter cat	Cert Exp date	Comments	0005437890RN7B6	1	01/01/2016	Ripple relay cert date is 1/01/2001?	0005458722RN1B6	1	01/01/2016	expiry date updated in Registry to 29/01/2023	0005652642RN1DA	1	01/02/2018	Pre pay to post pay, new meter installed 2011 with cert date 1/02/2003?	0005974232RNAF1	1	01/01/2016	Second meter has cert date 1/01/2001?	0006171613RN07A	1	01/02/2018	Meter cert 1/02/2003? Installed in 2008?	0006500889RN9A1	1	26/07/2017	Pre pay to post pay in 2012, meter cert is 2002?	0006601154RNFA5	1	01/01/2016	Installed 2007, meter cert date 2001?	0006639690RNA6E	1	01/01/2016	expiry date updated in Registry to 23/05/2033	0006748597RNBDA	1	11/01/2018	expiry date updated in Registry to 17/05/2033	0006799825RN11C	1	01/01/2016	Installed 2008, one meter cert date 2001? Ripple relay cert date 1/01/2001 yet replaced in 2018	0006830269RNE9F	1	01/01/2016	Meter cert 2001, installed in 2007	0007117773RN7AF	1	01/01/2016	Meter cert 2001, installed in 2007	7012005000CHFA0	1	04/12/2016	Registry showing metering category 9?	Nov 2018	Identified
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<p>Correct the data in our PSP system, this is a one off as we are not installing Cat 2 Arc metering anymore.</p> <p>2018 is where most of the Arc Cat 2 certifications expire, once these are recertified things volumes will go back to normal.</p>				Nov 2018																																																									

Non-compliance	Description		
<p>Audit Ref: 7.19</p> <p>With: 18 of Schedule 10.7</p> <p>From: 16-Jul-17</p> <p>To: 30-Apr-18</p>	<p>2,202 ICPs with expired interim certification</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	<p>Controls are recorded as strong. Certification has been expired for 2,202 installations. Arc Innovations implemented a plan to rapidly reduce the number of such installations. In the period between our visit to Christchurch and submitting a draft report to Arc Innovations, 80 installations were recertified and NGCM is the new MEP. The impact on settlement outcomes is recorded as moderate because of the increased likelihood of inaccuracy of metering installations.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Vector AMS has an ongoing project to manage the recertification of its expired interim certified meters. The above 2,202 are bundled up in this project which is ongoing and has been well communicated to the Authority and other relevant parties. The majority of these are in the Scanpower and Centralines Networks.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to deploy new meters where possible. Work with Retailers to clear issues preventing upgrading ICP. Keep pressure on Retailers who are not allowing us access to recertify meters. Continue reporting status to the EA.		September 2020	

Non-compliance	Description		
<p>Audit Ref: 8.2</p> <p>With: 46(1) of Schedule 10.7</p> <p>From: 16-Jul-16</p> <p>To: 30-Apr-17</p>	<p>171 metering installations category 2 were not inspected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are rated as moderate because there are some improvements that can be made to them to achieve compliance. The number of non-certified has increased since the last audit. This could have a minor impact on settlement outcomes if discovered that installations record incorrect volumes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Arc continues to improve its process to ensure the certification of its Cat 2 ICPs do not expire before being recertified. This is the most efficient outcome and will resolve two non-compliances.</p> <p>We are already looking out 12 months in advance for recertification, this is managed closely within the team.</p> <p>A thorough review of the current process will be undertaken, and any improvements identified will be implemented. This should ensure recertification is completed within the certification period.</p>		Sept 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Undertake a thorough review of the current process to identify why, even ICPs are taking so long to recertify, and put in measures to address these.</p>		Sept 2018	