

Compliance plan for Wise Pre Pay Energy Limited

| Title: Relevant information | | |
|---|---|------------------------|
| Non-compliance | Description | |
| Audit Ref: 2.1 With: Clause 15.2 of Part 15 From/to: Entire audit period | Some incorrect information was not identified and corrected as soon as practicable during the audit period. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach Risk Rating: 4 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Medium | There have been improvements to identification and correction processes during the audit period. A large portion of this non-compliance relates to corrections of issues identified in the previous audit which were carried out early this year. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Hired programmer to enhance PEBS | November 2016 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| PEBS programmer developed further checks & scripts | February 2017 | |

| Title: Audit trails | | |
|---|---|--|
| Non-compliance | Description | |
| Audit Ref: 2.4 With: Clause 21 of Schedule 15.2 From/to: Entire audit period | The meter reading audit trail within PEBS does not include operator identifier. 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 audit trail meets all other requirements. There are a small number of users. | |

| Actions taken to resolve the issue | Completion date | Remedial action Status |
|---|-----------------|------------------------|
| Modify PEBS database | August 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Operator identifier column to be added | August 2017 | |

| Title: Arrangements for metering equipment provision | | |
|--|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 2.12 With: Clause 10.36 From/to: 09/02/2017-06/04/2017 | <p>WISE supplied ICP 0000371141TUC44 with Trustpower as MEP from 09/02/2017 to 06/04/2017, without having valid MEP arrangements in place. Upon switch in WISE requested AMS replace the meter, and AMS accepted the nomination effective from the switch in date.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 1</p> | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | Only one domestic ICP was affected for a period of less than two months. The process to change to an MEP with valid arrangements commenced as soon as the switch was complete. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Staff training to identify valid MEPs before switch | June 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| We have included additional check with current checks to Meter & MEP details | June 2017 | |

| Title: Changes to registry information | | |
|---|--|------------------------|
| Non-compliance | Description | |
| Audit ref: 3.3 With: Clause 10 of Schedule 11.1 From/to: entire audit period | 243 status updates were not processed within five business days of the event on the Registry. One status update applied an incorrect code. Inactive - ready for decommissioning was applied instead of inactive - de-energised remotely by AMI meter. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach Risk Rating: 2 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | A large number of the late updates were due to the historic data clean up. I have seen evidence of improved processes which will reduce the risk of recurrence, but some issues with update to inactive status remain. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Created separate database to monitor status | February 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Weekly reports to check for any discrepancies | February 2017 | |

| Title: Management of "inactive" status | | |
|--|--|------------------------|
| Non-compliance | Description | |
| Audit ref: 3.9 With: Clause 19 of Schedule 11.1 From/to: entire audit period | ICPs disconnected for credit reasons are not updated to inactive on the registry, unless they have been inactive for a week or more. The registry should reflect the correct status for each ICP on each day. Some disconnections were not processed in PEBS or on the registry from the correct date. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Weak Breach Risk Rating: 3 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | A small number of ICPs are involved. ICPs in the process of switching to another retailer are not sent for disconnection, which reduces the impact on other participants. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Automated disconnection & reconnection project completed/ also see section 15. Providing additional information. | February 2017 | Identified |

| Preventative actions taken to ensure no further issues will occur | Completion date |
|---|-----------------|
| Additional reporting around vacant properties weekly / also see section 15. Providing additional information. | February 2017 |

| Title: Losing trader response to switch request and event dates – standard switch | | |
|--|---|------------------------|
| Non-compliance | Description | |
| Audit ref: 4.2 With: Clause 3 of Schedule 11.3 From/to: 30/01/2017 and 02/03/2017 | Incorrect AN response codes were provided for two ICPs with AMI metering. AA was applied instead of AD. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | There were a small number of errors. Other participants could confirm AMI metering was in place for the affected ICPs through other registry fields. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Provided additional training to operational staff | December 2016 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Increased operational staffing | January 2017 | |

| Title: Losing trader must provide final information - standard switch | | |
|--|---|--|
| Non-compliance | Description | |
| Audit ref: 4.3 With: Clause 5 of Schedule 11.3 and Clause 15.2 of Part 15. From/to: Entire audit period | Incorrect standard switch CS file content including: <ul style="list-style-type: none"> • some incorrect and inaccurate switch readings, due to not using actual reads where they are available and applying zero estimates • some incorrect read types • one incorrect last read date. Potential impact: Medium Actual impact: Low Audit history: Twice previously Controls: Weak Breach Risk Rating: 6 | |

| Audit Risk Rating | Rationale for audit risk rating | | |
|--|---|-----------------|------------------------|
| Medium | A high proportion of the switch move CS files checked contained at least one error (2/5). | | |
| Actions taken to resolve the issue | | Completion date | Remedial action Status |
| We are in discussion with our legal and financial advisors regarding this and will make changes to our terms and conditions to reduce our risk. Also see section 15. For additional information. | | Ongoing | Investigating |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| We are adjusting our terms and conditions to be compliant | | August 2017 | |

| Title: Losing trader must provide final information - standard switch | | | |
|--|--|-----------------|------------------------|
| Non-compliance | Description | | |
| Audit ref: 4.3 With: Clause 5 of Schedule 11.3 From/to: February 2017- May 2017 | Two late CS files. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach Risk Rating: 2 | | |
| Audit Risk Rating | Rationale for audit risk rating | | |
| Low | Both switches were completed within two weeks of the switch being requested. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action Status |
| Additional training for operational staff | | December 2016 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Daily monitoring of switching process by operational staff | | December 2016 | |

| Title: Losing trader provides information – switch move | |
|--|--|
| Non-compliance | Description |
| Audit ref: 4.8 With: Clause 10 of Schedule 11.3 From/to: 07/10/2016 | An incorrect AN response code was provided for one ICP which was de-energised. CO was applied instead of PD. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2 |

| Audit Risk Rating | Rationale for audit risk rating | |
|--|---|-------------------------------|
| Low | There was only one error found among the 12 switch move AN files reviewed. Other participants could confirm the status through other registry fields. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Additional training for operational staff | December 2016 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Daily monitoring of switching process by operational staff | December 2016 | |

| Title: Losing trader provides information – switch move | | |
|---|---|-------------------------------|
| Non-compliance | Description | |
| Audit ref: 4.8 With: Clause 10 of Schedule 11.3 From/to: October 2016 – March 2017 | 21 late CS files. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach Risk Rating: 2 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | There were a small number of late files, sent less than 3 business days late on average. 17 of the late files were sent in 2016, prior to processes being improved. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Additional training for operational staff | December 2016 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Daily monitoring of switching process by operational staff | December 2016 | |

| Title: Losing trader determines a different switch date – switch move | |
|--|--|
| Non-compliance | Description |
| Audit ref: 4.9 With: Clause 10(2) of Schedule 11.3 From/to: October 2016 – March 2017 | Switch information was not provided for the event date set by the losing trader for 10 switches. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach Risk Rating: 3 |

| Audit Risk Rating | Rationale for audit risk rating | | |
|---|--|-----------------|------------------------|
| Low | CS file event dates were 8-15 days later than the AN date for 10 ICPs. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action Status |
| Additional training for operational staff | | December 2016 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Daily monitoring of switching process by operational staff | | December 2016 | |

| Title: Losing trader must provide final information – switch move | | | |
|--|---|-----------------|------------------------|
| Non-compliance | Description | | |
| Audit ref: 4.10 With: Clause 11 of Schedule 11.3 and Clause 15.2 of Part 15. From/to: Entire audit period | Incorrect switch move CS file content including <ul style="list-style-type: none"> some incorrect and inaccurate switch readings, due to not using actual reads where they are available and applying zero estimates some incorrect read types one incorrect last read date. Potential impact: Medium Actual impact: Low Audit history: Twice previously Controls: Weak Breach Risk Rating: 6 | | |
| Audit Risk Rating | Rationale for audit risk rating | | |
| Medium | A high proportion of the switch move CS files checked contained at least one error (3/5). | | |
| Actions taken to resolve the issue | | Completion date | Remedial action Status |
| We are in discussion with our legal and financial advisors regarding this and will make changes to our terms and conditions to reduce our risk. Also see section 15. For additional information. | | Ongoing | Investigating |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| We are adjusting our terms and conditions to be compliant | | August 2017 | |

| Title: Gaining trader changes to switch meter reading – switch move | | |
|---|---|------------------------|
| Non-compliance | Description | |
| Audit ref: 4.11 With: Clause 12 of Schedule 11.3 and Clause 15.2 of Part 15 From/to: November 2016 and February 2017 | Three late read change acknowledgement files. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | Three of 13 AC files were affected. Two were processed within 21 business days. The other was not responded to at all, but the ICP has since switched away from the retailer who requested the read change. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Additional training for operational staff | December 2016 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Daily monitoring of switching process by operational staff | December 2016 | |

| Title: Gaining trader changes to switch meter reading – switch move | | |
|---|--|------------------------|
| Non-compliance | Description | |
| Audit ref: 4.11 With: 6 and 6A of Schedule 11.3 From/to: October 2016 and March 2017 | An accepted read change was not applied in PEBS. This will result in incorrect submission information. 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 difference between the applied and accepted read is 3683 kWh. Only one renegotiated read was found to be incorrectly applied. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Enhancements to PEBS | February 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Access to update reads in PEBS by operational staff | February 2017 | |

| Title: Reporting of defective metering installations | | |
|---|--|---|
| Non-compliance | Description | |
| Audit ref: 6.4 With: Clause 15.2 of Part 15 From/to: Entire audit period | Where a meter is found to be bridged, consumption is not estimated for the bridged period. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach Risk Rating: 3 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | All WISE's customers are domestic and have relatively low consumption. Bridged meters are identified the day after reconnection, and a service request is promptly raised with the MEP. Bridging only occurs where a remote reconnection is not possible at the time, and the customer is determined to be vulnerable. Due to extended hours to complete remote reconnections, bridging will be less common in the future. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Automation of disconnection & reconnection | May 2017 | Investigating. The estimate for the bridged period should remain after the actual reads "catch up" to the estimate. |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| We record Estimated Reads for the days the meter is bridged but do not charge the customer anything extra. The estimated reads are continued till the Actual Read over takes the Estimated Reads. | December 2016 | |

| Title: Interrogate meters once | | |
|---|--|--|
| Non-compliance | Description | |
| Audit ref: 6.8 With: Clauses 7(1) and 7(2) of Schedule 15.2 From/to: Entire audit period | Five ICPs with no read gained during the period of supply and exceptional circumstances not met were identified. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach Risk Rating: 2 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | WISE normally confirms that ICPs are AMI prior to switch in. WISE currently supply only five active non AMI meters. | |

| Actions taken to resolve the issue | Completion date | Remedial action Status |
|---|-----------------|------------------------|
| Business rules dictate customers have smart meters if not possible to replace meter customers are advised to replace meter before joining | Ongoing | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Additional training for staff to identify legacy meters | Ongoing | |

| Title: Correction of NHH meter readings | | |
|---|---|------------------------|
| Non-compliance | Description | |
| Audit ref: 8.1 With: Clause 19(1) of schedule 15.2 and Clause 15.2 of Part 15 From/to: Entire audit period | Some meter changes were not processed with the correct date and read. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach Risk Rating: 3 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | There were a small number of meter changes, and no issues were found in 2017. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Enhancements to PEBS to update status | December 2016 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| In house programmer to update meter changes | December 2016 | |

| Title: Correction of NHH meter readings | | |
|---|--|--|
| Non-compliance | Description | |
| Audit ref: 8.1 With: Clause 19(1) of schedule 15.2 and Clause 15.2 of Part 15 From/to: Entire audit period | Estimated readings are not replaced with actual readings, if actual readings become available. Prior to February 2017, actual readings were not loaded if they were lower than the previous reading. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach Risk Rating: 3 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | Actual reads after the estimated period are entered, so all consumption is captured. | |

| Actions taken to resolve the issue | Completion date | Remedial action Status |
|--|------------------------|-------------------------------|
| Enhancements to PEBS | February 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Automatic update of reads | February 2017 | |

| Title: Correction of NHH meter readings | | |
|---|--|-------------------------------|
| Non-compliance | Description | |
| Audit ref: 8.1 With: Clause 19 (1) of schedule 15.2 From/to: Entire audit period | Consumption on vacant sites is only identified and submitted if there is an active customer for the ICP. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Weak Breach Risk Rating: 3 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | Consumption in the period immediately after disconnection will be identified. WISE does not close the customer account until they have confirmed consumption is zero, and attempts to confirm whether the customer wishes to reconnect or has moved out. Almost all disconnections are completed remotely, rather than at the pole fuse or meter, so self reconnection by customers is unlikely. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Enhancements to PEBS | March 2017 | Identified. |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Additional reports on a weekly basis around vacant properties | March 2017 | |

| Title: Calculation of ICP days | | |
|--|--|--|
| Non-compliance | Description | |
| Audit ref: 11.2 With: Clauses 15.6 and 15.2 of Part 15 From/to: reports submitted November 2016 to January 2017 | The ICP days report included inactive days. The report has now been corrected to only include active ICP days. 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 issue has now been resolved, and there was no impact on other traders. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Enhancements made to PEBS | March 2017 | Cleared. I saw evidence that this issue was resolved from February 2017. |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| ICP days calculation report was modified to rectify issue | March 2017 | |

| Title: Creation of submission information | | |
|---|---|------------------------|
| Non-compliance | Description | |
| Audit ref: 12.2 With: Clause 15.4 of Part 15 From/to: May 2017 | Revision files were submitted late in May 2017. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | Files were submitted within 4 business hours of the deadline. There was no impact on the reconciliation process, files were received in time for processing. Wise is aware of the deadlines, and it appears this was a one off oversight. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Training & operational change implemented | May 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Developed a diary system as reminder for deadlines | May 2017 | |

| Title: Permanence of meter readings for reconciliation | | |
|--|---|------------------------|
| Non-compliance | Description | |
| Audit ref: 12.8 With: Clause 4 of Schedule 15.2 From/to: November 2015, December 2015 and January 2016 final revisions | A small amount of forward estimate remained for the final revisions for November 2015, December 2015 and January 2016. Not all meter readings were made permanent estimates by the 14 month revision. 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 forward estimate amount was less than 5,000 kWh across the three months | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Enhancements in NHH submission volume made / We will replace all legacy meters with smart meters and will do an actual reading within 12 months to avoid forward estimates. We have already made improvements to NHH submission reporting. | June 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Calculation methodology corrected in reporting NHH volumes as per above | June 2017 | |

| Title: Historical estimate process | | |
|---|--|--|
| Non-compliance | Description | |
| Audit ref: 12.11 With: Clause 4 of Schedule 15.3 and Clause 15.2 of Part 15 From/to: entire audit period | Historic estimates were not calculated correctly where an ICP is inactive for part of a period, and where an ICP had switched out and back in. Potential impact: Medium Actual impact: Low Audit history: None Controls: Weak Breach Risk Rating: 6 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Medium | In three cases identified, the differences were small. Overall, 92 kWh was over reported by WISE. WISE intended to resolve these issues as quickly as possible. I reviewed updated calculations and found they were correct for ICPs that switched out and back in. Most of WISE's ICPs are read daily, it is likely most historic estimate calculations will be accurate. | |

| Actions taken to resolve the issue | Completion date | Remedial action Status |
|--|------------------------|-------------------------------|
| Enhancements in NHH submission volume made | June 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Calculation methodology corrected in reporting NHH volumes | June 2017 | |

| Title: Market Administrator Meter Reading Reports | | |
|--|--|--|
| Non-compliance | Description | |
| Audit ref: 13.1 With: Clauses 8 and 9 of Schedule 15.2 From/to: November and December 2016. | Meter reading frequency reports were not submitted prior to January 2017. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach Risk Rating: 1 | |
| Audit Risk Rating | Rationale for audit risk rating | |
| Low | Little impact on other participants. Good controls are now in place to ensure that reports are submitted on time, there has been no recurrence since January 2017. | |
| Actions taken to resolve the issue | Completion date | Remedial action Status |
| Enhancements made to PEBS | January 2017 | Cleared. All reports from January 2017 were submitted on time. |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Report wasn't submitted in the past but now part of our on going reporting process | January 2017 | |

| Title: Historical estimate reporting to RM | |
|---|---|
| Non-compliance | Description |
| Audit ref: 13.3 With: Clause 10 of Schedule 15.3 From/to: November 2015 to May 2016, and November 2016 to December 2016. | Historic estimate targets were not met for all revisions. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach Risk Rating: 2 |

| Audit Risk Rating | Rationale for audit risk rating | | |
|---|---|-----------------|------------------------|
| Low | WISE were close to the target in all cases. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action Status |
| Enhancements in NHH submission volume made | | June 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Calculation methodology corrected in reporting NHH volumes | | June 2017 | |