

Compliance plan for King Country Energy

Non-compliance	Description		
Audit Ref: 2.1 With: 2 of Schedule 11.3 From: 1/5/16. To: 26/4/17	In some areas information provided were not complete or accurate. Each area is described separately Potential impact: None Actual impact: None Audit history: Once previously Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Actions taken to resolve the issue	Completion date	Remedial action status	
Where possible KCE has corrected each instance		Identified	
Preventative actions taken to ensure no further issues will occur	Completion date		
Preventative actions have been taken and are detailed under each specific non-compliance			

Non-compliance	Description		
Audit Ref: 3.1 With: 2 of Schedule 11.3 From: 28/07/16. To: 18/10/16.	3 NTTR notifications were send later than 2 BD after an arrangement with a customer came into effect. NT files were late by 4 BD Potential impact: None Actual impact: None Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The late notification was sent for only 3 ICPs out of 323. The notification was late by only 4 business days		
Actions taken to resolve the issue		Completion date	Remedial action status
No action to be taken to correct past events as it is not possible to correct the files that have been submitted			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
There are 2 preventative actions for this issue:			
1. There is a Billing system issue that is causing a small number of NTs to be sent late. The fix for this issue is currently being tested prior to implementation. The fix will be tested in our UAT system prior to being released to production.		31/10/2017	
2. Key Account (Contract) sign ups At this stage the Contract teams go to site, sells the product and then posts the contract to the customer for signing, who then posts it back to the office. Or if dollar values have been discussed they take the contract, it is signed and the KAM posts the contract to the office. We are in the process of developing a system where by sign-ups will be added to the billing system much quicker.		30/9/2017	

Non-compliance	Description		
<p>Audit Ref: 3.3 With: 5 of Schedule 11.3 From: 01/05/16. To: 26/04/17.</p>	<p>Sampled 6 CS files, 3 of them had incorrect date of last actual read or the switch event read for the wrong date; 3 CS files were sent late by 5 days Potential impact: Low Actual impact: Low Audit history: None Controls: None Breach risk rating: 8</p>		
Audit risk rating	Rationale for audit risk rating		
Low	We assigned Audit Risk ratings as low because the switch event read in CS file are correct. Problem is with a date of Last Read Date and a type of flag. There would negligible impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>KCE is pleased to see that there has been improvement since the last audit. Due to the change in process and staff training there is no longer an issue of backdating switches without the gaining traders request. No action to be taken to correct past events as it is not possible to correct the files that have been submitted</p>		n/a	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Issue 1: Incorrect last read date A system issue has been identified that caused an incorrect last read date in the CS file. A change request has been sent to our billing system provider to correct this issue. The change will be tested in our UAT system prior to release to production</p> <p>Issue 2: CS files sent late Up until now we have relied on the EA Breach report to identify and prevent potential breaches. We are in the process of developing our own preventative breach reporting system. We understand that the EA is updating the registry switch breach report. We will review the new registry report and look at when it will be available, if it will cover all scenarios and will be available within 4 months then we will solely use this new report. Otherwise we will have our own report available for use by 30 November 2017.</p>		<p>31/10/2017</p> <p>30/11/2017</p>	

Recommendation	Description	Audited party comment	Remedial action
<p>Conduct thorough testing of CS files generated by Gentrack, document manual process of creating CS file using the registry web interface</p>	<p>CS file generated by Gentrack and manual entry using registry web interface</p>	<p>Issue 1 The change to the CS file for last read date will be thoroughly tested in our UAT system prior to release to production</p> <p>Issue 2 As part of the development of our own breach reporting system we are documenting (using flow charts) switching timelines</p> <p>Updates via the registry web interface – this manual process will be added to the KCE switching process manual by 31/8/17</p>	

Non-compliance	Description		
<p>Audit Ref: 3.11 With: 12 of Schedule 11.3 From: 25/08/16. To: 04/01/17</p>	<p>Readings from 4 RR files provided by the gaining trader were not recorded in Gentrack therefore were not passed to the KEGS database for reconciliation.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: None Breach risk rating: 5</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>We assigned Audit Risk ratings as low because the number of RR files received by KCE is small but it could be increased as soon as number of non processed RR files increases. At present there would negligible impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>KCE is pleased with progress since the last audit - The last audit report showed that we had an issue with submitting late RR's, we put in place a reporting mechanism to identify this issue. Since that reporting has been put in place there have been no late RR's</p> <p>As a result of this audit action every RR file that was accepted for the previous 12 months was reviewed and if necessary updated in our billing system. Our standard process ensures that the billing system reads are then updated into our DA system and flow through to corrected submissions.</p>		26/7/17	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>A step has been added to our AC weekly checking process (using an EDA report) to prompt the user to check that any accepted revised read has been entered into the billing system. Evidence of the checking will be added to the copy of the EDA report that we save and keep.</p>		26/7/17	

Non-compliance	Description		
Audit Ref: 4.3 With: 10 of Schedule 11.1 From: 01/05/16. To: 26/04/17	Registry update of status and trader uploaded outside of 5 BD. Some updates were late up to 255 days Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: None Breach risk rating:5		
Audit risk rating	Rationale for audit risk rating		
Low	We assigned Audit Risk ratings as low because most backdated registry updates are related to correcting ANZSIC code in the registry. It will not have impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the EA review of last years audit we identified 2 fixes for issues that were causing late status changes <ol style="list-style-type: none"> 1. Final accounts earlier after DNP to ensure that 5 BD is met 2. Actively chase paperwork when DC's/New Connections are completed by an external contractor The result of this focus has shown an improvement from last year – however further focus and changes are required. See below for the actions we will take this year		31 Aug 2017 Feb 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Status change to 1 4 (DC Vacant) KCE will work with TLC to ensure they confirm DC's – these will be processed when received KCE will review the final process to ensure that when a site is confirmed DC as part of a final, KCE will update the status as part of the final process		Feb 2018	
Status change to 1 6 (Ready for Decom) Our review found that TLC is notifying KCE late. In each case we checked KCE had updated the registry within 2 days of notification. KCE will work with TLC to ensure that notifications are completed in time to meet timelines.		Feb 2018	
Status change to 1 7 (Remote DC) KCE will review the process of receiving and updating status following confirmation of a remote DC		Nov 2017	
Status change to 1 8 (DC at pole) KCE will focus on ensuring timely update of status change following credit disconnections		Nov 2017	

<p>Status change to 1 12 (New Con in progress)</p> <p>KCE will review the process to ensure that this status is updated at first possible opportunity (Chocolate notification) – this does not appear to be happening in most instances</p>	<p>Nov 2017</p>	
<p>Status change to 2 0 (Active)</p> <p>A number of these changes were due to status check clean-up work. This work is now completed monthly and by September will be done twice a month, this will reduce the number of late changes.</p>	<p>July 2017</p>	
<p>A review will be performed of the new connection process as this process is causing significant late changes.</p>	<p>Nov 2017</p>	
<p>Status Change – Trader</p> <p>All the late trader changes that we investigated were ANZSIC code changes – the majority of these were late. This was a project to clean-up ANZSIC and is the first time this has been done since 2008. KCE has now put a process in place to review ANZSIC codes each month.</p> <p>As a result there should be a substantial reduction in late Trader changes next audit.</p> <p>The EDA report will be used as a detective check each week to check the above preventative actions are working. Any issues will be followed up to see why the corrective action was not effective.</p>	<p>July 2017</p>	

Non-compliance	Description		
Audit Ref: 4.5 With: 10 of Schedule 11.1 From: 01/05/16. To: 26/04/17.	Incorrect type of reconciliation for ICP 0001112128WM5C3 and incorrect details for unmetered load for 4 ICPs (security cameras) Potential impact: Medium Actual impact: Low Audit history: Once previously Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	We assigned Audit Risk ratings as low. For almost all ICPs information are correct. One ICP has incorrect type of reconciliation will not have impact on settlement outcomes but potential impact could increase to medium if not addressed and number of ICPs with such error increase		
Actions taken to resolve the issue		Completion date	Remedial action status
As mentioned above, the 4 security camera ICP's were corrected during the audit. ICP 0001112128WM5C3 will be billed as HHR from 1 April			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
KCE has put in place a daily process to check for discrepancies in Registry data. This daily process checks: <ul style="list-style-type: none"> • HHR – 4 checks • Profile – 7 checks • ANZSIC codes • Solar • Shared ICPs Discrepancies are resolved as they are found		1/8/17	

Non-compliance	Description		
Audit Ref: 6.10 With: 8(1) of Schedule 15.2 From: 01/05/16. To: 26/04/17.	For OKN0111 1 ICP was not read within 12 months Potential impact: Low Actual impact: None Audit history: Twice previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	KCE has excellent handle on meter reading, full compliance achieved except 1 ICP connected to OKN0111.		
Actions taken to resolve the issue		Completion date	Remedial action status
ICP 0062020160WM783 was identified as unread on the 2/3/17 and resolved on the 20/4/17 DA run		20/04/17	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
KCE has preventative controls in place via the Customer Service and DA Scorecards. These score cards give us the information to alert us to ICPs that are approaching 12 months unread. Action is taken to obtain a read well ahead of the 12 month timeframe.		n/a	

Non-compliance	Description		
Audit Ref: 6.11 With: 9(1) of Schedule 15.2 From: 01/05/16. To: 26/04/17.	For 3 NSPs target of 90% was not achieved Potential impact: Low Actual impact: None Audit history: Twice previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	KCE has excellent handle on meter reading, full compliance achieved except 1 ICP connected to OKN0111.		
Actions taken to resolve the issue		Completion date	Remedial action status
Overall KCE is happy with the result this audit. The preventative controls in place via the Customer Service and DA Scorecard are producing good results. No action to be taken to correct past events as it is not possible to correct the files that have been submitted for the 4 month submissions			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
KCE has implemented a new control that will be performed weekly. This control is an addition to our existing scorecards checks. The additional check is to target NSP's that have less than 10 ICPs – these will be followed up if they have not had a read within 3 months.		14/8/17	

Subject	Section	Recommendation	Description
Notification to EMS	10.4	We recommend to map and review how information about gained and lost HHR ICPs is communicated	<p>KCE is happy with the results from this audit. Following the last audit KCE put in place a checklist process for the HHR submission flag, this change has resulted in compliance.</p> <p>KCE will act on the recommendation and map the gain /loss notification process with EMS.</p>

Non-compliance	Description	
Audit Ref: 11.8 With: 4 of Schedule 15.2 From: 01/05/16. To: 26/04/17.	Submission for March'16 did not reach target of 100% HE for one NSP. Potential impact: Medium Actual impact: Low Audit history: Twice previously Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	We assigned Audit Risk ratings as low because of strong controls on place. There is negligible impact on settlement outcomes.	
Actions taken to resolve the issue	Completion date	Remedial action status
Overall this issue has improved significantly as shown in the results achieved. KCE is enhancing its routine check lists as shown below. The fault for Mar 17 R14 revision was on ICP 0000240740WA460. As this was on R14 submission there is no opportunity to correct this error, note the volume associated with this error is 230 units.	26/7/17	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Since the audit, KCE now tracks the R14 estimated volume by number of ICPs and total volume. This is a measure to ensure that our checks are going through correctly. In addition KCE has updated its submission check sheet (this is a check sheet that is signed off by the various parties for a submission process run). This checklist now includes signoff to say that estimated volume for an R14 has been checked prior to doing a process run, as opposed to post submission checking. As this is a change to our process we are currently training staff, once this training is complete we expect this to be a robust control.	July 2017	

Non-compliance	Description		
Audit Ref: 11.9 With: 2 of Schedule 15.3/15.2 From: 01/05/16. To: 26/04/17.	Inaccurate information submitted to 1 UML 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	We assigned Audit Risk ratings as low because it was only one ICP. The mistake was one-off due to human error. They entered a value of 351.5 kWh instead 35.1 kWh, therefore the volume was over submitted. There is no impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
KCE is happy with progress in this area since the last audit. The two DUML audits produced excellent results, with both audits resulting in an audit period of 3 years. From this audit there was an error with 1 ICP for a small volume, this error has been corrected and will have been reflected when the month was next submitted		July 2017 (will have been reflected when the month was next submitted)	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
As a final check UML data will be graphed prior to submission		Sep 2017	

Recommendation	Description	Audited party comment	Remedial action
Graph UML volume before submission	Inaccurate submission for UML ICP due to human error	As a final check UML data will be graphed prior to submission	As a final check UML data will be graphed prior to submission

Non-compliance	Description		
Audit Ref: 11.12 With: 6 of Schedule 15.3 From: 01/05/16. To: 26/04/17.	Forward estimates do not meet +/- 15% threshold for 1 balancing area Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	We assigned Audit Risk ratings as low because There would negligible impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
KCE reports into the RM as required when submissions highlight a variation. However we have observed that there is an error in our process. Checks were done against prior submissions (e.g. R14 checked against R7) and not against the initial. Process notes and training has been completed to do this assessment accurately. As the particular submission highlighted in the audit accumulated to 17.5% variation in R14, the big jump was in R3 where it was 13%. The NSP in particular is OKN0111LINE where the Turoa ski field is situated, the majority of the load is subject to seasonal variation which makes forecasting difficult.		26/7/17	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As highlighted by the auditor KCE already has good controls. In areas where there is high seasonal load, there is little we can do to prevent subsequent submissions varying significantly from the initial submission.		26/7/17	

Non-compliance	Description		
Audit Ref: 12.3 With: 10 of Schedule 15.3 From: 01/05/16. To: 26/04/17.	Historic estimates did not achieve targets for March'16 for 3 NSPs Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	We assigned Audit Risk ratings as low because only 3.5% of all NSP traded by KCE are effected. There are noticeable improvements every year.. There would be no impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>KCE is really pleased with the progress it has made in this area since the last audit, and is still working to further improve the outcome as highlighted below.</p> <p>As a result if the EA review in the last audit (ref 6.1.7), KCE introduced two monitoring measures on its monthly scorecard:</p> <ol style="list-style-type: none"> 1) R14 submission estimated volume: This measure calculates the number of ICPs that have estimated volume in R14, and the total kWh estimated. Scorecard goal is zero. 2) An R3 measure of the 80% threshold on NSPs of the volume shortfall to reach the relevant thresholds. Again the goal is zero. <p>To address 1), an investigation was carried out to find the major causes which essentially hinges around switching and meter changes and how they are recorded in Gentrack and subsequently passed through to the reconciliation system. This training and monitoring is ongoing as staff move in and out of the roles in the Customer Service team.</p> <p>In addition we have introduced a pre-process run check to confirm that there are no 'issues' before starting the submission run. This check has only been recently introduced to improve the accuracy of a process run.</p> <p>The major impact on the results in 2) is the number of meters read. KCE has reduced the amount of rounds that are read every second month, and has put more attention into reading sites further afield. Previously KCE had used contactors for this, but has found its in house resource more reliable.</p>		26/7/17	
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>The addition of the pre-process check for the R14 estimates is the key preventative measure introduced since the audit. KCE will monitor the impact of the changes through scorecard results.</p>	<p>26/7/17</p>	
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