

Compliance plan for Genesis - 2017

| Relevant information | | |
|---|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 2.1 With: Clause 15.2 From: 01-Aug-16 To: 31-Jul-17 | Small number of registry discrepancies. Some late status updates. Some submission related areas where controls require strengthening to ensure compliance. Some corrections not conducted. Potential impact: High Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4 | |
| Audit risk rating | Rationale for audit risk rating | |
| Medium | The controls are recorded as moderate because the scope of this clause is broad and most areas have moderate or strong controls. There is a moderate impact on settlement for some discrepancies therefore the audit risk rating is medium. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Implementation of registry validation processes has made significant reductions in the quantity of non-compliances found year after year. | | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Genesis Energy will include further controls targeting MEP/Status/UML relationships of ICPs to the registry validation process. | Controls in place October 2018, corrections of errors completed no later February 2018 | |

| Changes to registry information | | | |
|--|--|-----------------|------------------------|
| Non-compliance | Description | | |
| Audit Ref: 3.3 With: Clause 10 of schedule 11.1 From: 01-Mar-17 To: 30-Jun-17 | Some status updates were not processed within five business days of the event on the Registry. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | The controls are rated as moderate because there is room for improvement with regard to the timeliness of identifying and fixing status discrepancies. The impact on settlement is minor because status discrepancies are identified at the time of submission where there is consumption on inactive ICPs and these are then remedied. The audit risk rating is low. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| All cases of back dated Registry event dates arise from our Registry vs systems validations identifying and correcting errors. In line with ensuring accurate data in the Registry Genesis will continue to use correct event dates irrespective of the file date. | | | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Back dating of Registry event dates will continue while traders run validation/correction processes. | | Ongoing | |

| Trader responsibility for an ICP | |
|--|---|
| Non-compliance | Description |
| Audit Ref: 3.4 With: Clause 11.18 From: 01-Mar-17 To: 30-Jun-17 | Two incorrect MEP nominations. 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 rated as moderate because there is room for improvement with regard to the identification of incorrect nominations. Settlement and billing is still occurring because Genesis has the metering details recorded. The audit risk rating is low. | |
| Actions taken to resolve the issue | | Completion date |
| Genesis Energy has investigated and found individual errors made by staff. Refresher training included in team updates. | | December 2017 |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| Two instances out of the thousands nominated do not indicated need for system or process change. | | |
| Cleared | | |

| Provision of information to the registry | | |
|--|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 3.5 With: Clause 9 of schedule 11.1 From: 01-Mar-17 To: 30-Jun-17 | Some late and incorrect status updates. Some late and incorrect MEP nominations. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Medium | The controls are rated as moderate because there is room for improvement with regard to the identification of incorrect statuses. Settlement is not occurring in some cases until the status is corrected, therefore the audit risk rating is medium. | |
| Actions taken to resolve the issue | | Completion date |
| Genesis Energy has investigated and found these instances to be further symptoms of the same root cause of 3.4 and recommendation above. | | December 2017 |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| Process development in new connections to ensure accuracy and timeliness. | | March 2018 |
| Identified | | |

| ANZSIC codes | | | |
|--|---|-----------------|------------------------|
| Non-compliance | Description | | |
| Audit Ref: 3.6 With: Clause 9(1)(k) of schedule 11.1 From: 01-Aug-16 To: 31-Jul-17 | Some incorrect ANZSIC codes. 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 controls were strong and the number of incorrect codes was very small. There is no impact on settlement outcomes from incorrect ANZSIC codes but there is a low impact on the Electricity's reporting accuracy, therefore the audit risk rating is low. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Repeat syspcom of 2.1 above. ANZSIC codes are part of the registry validation process that is each month. As worked monthly, when measured on any given day there is likely to be instances not yet corrected. Low level (19 out of ~ 500,000 ICPs) indicates control is sufficient and does not justify additional expense to run more frequently | | October 2017 | Cleared |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Genesis Energy do use google in corrections, but are wary of age of view giving incorrect business type in some instances. | | October 2017 | |

| Changes to unmetered load | | |
|---|--|--|
| Non-compliance | Description | |
| Audit Ref: 3.7 With: Clause 9(1)(f) of Schedule 11.1 From: 16-Jun-12 To: 17-Aug-17 | Incorrect unmetered details for two ICPs Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | Controls are generally strong in this area. Improvements are now in place to ensure these issues are identified. The impact on settlement is approx. 75 kWh per month, which is now resolved and will be revised. | |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|--|------------------------|-------------------------------|
| Low level of error and that all instances were already under investigation indicate controls are working. Two individual ICPs identified at time of audit now cleared. | August 2017 | Cleared |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| No further control changes required. Continuation of existing work programme to clear. | | |

| Management of "active" status | | |
|--|---|-------------------------------|
| Non-compliance | Description | |
| Audit Ref: 3.8 With: Clause 17 of schedule 11.1 From: 01-Mar-17 To: 30-Jun-17 | Some incorrect status updates. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4 | |
| Audit risk rating | Rationale for audit risk rating | |
| Medium | The controls are rated as moderate because there is room for improvement regarding the identification of incorrect statuses. Settlement is not occurring in some cases until the status is corrected, therefore the audit risk rating is medium. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Refer 3.4 / 3.5 – duplicate symptom of same cause. | December 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Refer 3.4 / 3.5 – duplicate symptom of same cause. | March 2018 | |

| Management of "inactive" status | | |
|---|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 3.9 With: Clause 19 of schedule 11.1 From: 01-Jul-16 To: 30-Jun-17 | Some incorrect inactive statuses. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4 | |
| Audit risk rating | Rationale for audit risk rating | |
| Medium | The controls are rated as moderate because there is room for improvement with regard to the identification of incorrect statuses. Settlement is not occurring in some cases until the status is corrected, therefore the audit risk rating is medium. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Updating status as a result of short turn around credit disconnect / reconnect is an area we accept need system change to bring in line with Code change. | | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Change has been lodged with our vendor to determine solution. Implementation expected 2018 after Energy Online migration. | May 2018 | |

| Change of MEP | | |
|--|--|--|
| Non-compliance | Description | |
| Audit Ref: 3.11 With: Clause 10.22(1)(a)(i) From: 01-Mar-17 To: 30-Jun-17 | Backdated MEP changes. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | A small proportion of MEP nominations were processed late. Controls are recorded as moderate because there is room for improvements in the timeliness of processing errors. There is a minor impact on other participants therefore the audit risk rating is low. | |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|--|------------------------|-------------------------------|
| Currently Genesis Energy identifies these errors through the registry validation process. The corrections are forwarded onto the correct business unit for correction. | Ongoing | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| For late nominations can occur as meter change has been without current trader knowledge. Incorrect and some late MEP nominations is sourcing from new connections process and will be addressed in process improvement surrounding 3.4. / 3.5 | March 2018 | |

| Losing trader response to switch request and event dates - standard switch | | |
|---|---|-------------------------------|
| Non-compliance | Description | |
| <p>Audit Ref: 4.2</p> <p>With: Clause 3 of schedule 11.3</p> <p>From: 01-Mar-17</p> <p>To: 30-Jun-17</p> | <p>Incorrect AN response codes for GEOL.</p> <p>Only 15% of event dates within 5 business days.</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: 4</p> | |
| Audit risk rating | Rationale for audit risk rating | |
| Medium | <p>The controls for GEOL are weak but they are moderate for GENE so I've recorded the overall control rating as moderate.</p> <p>There is only a minor impact due to incorrect AN code but setting of late transfer dates has a moderate impact on participants and customers because the customer remains with GEOL for an additional period of time. The audit risk rating is medium.</p> | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| All Energy Online switching timeframes, processes and reporting will come in line with Genesis Energy on migration to Gentrack. | | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| All Energy Online switching timeframes, processes and reporting will come in line with Genesis Energy on migration to Gentrack. | May 2018 | |

| Losing trader must provide final information - standard switch | | |
|--|---|------------------------|
| Non-compliance | Description | |
| Audit Ref: 4.3 With: Clause 5 of schedule 11.3 From: 01-Aug-16 To: 31-Jul-17 | 9 late CS files for GENE. Incorrect average daily consumption for GENE. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | The controls are recorded as moderate because there is room for improvement even though only a very small number of issues were found. There is a minor impact due to incorrect CS file content codes and late files because the other traders may rely on the average daily consumption for the first bill. The audit risk rating is low. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| In the instance of the average daily consumption, the last read period and the last billed period are the same as the bills are created from reads. The 9 late CS files in context of the number of CS files sent in the period indicate that they are true exceptions. | | Disputed |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| n/a | | |

| Retailers must use same reading - standard switch | |
|--|---|
| Non-compliance | Description |
| Audit Ref: 4.4 With: Clause 6(1) and 6A Schedule 11.3 From: 01-Aug-16 To: 31-Jul-17 | 8 late RR files for GEOL. 6 late RR files for GENE. 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 | <p>The controls are strong because the process is sound and potentially incorrect readings are investigated as soon as possible.</p> <p>There is a minor impact on other traders and customers because rebilling has to occur. The audit risk rating is low.</p> | |
| Actions taken to resolve the issue | | Completion date |
| Response to RR files through Registry may at time be sent late, but these are of no consequence as the change to a read has already been agreed between the traders prior to the initiation of the RR file. The RR file process serves only to record in the Registry the transaction of a read change. | | n/a |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| No change required | | n/a |

| Non-half hour switch event meter reading - standard switch | | |
|--|---|------------------------|
| Non-compliance | Description | |
| <p>Audit Ref: 4.5</p> <p>With: Clause 6(2) and (3) Schedule 11.3</p> <p>From: 11-May-17</p> <p>To: 19-Jun-17</p> | <p>2 RR files incorrectly rejected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</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 | <p>The controls for GEOL are strong because the process is sound in most cases.</p> <p>There is a minor impact on settlement, other traders and customers because the other trader is likely to start billing on a different read than GEOL's final read. The audit risk rating is low.</p> | |
| Actions taken to resolve the issue | | Completion date |
| Errors in rejection taken up with staff concerned. | | August 2017 |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| No change in process required. | | n/a |

| Losing trader provides information - switch move | | |
|---|---|------------------------|
| Non-compliance | Description | |
| Audit Ref: 4.8 With: Clause 10(1) of schedule 11.3 From: 01-Dec-16 To: 01-Dec-16 | Incorrect AN response codes for GEOL. 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 controls for GEOL are weak but they are moderate for GENE so I've recorded the overall control rating as moderate. There is only a minor impact due to incorrect AN codes. The audit risk rating is low. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Refer 4.2. Duplicate symptom of single cause. | | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Refer 4.2. Duplicate symptom of single cause. | | |

| Losing trader must provide final information - switch move | | |
|---|--|--|
| Non-compliance | Description | |
| Audit Ref: 4.10 With: Clause 11 of schedule 11.3 From: 01-Aug-16 To: 31-Jul-17 | Incorrect CS content for GEOL. Approx. 150 late CS files for GEOL. Incorrect CS file content for GENE. Approx. 1,700 late CS files for GENE. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |

| | | |
|---|--|------------------------|
| Low | <p>The controls are rated as moderate because improvements are needed to achieve compliance.</p> <p>The impact on other participants is minor. Gaining traders may place reliance on readings labelled as A when they are in fact estimates. Late CS files have a minor impact on other traders. The audit risk rating is low.</p> | |
| Actions taken to resolve the issue | | Completion date |
| <p>In relation to late CS files, due to drafting errors, this was a clause that was impossible for traders to meet if move switch contained a back dated event date greater than three days – a common event. This clause has been corrected within 5/10/17 code amendments</p> <p>CS content is repeat symptom of 4.3.</p> | | Unknown |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| n/a | | |

| Gaining trader changes to switch meter reading - switch move | | |
|--|--|------------------------|
| Non-compliance | Description | |
| <p>Audit Ref: 4.11</p> <p>With: Clause 12 of schedule 11.3</p> <p>From: 01-Aug-16</p> <p>To: 31-Jul-17</p> | <p>42 late RR files for GEOL.</p> <p>72 late RR files for GENE.</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: 2</p> | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | <p>The controls are strong because the process is sound and potentially incorrect readings are investigated as soon as possible.</p> <p>There is a minor impact on other traders and customers because rebilling has to occur. The audit risk rating is low.</p> | |
| Actions taken to resolve the issue | | Completion date |
| Refer 4.4 duplicate symptom. | | |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| | | |
| | | Identified |

| Withdrawal of switch requests | | |
|--|--|-----------------|
| Non-compliance | Description | |
| Audit Ref: 4.15 With: Clause 17 and 18 Schedule 11.3 From: 01-Aug-16 To: 31-Jul-17 | One incorrect NW rejection by GEOL. 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 for GEOL are strong because the process is sound and there was only one error. There is a minor impact on other traders. The audit risk rating is low. | |
| Actions taken to resolve the issue | | Completion date |
| User error with the population of 1 wrong NW rejection code, no action required. | | |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| No change required. | | |
| Remedial action status | | |
| Cleared | | |

| Maintaining shared unmetered load | | |
|--|--|-----------------|
| Non-compliance | Description | |
| Audit Ref: 5.1 With: Clause 11.14 From: 19-Dec-14 To: 31-Aug-17 | Incorrect shared unmetered load. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | The controls are recorded as moderate because the validation checks did not identify these five ICPs. The impact on settlement is only 175 kWh per annum so the audit risk rating is low. | |
| Actions taken to resolve the issue | | Completion date |
| | | |
| Remedial action status | | |
| | | |

| | | |
|--|------------------------|---------------|
| Genesis have reviewed the PowerCo ballast corrections, Genesis Energy have found the updates to be inconsistent and the information populated was not as per recommended format. Genesis Energy will be requesting lamp type/wattage details/ and count of fittings pertaining to each distributor only/Parent ICP | November-December 2017 | Investigating |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Identified instance already under investigation, so no change required to current controls. | n/a | |

| Unmetered threshold | | |
|--|---|------------------------|
| Non-compliance | Description | |
| Audit Ref: 5.2 With: Clause 10.14 (2)(b) From: 01-Aug-16 To: 31-Jul-17 | Unmetered load over 6,000 kWh per annum and unmetered load between 3,000 and 6,000 not of an approved load type. Potential impact: Medium Actual impact: Unknown Audit history: Multiple times Controls: Weak Breach risk rating: 3 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | The controls are recorded as weak because the issues do not appear to have been resolved over an extended period. The impact on settlement is unknown because the load has not been checked but submission is occurring. I have recorded the audit risk rating as low. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Genesis Energy are currently investigating all ICP's exceeding regulatory thresholds | February 2018 | Investigating |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Controls exist to identify instances, investigation and correction resource is now allocated under our revenue assurance work program. | September 2017 | |

| Unmetered threshold exceeded | | |
|--|---|-----------------|
| Non-compliance | Description | |
| Audit Ref: 5.3 With: Clause 10.14 (5) From: 01-Aug-16 To: 31-Jul-17 | Unmetered load over 6,000 kWh per annum and not resolved within the allowable timeframes. Potential impact: Medium Actual impact: Unknown Audit history: Multiple times Controls: Weak Breach risk rating: 3 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | The controls are recorded as weak because the issues do not appear to have been resolved over an extended period. The impact on settlement is unknown because the load has not been checked. I have recorded the audit risk rating as low. | |
| Actions taken to resolve the issue | | Completion date |
| Refer 5.2 Duplicate symptom | | |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| Refer 5.2. | | |
| Remedial action status | | |
| Investigating | | |

| Distributed unmetered load | | |
|--|--|-----------------|
| Non-compliance | Description | |
| Audit Ref: 5.4 With: Clause 11 Schedule 15.3 From: 01-Aug-16 To: 31-Jul-17 | Distributed unmetered databases not accurate. Potential impact: High Actual impact: High Audit history: Multiple times Controls: Weak Breach risk rating: 9 | |
| Audit risk rating | Rationale for audit risk rating | |
| High | The controls are recorded as weak because the issues do not appear to have been resolved over an extended period. The impact on settlement is major because the over submission is over 450,000 kWh and the under submission is almost 1,200,000 kWh. | |
| Actions taken to resolve the issue | | Completion date |
| | | |
| Remedial action status | | |
| | | |

| | | |
|---|------------------------|------------|
| Genesis Energy are working with each individual DUML owner in order to verify all database information and implement the necessary changes to meet the DUML guidelines. All Audits have been completed, outlining the non-compliances across all DUML databases. | May 2018 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Process of auditing DUML databases now strong. Now working through with each customer for resolution of any issues identified | Ongoing | |

| Electricity conveyed & notification by embedded generators | | |
|--|--|-------------------------------|
| Non-compliance | Description | |
| Audit Ref: 6.1 With: Clause 10.13 From: 01-Aug-16 To: 31-Jul-17 | While meters were bridged, energy was not metered and quantified according to the code for ten GENE ICPs, and four GEOL ICPs. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | The controls are rated as weak because correction was not made for 8 of 10 GENE ICPs. Bridging only occurs where a soft reconnection cannot be performed after hours and the customer urgently requires their energy supply for health and safety reasons. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Genesis Energy will re-introduce reporting to maintain bridged metering, where soft reconnections cannot be performed after hours. | January 2018 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Genesis Energy have identified the requirements and are currently in the process of resetting the back office and critical tasks. | January 2018 | |

| Reporting of defective metering installations | | |
|---|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 6.4 With: Clause 10.43(2) and (3) From: 30-Jun-17 To: 21-Aug-17 | <p>One GENE ICP with suspected defective metering was not reported to the MEP for a period of at least 54 days after it was identified.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 3</p> | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | <p>The controls are rated as moderate because additional steps are required in order to identify defective metering.</p> <p>The impact on settlement is minor; therefore, the audit risk rating is low.</p> | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Process was dropped by staff member. Reinforcement of importance has been made. | August 2017 | Cleared |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Genesis Energy is looking at a refinement of the contact center organisations that will group 'critical' processing tasks under a single leadership and control. This is process is one that has been identified in that group. | January 2018 | |

| Derivation of meter readings | | |
|---|---|--|
| Non-compliance | Description | |
| Audit Ref: 6.6 With: Clause 3(1), 3(2) and 5 Schedule 15.2 From: 01-Aug-16 To: 31-Jul-17 | <p>GEOL does not consistently identify meter condition information that requires action.</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>Controls are considered moderate because there is room to improve them.</p> <p>Customer and photo reads usually only occur where it is not possible for the meter reader to gain access to perform a reading. There is potentially a minor impact on billing and settlement; therefore the audit risk rating is low.</p> | |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|---|------------------------|-------------------------------|
| Have changed existing manual process so that all customer sourced reads are treated as estimates. | Sep 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Migration to Gentrack will mean existinmg automation that handles web/photo/customer call reads correctly will be adopted | May 2018 | |

| Interrogate meters once | | |
|---|---|-------------------------------|
| Non-compliance | Description | |
| Audit Ref: 6.8 With: Clause 7(1) and (2) Schedule 15.2 From: 01-Aug-16 To: 31-Jul-17 | Validated meter reading not obtained during the period of supply for all ICPs. 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 | Strong meter reading controls are in place but with short switching durations it can be difficult to obtain manual meter reads when ICPs have a short period of supply. The impact on billing and settlement is minor because of the short period. The audit risk rating is low. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Short ownership periods have also been a challenge for the industry. From Genesis Energy's perspective AMI metering with advent of daily reads has improved the situation. Within six months prior to the audit period, our switch process was changed to use AMI reads on every AMI switch will be greatly improve situation. Energy Online will also get the benefit of this change in the migration to Gentrack. Short ownership on legacy metering remains an issue which can only be reduced by continued replacement with AMI. | September 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| n/a | | |

| NHH meters interrogated annually | | | |
|--|--|-----------------|------------------------|
| Non-compliance | Description | | |
| <p>Audit Ref: 6.9</p> <p>With: Clauses 8(1), 8(2), of schedule 15.2</p> <p>From: 01-Aug-16</p> <p>To: 31-Jul-17</p> | <p>Incorrect reporting provided to the authority by GEOL overstating the number of unread ICPs at 12 months.</p> <p>Pre-pay and account managed ICPs not subject to the same rigorous processes as other ICPs.</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 | | |
| Low | <p>Controls are rated as moderate because there is room to improve them to include all ICPs and to ensure reporting is correct.</p> <p>There will be a minor impact on billing and settlement, therefore the audit risk rating is low.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Energy online will remove the reporting of UML ICP's from its criteria. | | September 2017 | Investigating |
| Genesis to investigate the 2 x prepay and 1 x account managed site. | | December 2017 | |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| EOL will be changing its reporting due to billing platform upgrade. This will enable more efficient reporting from data sources. | | May 2018 | Investigating |
| Our current Liberty pre pay system is currently being retired as a payment method for Genesis. | | December 2017 | |

| Correction of NHH meter readings | | |
|--|---|------------------------|
| Non-compliance | Description | |
| <p>Audit Ref: 8.1</p> <p>With: Clause 10.12, 10.24 & 10.43(3) of part 10.</p> <p>Clause 19 of schedule 11.1.</p> <p>Clause 15.2(2) and 15.12 of part 15, 19(1) of Schedule 15.2, 2(1)(b) of schedule 15.3 and 15.2(2) of part 15</p> <p>From: 01-Aug-16</p> <p>To: 31-Jul-17</p> | <p>Some NHH corrections for GEOL and GENE were not processed completely and accurately.</p> <p>Some meters have not had consumption during a bypassed period reported.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p> | |
| Audit risk rating | Rationale for audit risk rating | |
| Medium | <p>The controls are rated as weak because there are some areas where they do not exist or do not eliminate errors.</p> <p>A small number of corrections were identified and checked, and a relatively large proportion of them had either not been processed, or not been processed completely and accurately. There is a moderate impact on settlement; therefore the audit risk rating is medium.</p> | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| <p>Ref 6.1</p> <p>Genesis Energy have identified the requirements and are currently in the process of resetting the back office and critical tasks.</p> | December 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| The reimplementation of vacant/faulty metering will enable Genesis Energy to comply with the requirements of 8.1 | February 2018 | |

| Identification of readings | | |
|---|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 9.1 With: Clause 3(3) and 5 of Schedule 15.2 From: 01-Aug-16 To: 31-Jul-17 | GEOL records customer and photo readings as actual. Some estimated closing readings were recorded as actual closing readings. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | Customer and photo reads usually only occur where it is not possible for the meter reader to gain access. Estimated closing readings are treated as permanent estimates. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Have initiated the request to have the web reads changed to populate as an estimation/no read and training for CEC for incoming calls to denote all customer reads as estimations/no read | November 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Migrating GEOL to Gentrack, EOL will adopt Gentrack's current processes for meter readings derivation, meeting compliance. | May 2018 | |

| Electronic meter readings and estimated readings | |
|--|--|
| Non-compliance | Description |
| Audit Ref: 9.6 With: Clause 17(4)(f) of schedule 15.2 From: 01-Aug-16 To: 31-Jul-17 | AMI events are not all being reviewed and actioned for GENE and GEOL. 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 | The controls are rated as moderate because the event information is not all reviewed. The impact on settlement is likely to be low because GENE and GEOL are monitoring and actioning selected event information emailed to them by AMS. The audit risk rating is low. |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|---|------------------------|-------------------------------|
| The outcomes that would be achieved through investigation of event logs on all mass market HHR meters is currently being realised by other validations and reporting. Event logs are then requested for specific ICPs to verify cause. | | Investigating |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| We will investigate again the possibility of using event log reporting to seem if benefit can be gained. This is potentially an area that needs to be addressed through the code to indicate different levels required for C&I verses mass market HHR meters. | June 2018 | |

| Calculation of ICP days | | |
|---|---|-------------------------------|
| Non-compliance | Description | |
| Audit Ref: 11.2 With: Clause 15.6 From: 30-Apr-16 To: 31-May-16 | AV110 data is not zeroed where GEOL has previously submitted ICP days, but there are no ICP days reported in the current revision. Because no replacement data was submitted, the original ICP days remain in the reconciliation manager's database. 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 controls are rated as moderate because there is room for improvement. GEOL over reported 32 days for one ICP at APS0111. A backdated switch withdrawal occurred and it was the only ICP on the NSP. If other ICPs are still supplied at an NSP, ICP days will be reported for subsequent revisions correctly. The impact is minor; therefore the audit risk rating is low. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Process changed to ensure compliance as above. | October 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| This has been corrected, process has been created to cater for these AV110 scenarios. ICPDAYS will now contain zero out rows as required. | October 2017 | |

| Electricity supplied information provision to the reconciliation manager | | |
|--|---|------------------------|
| Non-compliance | Description | |
| Audit Ref: 11.3 With: Clause 15.7 From: 01-Jun-15 To: 31-Jul-17 | Electricity supplied information incorrect for GEOL. Electricity supplied revisions not conducted for historic errors in 2015 and 2016 Potential impact: None Actual impact: None Audit history: Once previously Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | Controls are rated as moderate because improvements are required to ensure ongoing accuracy and to ensure revisions are conducted. There is no impact on settlement because these files are used as a comparison only. The audit risk rating is low. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Investigation of Energy Online AV120 errors found process is correct, staf did not follow process for month errors occurred in. Revisions adjusted where required. | August 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| n/a | | |

| HHR aggregates information provision to the reconciliation manager | | |
|--|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 11.4 With: Clause 15.8 From: 01-Aug-16 To: 31-Jul-17 | HHR aggregates file does not contain electricity supplied information. Potential impact: None Actual impact: None Audit history: Once previously Controls: Strong Breach risk rating: 1 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | This is an error in the code; GENH is providing submission information as expected. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |

| | | |
|---|------------------------|------------|
| Genesis Energy does not plan to correct. Should be submission information aggregated, not electricity supplied. | October 2017 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| | | |

| Permanence of meter readings for reconciliation | | |
|---|--|-------------------------------|
| Non-compliance | Description | |
| Audit Ref: 12.8 With: Clause 4 of Schedule 15.2 From: 01-Aug-16 To: 31-Jul-17 | Some estimates not replaced at R14 for GENE and GEOL. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | Controls are rated as moderate because meter reading processes have ensured only a small quantity of consumption is based on estimates. Improvements have been made to ensure that estimated closing reads are treated as permanent estimates for GENE. The impact on settlement is minor; therefore the audit risk rating is low. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| This is the ongoing discussion we have where we do not have reads that meet the requirements of permanent estimates, hence we report correctly to the industry. | | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Continued rollout of AMI metering will lesson instances of failing. | Ongoing | |

| Reconciliation participants to prepare information | | |
|---|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 12.8 With: Clause 2 Schedule 15.3 From: 23-Nov-13 To: 31-Jul-17 | Unmetered load not submitted for 2 ICPs. One HHR Category 3 ICP with NHH submission. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | Controls are rated as moderate because these three issues were not identified. The impact on settlement is minor; therefore the audit risk rating is low. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Genesis Energy has implemented vast changes to cater for UML. Instances highlighted identified and corrected prior to audit. 1000025992BPCB9 CAT3 metered site has been corrected as GENH C&I HHR site. NHH submission on ICP 0007715373MLFE5 is for private streetlighting attached to C&I site and is correctly reconciled through NHH. | May 2017 | Cleared |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Genesis Energy will take on board these comments and look at how 2 GENE ICP's from 3800 were missed. Genesis Energy will tighten up the controls in its exception reporting. | November 2017 | |

| Historical estimate process | | |
|---|--|------------------------|
| Non-compliance | Description | |
| <p>Audit Ref: 12.11</p> <p>With: Clause 4 and 5 of Schedule 15.3</p> <p>From: 01-Aug-16</p> <p>To: 31-Jul-17</p> | <p>Historic estimate proportions are incorrect for GEOL.</p> <p>Total historic estimate is calculated correctly for NSP changes, but is not apportioned between the NSPs using the correct historic estimate process.</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 | |
| Low | <p>Controls have room for improvement and are rated as moderate.</p> <p>Total consumption is calculated correctly, only the historic estimate component is incorrect.</p> <p>For NSP changes the total for the ICP is calculated correctly, but the proportion reported against each NSP during the month the change occurred will be incorrect. NSP changes normally occur within a balancing area and the impact is expected to be low-none.</p> | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Genesis Energy has investigated and found that the code within the Energy Online billing system requires an base code change to meet this requirement. As total volume is accurate there is no justifiacion for spend on fix currently. | May 2018 | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Genesis Energy are replacing Energy Online billing platform which will correct the HE output. | May 2018 | |

| Forward estimate process | | |
|---|---|------------------------|
| Non-compliance | Description | |
| Audit Ref: 12.12 With: Clause 6 of Schedule 15.3 From: 01-Aug-16 To: 31-Jul-17 | The accuracy threshold was not met for all months and revisions by GENE and GEOL. Forward estimate is created in error for GEOL ICPs where a meter change has occurred in the submission month. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | The system has some design flaws leading to a control rating of moderate. The impact on settlement is minor; therefore, the audit risk rating is low. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| As we are submitting majority of ICPs on the effected NSPs as HHR via AMI metering, the percentage at aggregate over states the impact on the NSP. We have investigated the FE routines and believe that the estimation routines based on previous read data, where previous read data is obtained and are robust but the nature of the ICPs mean consumption is erratic and reading more difficult. As rollout of AMI continues and completes, issues such as this (seemingly worsening controls, but really a mathematical factor) will come to light. | | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| n/a | | |

| Non-compliance | Description | |
|--|---|--|
| Audit Ref: 12.13 With: Clause 7 Schedule 15.3 From: 11-Apr-17 To: 11-Apr-17 | One GEOL ICP did not have an actual read on the day of a profile change. Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1 | |
| Audit risk rating | Rationale for audit risk rating | |

| | | | |
|---|---|------------------------|-------------------------------|
| Low | I believe this was an isolated human error; GEOL only uses the RPS profile. Incorrect submission did not occur therefore the controls are rated as strong and the audit risk rating is low. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Genesis energy have corrected the event due to user error and was a 1 off instance. | | October 2017 | Cleared |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Genesis Energy does not believe any further action is required. | | October 2017 | |

| Provision of submission information to the RM | | |
|---|---|------------------------|
| Non-compliance | Description | |
| Audit Ref: 13.2 With: Clause 8 of Schedule 15.3 From: 01-Aug-16 To: 31-Jul-17 | Some consumption and ICP days was reported against an incorrect NSP. Potential impact: None Actual impact: None Audit history: Twice previously Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | Controls can be improved and are rated as moderate. All incorrect submissions identified have washed out, apart from 32 ICP days at APS0111, which have no market impact. Processes to identify submission errors have improved. The audit risk rating is low. | |
| Actions taken to resolve the issue | | Completion date |
| Genesis Energy have taken steps to ensure that when staff are away on leave that sufficient cover is on hand and knowledge of tasks required to at the required levels. Occurance of such like 32 days on APS0111, will be addressed by zeroing out ICPs identified above. | | May 2017 |
| Preventative actions taken to ensure no further issues will occur | | Completion date |
| Genesis Energy believe its current processes are robust. | | May 2017 |

| Historical estimate reporting to RM | | |
|---|--|------------------------|
| Non-compliance | Description | |
| Audit Ref: 13.4 With: Clause 10 of Schedule 15.3 From: 01-Aug-16 To: 31-Jul-17 | Historic estimate thresholds were not met for some revisions for GENE and GEOL. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | |
| Audit risk rating | Rationale for audit risk rating | |
| Low | The controls are rated as moderate because some improvements can be made to ensure compliance. GENE and GEOL were reasonably close to the target in all cases. The impact is minor; therefore the audit risk rating is low. | |
| Actions taken to resolve the issue | Completion date | Remedial action status |
| Refer 12.8 duplicate symptom of same cause. | | Identified |
| Preventative actions taken to ensure no further issues will occur | Completion date | |
| Refer 12.8 duplicate symptom of same cause. | | |