

Compliance plan for Opunake Hydro Ltd

Title: Relevant information		
Non-compliance	Description	
<p>Audit Ref: 2.1</p> <p>With: Clause 10.6, 11.2, 15.2</p> <p>From: 01-Nov-16</p> <p>To: 18-Apr-17</p>	<p>0000536719NR293 was temporarily recorded with unmetered load and trader unmetered details on the registry when no unmetered load was connected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are sufficient to ensure that registry information is correct most of the time. The only discrepancy identified related to unmetered information inherited from the previous trader.</p> <p>The impact is low because the details were correctly recorded in Simply Energy and EMS' systems, so there is no impact on reconciliation. The registry has now been corrected effective from 19/04/2017.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy confirmed with Northpower that unmetered load did not exist on this ICP and had actually been removed prior to when Opunake switched the site to them.	November 2017	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
Reporting is in place to pick any Distributor unmetered load on Opunake ICPs	11 December 2017	

Title: Trader contracts to permit assignment by the Authority			
Non-compliance		Description	
Audit Ref: 2.8 With: Clause 11.15B From: entire audit period		OPHL's Contract with Customers for Delivered Electricity does not specifically cover assignment by the Electricity Authority in the event of trader default. Potential impact: High 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 and the risk low, because OPHL's Contract with Customers for Delivered Electricity allows OPHL to transfer all or any of its rights and obligations to someone else, if notification is provided.	
Actions taken to resolve the issue		Completion date	Remedial action status
The Participant's standard terms and conditions will be updated to specifically include assignment by the Electricity Authority in the event of trader default at the time that these are updated from April 2018		1/3/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Monitor communications from the EA in relation to customer contracts		On-going	

Title: Changes to registry information	
Non-compliance	Description
Audit Ref: 3.3 With: Clause 10 Schedule 11.1 From: entire audit period	The registry was not updated within five business days for some status and MEP nomination events. 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 registry updates occurred on time most of the time.</p> <p>The risk rating is low, because a small number and proportion of updates were late, and procedures have been improved to reduce the volume of late updates in the future.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The de-energised ready to decommission was from a Network Extension to Customer Network conversion but not all ICPs had been identified when this occurred. Simply Energy is monitoring the Test Houses that MEP's use to see whether one is better than the other for new sites and meter changes.</p>		15 December 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Simply Energy is working with MEP's to refine timelines when sending through confirmation of jobs. We will set up monitoring across Test Houses that MEP's use to use this data when managing expectations with MEP's.</p>		31 March 2018	

Title: Provision of information to the registry manager			
Non-compliance	Description		
<p>Audit Ref: 3.5 With: Clause 9 Schedule 11.1</p> <p>From: November 2016 and April 2017</p>	<p>Two ICPs were updated to active status more than five business days after the event.</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 rated as moderate, as they will mitigate the risk of late update most of the time.</p> <p>The audit risk rating is low, because only two updates were late, and both were updated within 15 business days.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Simply Energy is continuing to work with MEP's on their turnarounds on receiving paperwork on new sites.</p>		30 November 2017	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Adding additional reporting around which Test House is being used for completion jobs to identify possible changes in process. However we will need to work with MEP's on this as they determine the Test House not the Trader normally.	31/03/2018	

Title: Losing trader response to switch request and event dates - standard switch		
Non-compliance	Description	
Audit Ref: 4.2 With: Clauses 3 and 4 Schedule 11.3 From: entire audit period	The AA (accept and acknowledge) AN response code was applied for 178 ICPs with advanced meters. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Weak Breach risk rating: 3	
Audit risk rating	Rationale for audit risk rating	
Low	Controls over AN response codes are weak, as they are not sufficient to mitigate risk of incorrect codes being applied most of the time. The risk rating is low, because information on the metering was available on the registry and only one proposed AN date was outside the required timeframe.	
Actions taken to resolve the issue	Completion date	Remedial action status
Staff performing switch losses has been reminded of which response codes to use when sending AN files	11 December 2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Apart from following processes the Advanced Meter Flag could be used when creating AN files to avoid incorrect application of these codes. This would be an IT enhancement for 2018.	31 March 2018 approx	

Title: Losing trader provides information - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.8 With: Clause 10(1) Schedule 11.3</p> <p>From: May and November 2017</p>	<p>The AA (accept and acknowledge) AN response code was applied for two ICPs with advanced meters.</p> <p>One AN had backdated proposed switch date.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as weak overall:</p> <ul style="list-style-type: none"> • Controls over event dates are strong and ensure that event dates are compliant almost all the time. • Controls over AN response codes are weak, as they are not sufficient to mitigate risk of incorrect codes being applied most of the time. <p>The risk rating is low, because information on the metering was available on the registry. Only one switch move AN had a backdated proposed switch date, and this was the date that the gaining trader had requested.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Staff performing switch losses has been reminded of which response codes to use when sending AN files	11 December 2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Apart from following processes the Advanced Meter Flag could be used when creating AN files to avoid incorrect application of these codes. This would be an IT enhancement for 2018.	31 March 2018 approx	

Title: Withdrawal of switch requests			
Non-compliance		Description	
Audit Ref: 4.15 With: Clauses 17 and 18 Schedule 11.3 From: 06-Jun-17 To: 08-Jun-17		One AW was issued two business days late. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating		Rationale for audit risk rating	
Low		Controls are rated as strong, because only one of the 136 AW files issued was late. The audit risk is rated as low, because the file was only two business days late.	
Actions taken to resolve the issue		Completion date	Remedial action status
Due to only one issue we don't believe there is any actions from this audit.		13/12/2017	Identified, strong controls are already in place
Preventative actions taken to ensure no further issues will occur		Completion date	
No action required		13/12/2017	

Title: Derivation of meter readings			
Non-compliance		Description	
Audit Ref: 6.6 With: Clause 3(1), 3(2) and 5 Schedule 15.2 From: 01-Jan-17 To: 30-Sep-17		Datacol do not conduct checks for phase failure. Meter condition checks are not completed for customer read ICP 0002995060CN7C2. 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		Controls are rated as strong and the impact as low. OPHL's other meter reading providers are compliant. Only one ICP is customer read.	

Actions taken to resolve the issue	Completion date	Remedial action status
Opunake Hydro Ltd are looking to transition all manual reads away from Datacol as they have been identified as non-compliant under clause 5 of Schedule 15.2. Wells are compliant due to conducting these checks. We anticipate this transition will be initiated in the New Year and completed by Q2 2018	30/04/2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Opunake Hydro Ltd will discuss with Wells the opportunity for minimum annual readings of this particular metered supply 0002995060CN7C2 at our cost to meet reading and phase checking requirements	28/02/2018	

Title: Interrogate meters once		
Non-compliance	Description	
<p>Audit Ref: 6.8</p> <p>With: Clause 7(1) and (2) Schedule 15.2</p> <p>From: entire audit period</p>	<p>Eight ICPs did not have an actual read recorded during the period of supply.</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 they will mitigate the risk most of the time, but ICPs may remain unread where they are supplied for a short period.</p> <p>The impact is assessed as low, because in all cases, the period of supply was less than three months. For all ICPs supplied for over five days, a read had been scheduled and/or attempted.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Closer monitoring on no read events to ensure less sites with no reads.	31/03/2018.	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Continual monitoring of the sites with no reads and also adding more Advanced Meters.	30/06/2018	

Title: Electronic meter readings and estimated readings		
Non-compliance	Description	
Audit Ref: 9.6 With: Clause 17 Schedule 15.2 From: entire audit period	AMI event logs are not monitored for Arc meters. Potential impact: Medium Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as strong, as emailed information is reviewed and event logs for other MEPs are reviewed. The other validations in place are comprehensive and are likely to identify any consumption related issues, therefore the potential impact on settlement is minor and the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy has spoken to Arc and they currently don't have AMI Event Logs. There is no indication from Arc as to when a report will be written.	30/11/2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
No further action can be taken at this time		

Title: HHR aggregates information provision to the reconciliation manager		
Non-compliance	Description	
Audit Ref: 11.4 With: Clause 15.8 From: entire audit period	HHR aggregates file does not contain electricity supplied information. 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	Controls are rated as strong, and the impact as low, because the requirement to report electricity supplied information is an error in the code, and EMS is providing submission information as expected. In most cases, billed volumes would match reported volumes.	

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy is working with other Traders and the EA to change the Code on this clause as HHR Aggregates information is not derived from electricity supplied information	30 April 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
No further action required		

Title: Permanence of meter readings for reconciliation		
Non-compliance	Description	
Audit Ref: 12.8 With: Clause 4 Schedule 15.2 From: entire audit period	Some estimated readings are not replaced with permanent estimates by revision 14. 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	Controls are rated as moderate. While there is no process to enter forward estimates, there are good controls over read attainment. The risk rating is low. The forward estimate amount was 315,150 kWh across the six 14 month revisions reviewed.	
Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy has been working with Opunake on reducing the number of sites not read over a period of four months. No read event reports are sent twice per month.	30/11/2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Continued monitoring of no read events and converting legacy meters to Advanced Meters to reduce risk of sites with no reads.	30/06/2018	

Title: Reconciliation participants to prepare information			
Non-compliance		Description	
Audit Ref: 12.9 With: Clause 2 Schedule 15.3 From: entire audit period		Some minor issues have resulted in: <ul style="list-style-type: none"> • incorrect labelling of forward and historic estimate • incorrect apportionment of consumption between months where an ICP has a start date within the month. 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		Controls are rated as moderate, as they are sufficient to ensure correct reporting most of the time. The impact is low, because all consumption is reported, the non-compliance relates only to labelling of forward and historic estimate, and apportionment of NHH consumption between months where a new connection or switch in has occurred.	
Actions taken to resolve the issue		Completion date	Remedial action status
Simply Energy does not believe there is any action here as there is no effect on overall consumption.		14/12/2017	Disputed
Preventative actions taken to ensure no further issues will occur		Completion date	
No action required			

Title: Historical estimates and forward estimates			
Non-compliance		Description	
Audit Ref: 12.10 With: Clause 3 Schedule 15.3 From: entire audit period		Historic estimate is labelled as forward estimate where reconciliation manager published shape files are unavailable for the entire read period. Classification of customer reads as actual for ICP 0002995060CN7C2 results in historic estimate being recorded where forward estimate should be recorded. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls rated as moderate, as historic estimate will be correctly classified in most cases. For revision submissions, metered volumes will be correctly classified as shape files are available.</p> <p>The audit risk rating is low, because the consumption calculated is correct. For all scenarios except ICP 0002995060CN7C2 and unmetered load, forward and historic estimate will be correctly labelled for revision submissions.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The Madras system was built always expecting a profile shape file to be provided for all profiles. So for the UML issue this would require a significant change in code. The volumes associated with UML are so small and this is only a reporting issue not consumption issue therefore we see no action to take.</p>		14/12/2017	Disputed
Preventative actions taken to ensure no further issues will occur		Completion date	
No further action		14/12/2017	

Title: Historical estimate process	
Non-compliance	Description
<p>Audit Ref: 12.11 With: Clause 4 and 5 Schedule 15.3</p> <p>From: entire audit period</p>	<p>Customer readings for ICP 0002995060CN7C2 were treated as actual readings when calculating historic estimate.</p> <p>Madras treats readings as though they occur at the end of the day, resulting incorrect apportionment of some consumption between months for switch ins and new connections.</p> <p>Potential impact: Low Actual impact: Low</p> <p>Audit history: Once previously Controls: Moderate Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating
Low	<p>Controls are rated as moderate, as they are sufficient to ensure correct reporting most of the time.</p> <p>The impact is low, because all consumption is reported, the non-compliance relates only to labelling of forward and historic estimate, and apportionment of NHH consumption between months where a new connection or switch in has occurred.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy will review with EMS the reporting as we'd previously had this issue under Simply Energy's audit and believed it was resolved.	28/02/2018	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Currently under investigation.	28/02/2018	

Title: Forward estimate process		
Non-compliance	Description	
Audit Ref: 12.12 With: Clause 6 Schedule 15.3 From: 01-May-17 To: 31-May-17	The accuracy threshold was not met for one month. 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	Controls are rated as strong, as they are sufficient to ensure data is within the accuracy threshold most of the time. The only breach was caused by another participant providing incorrect data. Initial data is replaced with revised data, and washed up.	
Actions taken to resolve the issue	Completion date	Remedial action status
Issue identified but after volume had been reported, no further action is warranted we believe in this situation.	14/12/2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
No further action	14/12/2017	

Title: Historical estimate reporting to RM		
Non-compliance	Description	
Audit Ref: 13.3 With: Clause 10 Schedule 15.3 From: entire audit period	Historic estimate thresholds were not met for some revisions. Potential impact: Low Actual impact: Low Audit history: Three times previously Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as moderate, as they are sufficient to mitigate the risk of not meeting the threshold most of the time. I note that actual historic estimate will be slightly higher than the levels reported because of the incorrect classification of unmetered historic estimate as forward estimate. The audit risk rating is low, as OPHL was close to the target in all cases.	
Actions taken to resolve the issue	Completion date	Remedial action status
Maintaining focus on sites without reads for period of 3 to 4 months to ensure 100% threshold is obtain in 12 months.	31/03/2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Advanced meters to be installed to assist in sites with hard to get reads.	30/06/2018	