

## Compliance plan for Electricity Ashburton Limited – 2018

Requirement to provide complete and accurate information		
Non-compliance	Description	
Audit Ref: 2.1 With: 11.2(1) and 10.6(1)  From: 01-Sep-17 To: 31-Mar-18	Not all practicable steps are taken to ensure that the information provided is complete and accurate.  Potential impact: Low  Actual impact: Low  Audit history: Multiple times  Controls: Moderate  Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The registry discrepancies processes are robust in most cases and improvements have been made since the last audit, but some areas still require improvement, therefore the controls are rated as moderate.  All of the areas listed above have a minor impact on settlement or participants, therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
Please see relevant section for action taken to resolve issue.		7 <sup>th</sup> May 2019
Preventative actions taken to ensure no further issues will occur		Completion date
Please see relevant section for Preventative actions taken.		24 <sup>th</sup> May 2018
Remedial action status		
Identified		

Timeliness of Provision of ICP Information to the registry manager	
Non-compliance	Description
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1  From: 01-Jun-17 To: 27-Sep-17	Registry not updated prior to commencement of trading for 5 ICPs.  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Strong  Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating

<b>Low</b>	<p>Controls are rated as strong because most registry updates occurred on time and these were not “traditional” newly created ICPs.</p> <p>The audit risk rating is low because a very small number of late updates occurred and consumption information will be revised by retailers.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
All five ICPs were created with early Start Dates at the request of Trader.		7 <sup>th</sup> May 2018	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
		7 <sup>th</sup> May 2018	

Timeliness of Provision of Initial Electrical Connection Date			
Non-compliance	Description		
<p>Audit Ref: 3.5</p> <p>With: Clause 7(2A) of Schedule 11.1</p> <p>From: 25-Apr-17</p> <p>To: 16-Nov-17</p>	<p>Late population of the initial electrical connection date for 10 ICPs.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated as strong at the time of the audit. There have been no late updates since November 2017 and sound reporting is in place.</p> <p>This field is used as a source of validation for Active and certification dates, there is no impact on settlement but there is a minor impact on participants who use this field in their validation processes. The audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
See Section 3.4, otherwise issue is resolved		7 <sup>th</sup> May 2018	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Reporting in place.		7 <sup>th</sup> May 2018	

Management of “new” status			
Non-compliance	Description		
Audit Ref: 3.13 With: Clause 13 Schedule 11.1  From: 01-Sep-17 To: 03-May-18	362 ICPs incorrectly recorded as New. Potential impact: Medium Actual impact: None Audit history: Multiple times Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as weak because progress on the resolution for the 362 has only recently commenced.  There is no impact on settlement because the metered load is attributed to the associated Active ICPs for the relevant properties. Settlement is occurring and switching can occur. The impact once the issue is resolved is that some customers will have additional line charges. The audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Initial work has been completed to gather information on associated traded ICPs, working with the Inspectors to initiate site visits, and notify affected Customers and Traders.		7 <sup>th</sup> May 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
These ICPs are historical and our current process for new ICPs prevents this from happening.		7 <sup>th</sup> May 2018	

Changes to registry information	
Non-compliance	Description
Audit Ref: 4.1 With: Clause 8 Schedule 11.1  From: 01-Sep-17 To: 31-Mar-18	Some price, network, and address changes were backdated. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating

<b>Low</b>	<p>Controls are rated as moderate because they are not sufficient to ensure that the registry is updated within three business days most of the time.</p> <p>The risk rating is low, because most of the delayed updates were processed within 30 days. Based on the sample checked, the later updates appear to be mostly due to late notification.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
New Connection process has been altered so that initial event dates are set to actual creation date.		24 <sup>th</sup> May 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Updates to existing ICP's Events will use Events Date when the change occurred where appropriate.		24 <sup>th</sup> May 2018	

Notice of NSP for each ICP			
Non-compliance	Description		
<p>Audit Ref: 4.2</p> <p>With: Clauses 7(1),(4) and (5) Schedule 11.1</p> <p>From: 01-Sep-17</p> <p>To: 31-Mar-18</p>	<p>At least five ICPs with an incorrect NSP recorded.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating:2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are rated as moderate because most ICP to NSP relationships are now managed. There are 141 ICPs requiring further analysis.</p> <p>The audit risk rating is low because both relevant NSPs are in the same balancing area, thus reducing the impact on settlement.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
A task to address this has been created. This task is in the process of getting assigned to our Inspectors who will be tasked with collecting the required info and reporting back to the Drawing Office where the GIS will be updated.		8 <sup>th</sup> August 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
These ICP's are historical and our current process for new ICP's has addressed the issues allowing for this to happen.		23 <sup>rd</sup> May 2018	

Distributors to Provide ICP Information to the Registry manager			
Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1)(m) & (p) Schedule 11.1  From: 01-Sep-17 To: 31-Mar-18	Some DG and IECD discrepancies found Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as strong because they mitigate risk to an acceptable level. The audit risk rating is recorded as low because the overall number of variances is low and the impact is negligible.		
Actions taken to resolve the issue		Completion date	Remedial action status
Generation and initial Electrical Connection Date Errors have been amended.		22 <sup>nd</sup> May 2018	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Better care will be taken in entering data.		22 <sup>nd</sup> May 2018	

Provision of information to registry after the trading of electricity at the ICP commences			
Non-compliance	Description		
Audit Ref: 4.7 With: Clause 7(3) Schedule 11.1  From: 25-Apr-17 To: 16-Nov-17	Three backdated Price Category codes for new connections. Potential impact: Low Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as strong because they mitigate risk to an acceptable level. The three examples identified were not traditional new connections. There is no impact on settlement or participants; therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status

The three ICPs were entered with a back dated initial Electrical Connection Date at the request of the Trader.	22/05/2018	Cleared
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
	22/05/2018	

Creation of loss factors			
Non-compliance	Description		
Audit Ref: 8.1 With: Clause 11.2  From: 01-Sep-17 To: 31-Mar-18	Loss factors are not accurate in relation to reconciliation losses. Potential impact: Medium Actual impact: Medium Audit history: None Controls: Weak Breach risk rating: 6		
Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	The controls are recorded as weak because loss factors are not changed to reflect reconciliation losses.  UFE is allocated to participants; therefore there is no adverse impact on settlement; however retailers may use published losses in pricing decisions, therefore the use of inaccurate loss factors could lead to incorrect pricing, which is considered a moderate impact.		
Actions taken to resolve the issue		Completion date	Remedial action status
A review of Loss factors will be carried out and Loss factors will be amended where appropriate.		7 <sup>th</sup> May 2019	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
Annual review of Loss factors will be carried as part of Pricing.		7 <sup>th</sup> May 2019	