

## Compliance plan for Electric Kiwi

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2 From: 01-Jan-18 To: 31-Dec-18	Registry discrepancies for some ICPs (status and trader entries) 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. Electric Kiwi put a number of monitoring tools in place. The company is in the process of synchronising two sets of data. It is more important to have correct information in the registry than “avoiding” backdating to be compliant with other clauses. The audit risk rating is low because the impact on the settlement outcome is minor.		
Actions taken to resolve the issue	Completion date	Remedial action status	
Post our audit in 2018, we implemented a monthly LIS file checker to compare the LIS file and NEST for any period between R14 and the latest month. In September 2018, we changed the frequency to twice per month so that we would catch discrepancies faster. Because of this checker, there were a higher frequency of backdated changes in September and October 2018. However, the checker now ensures that nearly all discrepancies between NEST and the registry are corrected within the initial reconciliation period.	Sept 2018	Identified	
Preventative actions taken to ensure no further issues will occur	Completion date		
We will continue to perform the above validations twice per month.	Ongoing		

Non-compliance	Description		
Audit Ref: 2.2 With: 15.35 From: 01-Jun-18 To: 31-Jul-18	NNHVOLS for June'18 was submitted one month late 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>	Controls are recorded as strong. Electric Kiwi has very good process to account for backdated UMLs		
Actions taken to resolve the issue		Completion date	Remedial action status
We were unsure if the unmetered load on this one ICP was correct or if it was a network error, and it took longer than usual to confirm. By the time confirmation was complete, we submitted June's NNHVOLS on 1 Aug.		1 August 2018	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We've changed our process so that in the future we will reconcile in the correct time frame even if we're not sure the UML is correct.		1 February 2019	

Non-compliance	Description		
Audit Ref: 3.3 With: 10 of Schedule 11.1 From: 01-Jan-18 To: 31-Dec-18	Information related to trader information and ICPs' status was backdated Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as strong. Most of backdated changes are related to "clean-up" process. Once the process was complete, the number of backdated entries dropped to "acceptable" level caused by a special circumstances. Backdated status changes to the registry have a minor impact on settlement outcomes because Electric Kiwi uses ICP's billing status to determine if volumes should be submitted. Audit Risk Rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Post our audit in 2018, we implemented a monthly LIS file checker to compare the LIS file and NEST for any period between R14 and the latest month. In September 2018, we changed the frequency to twice per month so that we would catch discrepancies faster. Because of this checker, there were a higher frequency of backdated changes in September and October 2018. However, the checker now ensures that nearly all discrepancies between NEST and the registry are corrected within the initial reconciliation period.		Sept 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue to perform the above validations twice per month.		Ongoing	

Non-compliance	Description		
Audit Ref: 3.8 With: 19(a) of Schedule 11.1  From: 01-Jan-18 To: 31-Dec-18	Incorrect application of the “active” status in the registry for some ICPs Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as strong. Most of backdated changes are related to “clean-up” process. Once the process was complete, the number of backdated entries dropped to “acceptable” level caused by a special circumstances. Backdated status changes to the registry have a minor impact on settlement outcomes because Electric Kiwi uses ICP’s billing status to determine if volumes should be submitted. Audit Risk Rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Post our audit in 2018, we implemented a monthly LIS file checker to compare the LIS file and NEST for any period between R14 and the latest month.  In September 2018, we changed the frequency to twice per month so that we would catch discrepancies faster.  Because of this checker, there were a higher frequency of backdated changes in September and October 2018. However, the checker now ensures that nearly all discrepancies between NEST and the registry are corrected within the initial reconciliation period.		Sept 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue to perform the above validations twice per month.		Ongoing	

Non-compliance	Description		
Audit Ref: 3.9 With: 19(1)(a) of Schedule 11.1  From: 01-Jan-18 To: 31-Dec-18	Incorrect application of the “inactive” status” in the registry for some 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>	The controls are rated as strong . The same assessment as per <b>section 3.8</b> . Audit Risk Rating assigned as low because any impact on settlement outcomes is minor		
Actions taken to resolve the issue	Completion date	Remedial action status	
Post our audit in 2018, we implemented a monthly LIS file checker to compare the LIS file and NEST for any period between R14 and the latest month.  In September 2018, we changed the frequency to twice per month so that we would catch discrepancies faster.  Because of this checker, there were a higher frequency of backdated changes in September and October 2018. However, the checker now ensures that nearly all discrepancies between NEST and the registry are corrected within the initial reconciliation period.	Sept 2018	Identified	
Preventative actions taken to ensure no further issues will occur	Completion date		
We will continue to perform the above validations twice per month.	Ongoing		

Non-compliance	Description		
Audit Ref: 4.4 With: 6(1) of Schedule 11.3  From: 01-Jan-18 To: 31-Dec-18	For some switches Electric Kiwi does not use the switch event read provided by the losing trader because their RRs were rejected  Potential impact: Low  Actual impact: Low  Audit history: Multiple times  Controls: Strong  Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated strong. Electric Kiwi have developed a very good process to evaluate a switch event read, compare with their records and send RR file if necessary.</p> <p>As of 23/1/19, Electric Kiwi implemented the automated process that upon receiving the CS, NEST calculates the difference between the switch read and the start read of the actual register read. than schedules and sent the RR to the registry. At the moment it applies to switches for which Electric Kiwi receives AMI reads within 5 BD.</p> <p>Audit risk rating is rated as low because Electric Kiwi trades low volume ICPs. The switch event reads provided by a losing trader could underestimate or over-estimate. The difference could cancel each other out. Of course, from a customer perspective, the picture is different. The issue may have a minor impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Since our 2018 audit, we have implemented the following process and system changes: <ul style="list-style-type: none"> <li>- sending an RR anytime the switch read in the CS file differs by 1 kWh or more</li> <li>- sending RRs multiple times for an ICP when the losing retailer continues to reject our RR (despite us sending a validated AMI read)</li> <li>- automated the sending of RRs from NEST to the registry since 23 January 2019</li> </ul>		January 2018 & 23 Jan 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue with the above actions		Ongoing	

Non-compliance	Description		
Audit Ref: 4.11 With: 12 of Schedule 11.3  From: 01-Jan-18 To: 31-Dec-18	For some switches Electric Kiwi did not use the switch event read provided by the losing trader; 15 RR files sent after 4 months  Potential impact: Low  Actual impact: Low  Audit history: Multiple times  Controls: Strong  Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated strong. Electric Kiwi have developed a very good process to evaluate a switch event read, compare with their records and send RR file if necessary.</p> <p>As of 26/1/19, Electric Kiwi implemented the automated process that upon receiving the CS, NEST calculates the difference between the switch read and the start read of the actual register read. than schedules and sent the RR to the registry. At the moment it applies to switches for which Electric Kiwi receives AMI reads within 5 BD.</p> <p>Audit risk rating is rated as low because Electric Kiwi trades low volume ICPs. The switch event reads provided by a losing trader could underestimate or over-estimate. The difference could cancel each other out. Of course, from a customer perspective, the picture is different. The issue may have a minor impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Since our 2018 audit, we have implemented the following process and system changes: <ul style="list-style-type: none"> <li>- sending an RR anytime the switch read in the CS file differs by 1 kWh or more</li> <li>- sending RRs multiple times for an ICP when the losing retailer continues to reject our RR (despite us sending a validated AMI read)</li> <li>- automated the sending of RRs from NEST to the registry since 23 January 2019</li> </ul>		January 2018 & 23 Jan 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue with the above actions		Ongoing	

Non-compliance	Description		
Audit Ref: 11.4 With: 15.8 From: 01-Jan-18 To: 31-Dec-18	HHRAGGR files do not contain electricity supplied information 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>	Electric Kiwi submits submissions volumes as per the reconciliation manager specification.		
Actions taken to resolve the issue		Completion date	Remedial action status
As noted by the auditor above, there is a misalignment between the Code requirements and RM file specification. Therefore, we believe there is no action here.			Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	



Non-compliance	Description		
Audit Ref: 12.2 With: 15.4 From: 01-Jun-18 To: 31-Jul-18	NNHVOLS for June'18 was submitted one month later 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>	Controls are recorded as strong. Electric Kiwi has very good process to account for backdated UMLs		
Actions taken to resolve the issue		Completion date	Remedial action status
We were unsure if the unmetered load on this one ICP was correct or if it was a network error, and it took longer than usual to confirm. By the time confirmation was complete, we submitted June's NNHVOLS on 1 Aug.		1 August 2018	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We've changed our process so that in the future we will reconcile in the correct time frame even if we're not sure the UML is correct.		1 February 2019	

Non-compliance	Description		
Audit Ref: 12.3 With: 15.5  From: 01-Jan-18 To: 31-Dec-18	Submissions for some ICPs are not allocated to NSPs assigned in the registry  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Weak  Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	Controls are recorded as weak because pre-audit, Electric Kiwi did not include NSP allocation as one of parameters when comparing NEST data and the registry. Audit risk rating is recorded as low because the clean-up process is nearly finished, and additional parameters has been added to fortnightly checks.		
Actions taken to resolve the issue		Completion date	Remedial action status
Once this was identified by our auditor, we immediately implemented a process to ensure we're checking the GR090 for discrepancies each time a report is published.		Jan 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We are working on changes to our LIS file vs NEST bi-monthly reconciliation which will capture POC discrepancies. This will ensure that we can catch any errors prior to submitting RM files.		Estimated: June 2019	