

Compliance plan for Switch Utilities – 2019

Relevant information		
Non-compliance	Description	
Audit Ref: 2.1 With: Clause 10.6, 11.2, 15.2 From: 01-Jul-18 To: 20-Feb-19	Some errors found in registry data. Some submission revisions not conducted as soon as practicable. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 4	
Audit risk rating	Rationale for audit risk rating	
Medium	Controls are rated as moderate as they are sufficient to mitigate risk most of the time, but there is room for improvement. The audit risk rating is low as the overall volume of ICPs affected is low.	
Actions taken to resolve the issue	Completion date	Remedial action status

<p>We acknowledge the auditors feedback in relation to the maintenance of registry data. Our commentary is as follows:</p> <ol style="list-style-type: none"> 1. We have resolved the PV1 profile issue, although note it never affected submission and is only a paper issue. 2. We have been working on the MEP issue with NGCM/ARC in relation to the site being stuck on “Category 9” but we require the MEP to ultimately resolve this. We will continue to follow up with them on it, again this does not affect submissions. 3. We accept that in some instances the ANZSIC codes have been entered incorrectly. We will follow up with the relevant agents. We do have a robust process for collection of ANZSIC code information built into our commercial sales tool which requires the agent to acknowledge the existing code and confirm it is more correct or provide more accurate information. In some cases, certain agents have not updated this, and we will be following this up with their respective managers. <p>With respect to the issue identified relating to ICP statuses:</p> <p>The discrepancies identified are caused by one specific scenario, which is the acquisition of a customer already in a de-energised state. As a part of the acquisition process, we will oftentimes reconnect a customer. In certain situations, the paperwork relating to the reconnection arrives prior to the completion of the CS file which means at the time of receipt we are unable to process the status update.</p> <p>Our agents in these cases will note the paperwork requires further processing, and hold it until the switch completes. However, in certain situations as a result of human error the status update has been missed or forgotten and not updated on the later completion of the switch.</p> <p>Consequently, we accept that the process in this area is not as robust as it could be and that it does have an impact on submission information. We do have periodic standard reporting which attempts to flag these but accept that again this has not been sufficient to resolve the issue. We will therefore be including within the list of validation errors generated on our Electricity UI for our provisioning (switching and field services) teams sites having consumption while recorded inactive. This will allow a more robust level of reporting and also on-going monitoring within management reporting not currently available from existing reporting.</p> <p>Additionally we are cross-training additional resources from equivalent Telecommunications areas of our business to improve the resourcing allocated to management of return paperwork.</p>	<p>01/08/2019</p>	<p>Identified</p>
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Preventative actions taken to ensure no further issues will occur	Completion date
Included above	

Electrical Connection of Point of Connection		
Non-compliance	Description	
Audit Ref: 2.11 With: Clause 10.32 From: 01-Oct-17 To: 03-Apr-19	Four reconnections were not certified within five business days. 8 bridged meters not recertified within five business days Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	I've rated the controls as moderate because they are strong for new connections but there are no controls in place for ensuring certification occurs at the time of reconnection. Uncertified metering installations are likely to be less accurate than certified metering installations, so there could be a minor impact on settlement. The audit risk rating is recorded as low.	
Actions taken to resolve the issue	Completion date	Remedial action status
We acknowledge that our processes did not include the requirement for recertification upon reconnection for sites not having active certification, and where bridging has occurred, and we are modifying our business process flag this to agents at the point of reconnection and require a recertification job to be raised. There will also be additional staff training.	01/06/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Changes to registry information			
Non-compliance	Description		
<p>Audit Ref: 3.3</p> <p>With: Clause 10 of schedule 11.1</p> <p>From: 01-Mar-18</p> <p>To: 20-Mar-19</p>	<p>Registry information not updated within 5 business days of the event.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls will mitigate risk most of the time but some room for improvement was identified.</p> <p>The audit risk rating is low because there is a minor impact on submission for some of the late updates to Active and late MEP nominations can cause MEPs to be late with their metering updates.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>We have recognized that the delays in this area can be resolved through a greater level of resourcing on these business processes, so we are currently cross-training additional resources from the equivalent telecommunications teams to assist in the management of paperwork. This should improve our level of compliance in this area through improved resourcing.</p> <p>We would anticipate that the cross-training can be completed over the next four months.</p>		01/08/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Provision of information to the registry manager			
Non-compliance	Description		
Audit Ref: 3.5 With: Clause 9 of Schedule 11.1 From: 16-Oct-18 To: 23-Oct-18	Registry information not updated within 5 business days of the event for one new connection. Potential impact: Low Actual impact: Low Audit history: Twice 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. The audit risk rating is low as there was only a minor impact on settlement although the MEP could not update the registry on time.		
Actions taken to resolve the issue		Completion date	Remedial action status
We believe that this delay for one ICP was a one-off occurrence relating to late paperwork from the field.		Resolved	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	

ANZSIC codes		
Non-compliance	Description	
Audit Ref: 3.6 With: Clause 9 (1(k) of Schedule 11.1 From: 01-Mar-18 To: 20-Mar-19	Incorrect ANZSIC codes assigned for 19 of 150 ICPs checked. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	Controls will mitigate risk most of the time but there are still some errors. There is no impact on other participants or settlement, but there is an impact on the Authority because this information is used for other reporting functions.	
Actions taken to resolve the issue	Completion date	Remedial action status
Refer to commentary in 2.1 relating to ANZSIC codes.	01/05/2019 (updates of existing) Monitoring on-going compliance	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Management of "active" status			
Non-compliance	Description		
Audit Ref: 3.8 With: Clause 17 of Schedule 11.1 From: 14-Mar-18 To: 28-Mar-19	Some ICPs with active status discrepancies. Potential impact: Medium Actual impact: Medium Audit history: Once Controls: Weak Breach risk rating: 6		
Audit risk rating	Rationale for audit risk rating		
Medium	The controls are recorded as weak, because although there is reporting in place, the follow up actions do not appear to be conducted regularly. Submission does not occur until the status is changed to Active, therefore there is a moderate impact on settlement if this is not immediately resolved. The audit risk rating is medium.		
Actions taken to resolve the issue		Completion date	Remedial action status
Status discrepancy addressed in response to Section 2.1		Resolved (historic)	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Losing trader response to switch request and event dates - standard switch		
Non-compliance	Description	
Audit Ref: 4.2 With: Clauses 3 and 4 of Schedule 11.3 From: 01-Mar-18 To: 20-Mar-19	Four late AN files. Potential impact: Low Actual impact: None Audit history: Once Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	Strong controls are in place, there were only three late files and they were all sent on the same day which was one day late. The impact on participants is minor, therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
All of the late AN files related to very specific one-off system issues, and we believe we achieve a high level of compliance in this area.		Resolved
Preventative actions taken to ensure no further issues will occur		Completion date
We will continue to consider how systems could be improved to identify and resolve discrepancies before they become late.		
		Remedial action status
		Cleared

Losing trader must provide final information - standard switch		
Non-compliance	Description	
<p>Audit Ref: 4.3</p> <p>With: Clause 5 of Schedule 11.3</p> <p>From: 01-Mar-18</p> <p>To: 20-Mar-19</p>	<p>Incorrect average daily consumption for 11 ICPs.</p> <p>Incorrect reads used in CS files. Reads from 24.00 on the switch date instead of 00.00 on the switch date.</p> <p>Date of last reading incorrect when estimates are sent.</p> <p>2 late CS files.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because there is room for improvement.</p> <p>The impact on settlement and participants is minor, therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>We have resolved all of the CS File content issues identified by the auditor since the on-site audit date.</p> <p>The fix was deployed on 10 April 2019. Specifically;</p> <ol style="list-style-type: none"> 1. We confirmed that the system code for selecting the "last actual read date" was incorrectly inputting the switch event date. The code for this section has been modified to find the last reading date with a read type having an "Actual Reading" flag. 2. We confirmed that the CS reading date selection criteria was incorrect and using the switch event date, and not the day prior to the switch event date. We believe the reason this discrepancy was not previously immediately apparent during system testing for the material change audit as there was a separate system issue relating to the time zone conversion which previously caused the system to select the correct reading incidentally for the day prior. When the system handling for time zone correction was corrected, we believe this inadvertently caused the CS file content to become incorrect due to the pre-existing code error. <p>The two CS file delays we caused by specific and one-off issues with the respective switches and are not symptomatic of a wider system issue.</p>	Resolved	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	

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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-Mar-18 To: 20-Mar-19	20 late RR files Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The late RR files lead to re-work for both traders, but the impact is minor for each ICP; therefore, the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status

<p>We accept the Auditors feedback in relation to circumstances in which Read Disputes should have been accepted.</p> <p>The incorrect rejections resulted from a misunderstanding of processing rules by some team members, specifically the need to accept read disputes from AMI traders, combined with the fact that from the agents perspective we had switched on an actual read but the separate system issue in relation to which day's reading was used resulted in an overall non-compliant situation.</p> <p>To address this we have taken two actions:</p> <ol style="list-style-type: none"> 1. We have released a bug-fix to resolve the read selection process to ensure that the reading from the day before the event date, and not the event date, is used. 2. We have provided further training to the team to address the misunderstanding of read dispute processes in relation to AMI sites where the new trader is reconciling as time of use. <p>With respect to the late RR files, these will be a consequence of our not having read information within 4 months of the event date (or that the switch is back-dated more than 4 months meaning compliance is not possible). Where the 4 months allowed has already elapsed, but the readings we obtain indicate that there is likely to be a material difference on the start readings based on readings obtained, we will still process an RR to meet our compliance requirement to supply complete and accurate information as not to cause material anomalies in market submissions as we will perceive the need for resolution outweighs timeliness.</p>	Resolved	Cleared
<p style="text-align: center;">Preventative actions taken to ensure no further issues will occur</p>	<p style="text-align: center;">Completion date</p>	

Non-half hour switch event meter reading - standard switch		
Non-compliance	Description	
Audit Ref: 4.5 With: Clause 6(2) and (3) Schedule 11.3 From: 01-Mar-18 To: 20-Mar-19	At least 9 RR files incorrectly rejected. Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. It's possible that consumption for the day of the switch is billed and reconciled twice for day of the switch, but the impact is minor for each ICP; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
<p>We accept the Auditors feedback in relation to circumstances in which Read Disputes should have been accepted.</p> <p>The incorrect rejections resulted from a misunderstanding of processing rules by some team members, specifically the need to accept read disputes from AMI traders, combined with the fact that from the agents perspective we had switched on an actual read but the separate system issue in relation to which day's reading was used resulted in an overall non-compliant situation.</p> <p>To address this we have taken two actions:</p> <ol style="list-style-type: none"> 1. We have released a bug-fix to resolve the read selection process to ensure that the reading from the day before the event date, and not the event date, is used. 2. We have provided further training to the team to address the misunderstanding of read dispute processes in relation to AMI sites where the new trader is reconciling as time of use. 		Resolved
Preventative actions taken to ensure no further issues will occur		Completion date
As above		
		Remedial action status
		Cleared

Losing trader provides information - switch move		
Non-compliance	Description	
Audit Ref: 4.8 With: Clause 10(1) Schedule 11.3 From: 01-Mar-18 To: 20-Mar-19	Four late AN files. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	Switch Utilities' controls are strong and there were only four late files. This has no direct impact on reconciliation hence audit risk rating is low.	
Actions taken to resolve the issue		Completion date
We acknowledge that there were a small number of non-compliant acknowledgement files sent. All of these late AN files relate to specific and on-off issues with the particular switches involved and we do not believe there are system issues.		Monitoring
Preventative actions taken to ensure no further issues will occur		Completion date
We do have existing daily monitoring of events likely to breach, which is used to escalate potential issues. It has not always been possible to resolve the cause of the delay prior to breach, but most of the issues have been data related from the historic transition of systems after the Vocus-Switch purchase, and significant data quality improvements have been made over the past 12 months meaning that issues are becoming less common compared to previous audit periods.		
Identified		

Losing trader must provide final information - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.10</p> <p>With: Clause 11 of Schedule 11.3</p> <p>From: 01-Mar-18</p> <p>To: 20-Mar-19</p>	<p>Incorrect average daily consumption for 5 ICPs.</p> <p>Incorrect reads used in CS files. Reads from 24.00 on the switch date instead of 00.00 on the switch date.</p> <p>Date of last reading incorrect when estimates are sent.</p> <p>Incorrect negative consumption in 2 CS files.</p> <p>37 late CS files.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because there is room for improvement.</p> <p>The impact on settlement and participants is minor, therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>We have resolved the issues relating to the reading used, and the last actual reading date as noted in earlier sections.</p> <p>We are investigating why the daily estimate values are not being updated in some instances, but believe it is likely to be a scheduling/timing issue and will release a bug-fix once the cause is identified.</p>	01/06/2019 (daily estimate investigation + fix)	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Gaining trader changes to switch meter reading - switch move		
Non-compliance	Description	
Audit Ref: 4.11 With: Clause 12 of Schedule 11.3 From: 01-Mar-18 To: 20-Mar-19	At least 3 RR files incorrectly rejected. 6 late RR files and 8 late AC files. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. It's possible that consumption for the day of the switch is billed and reconciled twice, but the impact is minor for each ICP; therefore, the audit risk rating is low. The late RR and AC files can cause rework for both traders. The impact is also low for these late files.	
Actions taken to resolve the issue		Completion date
Refer to commentary in Section 4.5 in relation to RR processes.		Resolved
Preventative actions taken to ensure no further issues will occur		Completion date
		Cleared

Losing trader provision of information - gaining trader switch		
Non-compliance	Description	
Audit Ref: 4.13 With: Clause 15 Schedule 11.3 From: 01-Mar-18 To: 20-Mar-19	5 late AN files. 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 recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor, therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
We understand that the registry breach reporting is inaccurate with respect to gaining trader switches, so we have modified our monitoring to presume a response is required at an earlier point than the reports number of remaining days would indicate.		Monitoring
Preventative actions taken to ensure no further issues will occur		Completion date
		Identified

Withdrawal of switch requests		
Non-compliance	Description	
<p>Audit Ref: 4.15</p> <p>With: Clauses 17 and 18 of Schedule 11.3</p> <p>From: 01-Mar-18</p> <p>To: 20-Mar-19</p>	<p>7 late AW files</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	
Low	<p>Errors are mitigated most of the time, therefore the controls are rated as moderate.</p> <p>The impact on other participants is minor, therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Refer to preventative action below.		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>The late AW files were predominantly due to agents not completing required queued actions in a timely manner.</p> <p>The predominant reason for this is that the interface recording queued actions does not include a timer or other obvious indicator to show which responses are required first. Although we do have daily notifications to teams identifying ICPs with few days remaining this is based off the registry breach reporting which appears not always to be accurate.</p> <p>We are planning to modify the interface to show the number of business days remaining to make soon-to-breach ICPs more apparent to ensure action occurs in a timely manner.</p>	1/12/2019	

Electricity conveyed & notification by embedded generators		
Non-compliance	Description	
Audit Ref: 6.1 With: Clause 10.13, Clause 10.24 and 15.13 From: 01-Mar-18 To: 20-Mar-19	Generation kWh not submitted for ICP 1001136673LC11F. 37 bridged meters where electricity was not quantified. Potential impact: Medium Actual impact: Medium Audit history: None Controls: Moderate Breach risk rating: 4	
Audit risk rating	Rationale for audit risk rating	
Medium	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is moderate, therefore the audit risk rating is medium.	
Actions taken to resolve the issue	Completion date	Remedial action status
The injection volumes issue affecting 1001136673LC11F was resolved in December 2018 and injection volumes have been submitted on revisions for R14 2017-11, 2017-12 and 2018-01, R7 2018-06, 2018-07 and 2018-08, R3 2018-10, 2018-11 and 2018-12, R1 2018-12, and in all submissions from 2019-01 onwards. We acknowledge that there is a gap in our operational processes and systems relating to management of bridged and stopped meters. We have raised a high-priority development item to add a mechanism to our energy platform to allow field service agents to load estimations for submission and billing purposes and estimate that this can be delivered within 4 – 6 months including testing.	Resolved (injection) 01/10/2019 (bridged/stopped meters process)	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

NHH meter reading application		
Non-compliance	Description	
<p>Audit Ref: 6.7</p> <p>With: Clause 6 Schedule 15.2</p> <p>From: 01-Jun-17</p> <p>To: 28-Feb-18</p>	<p>Switch event meter readings applied to 24.00 instead of 00.00.</p> <p>NHH meter readings applied to the end of the day before for NHH to HHR changes.</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	
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact on settlement and participants is minor, therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Commentary on this issue recorded in Section 4.3; this has been resolved.	Completed	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	

Interrogate meters once			
Non-compliance	Description		
<p>Audit Ref: 6.8</p> <p>With: Clause 7(1) and (2) of Schedule 15.2</p> <p>From: 01-Mar-18</p> <p>To: 20-Mar-19</p>	<p>113 ICPs not read during the period of supply. Best endeavours not demonstrated.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate because improvements have been made and they mitigate risk most of the time but there is room for improvement</p> <p>The impact on settlement from an estimate for a short period is minor therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>As we will detail in the next section, we have invested significant work into the systems in this area. Our efforts to date had been focused on sites we estimate would have the most material impact or which have been unread the longest.</p> <p>We recognize that we have not always been able to achieve a reading during the period of supply, and this is generally a consequence of ICPs being with us for only a short period of time, usually due to win-back activity where compliance is not possible.</p> <p>We had previously introduced some reporting to identify where a site switches in and the CS File indicates that the previous retailer has not obtained a reading for some time, indicating that read attainment may be an issue.</p>		01/12/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We are now formalizing the previously mentioned reporting of potentially problematic sites task scheduling events built into the Electricity Interfaces used for administering customer switching so that active input is required and the timeliness of investigation and administration of these reports can be measured with KPIs, similar to how we administer and monitor actions to respond to withdrawals and read disputes.</p>		01/12/2019	

NHH meters interrogated annually			
Non-compliance	Description		
<p>Audit Ref: 6.9</p> <p>With: Clause 8(1) and (2) of Schedule 15.2</p> <p>From: 01-Mar-18</p> <p>To: 20-Mar-19</p>	<p>Best endeavors not demonstrated for three ICPs not read in the previous 12 months.</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		
Low	<p>The controls have been improved and are recorded as strong because they have reduced risk to an acceptable level.</p> <p>The impact on settlement is minor because estimates have been conducted, therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>We have invested significant effort in read attainment over the past 9 months, and since our last audit, and our focuses have been on resolving the oldest and likely most consequential (i.e. larger, commercial) connections.</p> <p>We recognize that more effort is required in the residential space as identified by the auditor, and we are working to build new systems in the residential business units to improve compliance under those brands.</p> <p>We have been deploying smart meters where possible as the gold standard in resolving issues of read attainment.</p>		<p>01/12/2019 (new system development)</p> <p>01/07/2019 (interim manual processes fully operational)</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>In addition to the steps we are taking that are noted above, we are reviewing business wide automated communication processes to encourage customers to contact us to work to resolve non-compliance and achieve compliance as required by the guidelines. We are implementing other interim manual steps to increase the level of messaging.</p>		<p>01/12/2019 (new system development)</p> <p>01/07/2019 (interim manual processes fully operational)</p>	

NHH meters 90% read rate			
Non-compliance	Description		
<p>Audit Ref: 6.10</p> <p>With: Clause 9(1) and (2) of Schedule 15.2</p> <p>From: 01-Dec-18</p> <p>To: 31-Mar-19</p>	<p>Best endeavors not demonstrated for two ICPs not read in the previous four months.</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		
Low	<p>The controls are recorded as strong because they reduce risk to an acceptable level.</p> <p>The impact on settlement is minor because estimates have needed to be conducted, therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The areas of non-compliance here are predominantly the result of having some read attainment issues on NSPs with very few ICPs.</p> <p>As noted in the previous section our focus had been on resolving the oldest ICPs with non-compliance, but we recognize that additional effort can be taken to improve compliance here.</p> <p>We believe the addition of automated communication methodologies will improve our level of compliance as noted in the previous section.</p>		<p>01/12/2019 (new system development)</p> <p>01/07/2019 (interim processes fully operational)</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Calculation of ICP days		
Non-compliance	Description	
Audit Ref: 11.2 With: Clause 15.6 From: 01-Jun-17 To: 31-Mar-19	ICP days calculation incorrect for one scenario. Potential impact: Medium Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement is minor, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
The ICP days discrepancy has been mostly resolved, and now only occurs in one specific scenario – where due to timing there is no reading information at all and the system applies default estimations. This generally occurs only where a switch completes, and a LIS file is generated, but we have not yet loaded the CS file. We are currently preparing material change audit information for a complete system fix for this final edge case.	01/06/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Electricity supplied information provision to the reconciliation manager		
Non-compliance	Description	
Audit Ref: 11.3 With: Clause 15.7 From: 01-Aug-17 To: 01-Jan-19	Inaccurate electricity supplied data from August 2017. Potential impact: None Actual impact: None Audit history: Once Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. This data is used as an indicator and there is no impact on settlement, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>We identified the issue in relation to the electricity supplied information late last year and released a fix. The issue resulted in under-reporting of Electricity Supplied meaning that on the face of it, billed volume looked less than submitted volume.</p> <p>This bug was caused by billing which occurs for some brands billed out of a particular billing engine where estimation has occurred, and incorrect de-duplication process meant that if two days had the same consumption billed (often the case for estimations for a part of whole month) this was incorrectly identified as "duplicated" and therefore the billed volume was under-reported. This difference grew as the number of customers billed into those platforms grew.</p> <p>We do not believe that there is an overall issue of over-submission.</p> <p>We note that the historic discrepancy prior to 2017 was a consequence of our migration from Type-2 (white-labelled) trading to electricity participant trading as reported in previous audits.</p>	Resolved	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	

HHR aggregates information provision to the reconciliation manager		
Non-compliance	Description	
Audit Ref: 11.4 With: Clause 15.8 From: 01-Jun-17 To: 20-Mar-19	Aggregates file contains submission information. Generation not included in aggregates file for ICP 1001136673LC11F. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
Commentary on the Generation issue outlined in Section 6.1 We did submit a Code Change recommendation in relation to the content of aggregate file information, and are awaiting Authority action on this matter.	Resolved (generation issue) TBC – code change pending	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	

Creation of submission information		
Non-compliance	Description	
Audit Ref: 12.2 With: Clause 15.4 From: 01-Jan-18 To: 31-Jan-18	Submission not occurring for 140 inactive ICPs with consumption totaling 208,187 kWh. Potential impact: Medium Actual impact: Medium Audit history: Once Controls: Moderate Breach risk rating: 4	
Audit risk rating	Rationale for audit risk rating	
Medium	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement was moderate, therefore the audit risk rating is medium.	
Actions taken to resolve the issue		Completion date
Commentary on this issue provided in Section 2.1.		Resolved (historic inactive)
Preventative actions taken to ensure no further issues will occur		Completion date
Remedial action status		
Identified		

Allocation of submission information			
Non-compliance	Description		
Audit Ref: 12.3 With: Clause 15.5 From: 01-May-18 To: 23-Jan-19	NSP ALB1101 had an entire combination (VECW1) missing from the R7 revision. Potential impact: Medium Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. There was no impact on submission; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have identified that this was caused by human error, and was a one-off occurrence. There was no market impact.		Resolved	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We now have more detailed NSP-level revision comparisons in the pre-submission checks which should prevent a recurrence of this specific problem.			

Accuracy of submission information		
Non-compliance	Description	
Audit Ref: 12.7 With: Clause 15.12 From: 01-Jan-17 To: 31-Mar-19	There are 140 inactive ICPs with consumption totalling 208,187 kWh. Generation kWh not submitted for ICP 1001136673LC11F. Correction not conducted for 37 bridged meters. Potential impact: Medium Actual impact: Medium Audit history: None Controls: Moderate Breach risk rating: 4	
Audit risk rating	Rationale for audit risk rating	
Medium	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is moderate, therefore the audit risk rating is medium.	
Actions taken to resolve the issue		Completion date
Inactive consumption addressed in Section 2.1 Generation addressed in Section 6.1 Bridged Meters addressed in Section 6.1		Resolved (historic inactive) Resolved (generation) 01/10/2019 (bridged and stopped meters)
Preventative actions taken to ensure no further issues will occur		Completion date
Remedial action status		
Identified		

Permanence of meter readings for reconciliation			
Non-compliance	Description		
Audit Ref: 12.8 With: Clause 4 of Schedule 15.2 From: 01-Aug-17 To: 31-Oct-17	HE not 100% for 11 NSPs in August 2017 and one NSP for October 2017. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because they mitigate risk to an acceptable level. The impact on settlement is dependent on the accuracy of estimates and there is only 5,755 kWh in total so even if the estimates are 20% out it will only be 1,151 kWh. The audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
The lack of permanent estimates in the two affected months was caused by an at the time unidentified issue with permanent estimates not being generated, but this has been resolved and permanent estimates have been correctly generated for all subsequent periods.		Completed	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We believe that permanent estimation is occurring as it should be other than the identified discrepancies over few months in submissions last year.		Completed	

Reconciliation participants to prepare information		
Non-compliance	Description	
Audit Ref: 12.9 With: Clause 2 of Schedule 15.3 From: 01-May-18 To: 28-Feb-19	Incorrect submission information. Potential impact: Medium Actual impact: Medium Audit history: Twice Controls: Moderate Breach risk rating: 4	
Audit risk rating	Rationale for audit risk rating	
Medium	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement is moderate, therefore the audit risk rating is medium.	
Actions taken to resolve the issue	Completion date	Remedial action status
Inactive Sites with Consumption commentary in Section 2.1 HHR Generation site commentary in Section 6.1 Bridged meters commentary in Section 6.1	Resolved (historic inactive sites) Resolved (generation submissions) 01/10/2019 (bridged/stopped meters)	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Forward estimate process		
Non-compliance	Description	
Audit Ref: 12.12 With: Clause 6 of Schedule 15.3 From: 01-Aug-17 To: 20-Mar-19	Two balancing areas with a difference greater than 15% and 100,000 kWh. One incorrect FE scenario. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement is minor, therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
The areas where compliance was not achieved were specific related to two single-ICP issues, and these have been resolved.		TBC
Preventative actions taken to ensure no further issues will occur		Completion date
More generally, we have been working to improve our estimation methodologies, particularly with commercial connections. We have added scripting to generate "placeholder estimates" based on the average unit-per-day values provided in CS files to avoid the system using default estimates in many circumstances as the defaults have been too low for some commercial ICPs. This has reduced under-estimation in most circumstances.		
		Identified

Historical estimate reporting to RM			
Non-compliance	Description		
<p>Audit Ref: 13.4</p> <p>With: Clause 10 of Schedule 15.3</p> <p>From: 01-Aug-17</p> <p>To: 31-Aug-18</p>	<p>HE targets not met for some revisions.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as strong because they mitigate risk to an acceptable level.</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
<p>We are continuing to focus our efforts around meter reading attainment.</p> <p>In the commercial space we have investing significant effort over the past 9 months in resolving historic non-attainment of readings and will continue to work to achieve higher rates of read attainment.</p> <p>We have taken onboard the Auditors feedback that the processes in the residential space could be stronger and we will be working to improve our level of compliance in that area.</p>		<p>01/08/2019</p> <p>(Improved Read Attainment System Development)</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	