

Compliance plan for PowerShop New Zealand 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-Jun-18</p> <p>To: 17-Jul-19</p>	<p>One unknown ANZSIC code was recorded and was corrected during the audit.</p> <p>Four shared unmetered ICPs have trader unmetered daily kWh and unmetered load details missing from the registry.</p> <p>One ICP had an incorrect profile start date applied and was corrected during the audit.</p> <p>Some incorrect statuses, status dates are recorded.</p> <p>Some incorrect submission information identified prior to or during the 2018 audit has not been corrected.</p> <p>Potential impact: Medium</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. I found that most corrections had been processed as required, and compliance had increased since the 2018 audit.</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
Please refer to appropriate sections for detailed comments.	NA	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Please refer to appropriate sections for detailed comments.	NA	

Title: Electrical Connection of Point of Connection		
Non-compliance	Description	
<p>Audit Ref: 2.11</p> <p>With: Clause 10.32</p> <p>From: 25-Sep-18</p> <p>To: 06-May-19</p>	<p>One new connection was not certified within five business days.</p> <p>58 reconnections were not certified within five business days.</p> <p>Potential impact: Medium</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>Controls are strong because there are processes in place to request meter certification for both new connections and reconnections. The MEPs do not always complete certification on request, and some ICPs did not have requests for certification sent due to an oversight.</p> <p>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 because the number and proportion of connections affected is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
In regards to the new connection no action is required as the installation is now certified.	NA	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Post the audit in 2018, Powershop implemented a new process to identify and notify the MEP's of their metering equipment requiring certification. There has been a significant improvement in this area.</p> <p>Powershop believes that compliance should be obtained once reasonable attempts have been made to notify the MEP of their non-compliance. Powershop recommends that the Authority reviews this clause with pragmatism.</p>	NA	

Title: Arrangements for metering equipment provision			
Non-compliance		Description	
Audit Ref: 2.13 With: Clause 10.36 From: 06-Sep-18 To: 17-Jul-19		A MEP arrangement is not in place with WEL Networks, and seven active ICPs with WEL Networks meters are supplied. 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 are rated as strong and the impact as low. Arrangements are in place for all MEPs except WEL Networks, and there is a process to displace WEL Networks meters. Six of the active ICPs which currently have WEL Networks meters have been supplied for less than six months, and the seventh has been supplied for less than 11 months.	
Actions taken to resolve the issue		Completion date	Remedial action status
Powershop believes that an arrangement is in place with WEL Networks and therefore rejects this non-compliance.		NA	Disputed
Preventative actions taken to ensure no further issues will occur		Completion date	
No comment		NA	

Title: Changes to registry information			
Non-compliance		Description	
Audit Ref: 3.3 With: Clause 10 Schedule 11.1 From: 01-Jun-18 To: 17-Jul-18		Registry not updated within five business days of the event for <ul style="list-style-type: none"> • 374 status updates to active; • 489 status updates to inactive; • 455 MEP nominations; and • 513 trader updates. 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, timeliness has improved during the audit period and a large proportion of the late updates occurred early in the period or delays were contributed to by other parties. There was a minor effect on settlement; therefore, the audit risk rating is low.	

Actions taken to resolve the issue	Completion date	Remedial action status
All updates have now been made on the Registry	13/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Post our 2018 audit, Powershop has implemented more rigid controls and this has shown vast improvement over the audit period.	Ongoing	

Title: Provision of information to the registry manager		
Non-compliance	Description	
Audit Ref: 3.5 With: Clause 9 Schedule 11.1 From: 12-Nov-18 To: 06-May-19	45 late updates to active status. ICP 1002055962LC7E7 had active status applied from 12/11/18 on the registry, instead of 20/02/19. 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	This area has strong controls and the late updates identified were generally caused by late receipt of information. The audit risk rating is low, because the impact on settlement is minor.	
Actions taken to resolve the issue	Completion date	Remedial action status
All updates have been made.	13/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powershop is satisfied that is process improvements have made a significant impact on code compliance and will continue to refine the process in order to further improvements.	Ongoing	

Title: ANZSIC codes			
Non-compliance		Description	
Audit Ref: 3.6 With: Clause 9 (1)(k) of Schedule 11.1 From: 23-Apr-2019 To: 19-Jul-2019		ICP 1002059612LC635 temporarily had a don't know ANZSIC code applied. 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		There are strong controls in place: T99 series codes cannot be selected by a user, and the system prompts users to enter ANZSIC codes for commercial ICPs. Only one exception was identified, and it has occurred because the user did not comply with the system prompt. There is no impact on settlement outcomes from incorrect ANZSIC codes but there is a minor 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
The ANZSIC code of this single ICP has now been updated		19/07/2019	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
An incorrect ANZSIC code has no impact on the market so the Breach Risk Rating should be 0. As stated in previous years, the absence of an impact level of "none" being available to auditors is farcical.		NA	

Title: Changes to unmetered load			
Non-compliance		Description	
Audit Ref: 3.7 With: Clause 9(1)(f) of Schedule 11.1 From: 08-Oct-18 To: 17-Jul-19		Four ICPs with unmetered load do not have the UNM flag set to Y, and trader unmetered load details and daily unmetered kWh populated on the registry. 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 did not identify the missing unmetered load details on the registry. There is a minor impact, because some trader unmetered load details are incorrectly recorded on the registry, therefore the audit risk rating is low.	

Actions taken to resolve the issue	Completion date	Remedial action status
These ICPs have now been updated on the Registry	13/08/2019	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
No comment	NA	

Title: Management of "active" status		
Non-compliance	Description	
Audit Ref: 3.8 With: Clause 17 Schedule 11.1 From: 29-Jun-18 To: 20-Feb-19	Six ICPs had incorrect active dates applied in Flux and on the registry. Three have now been corrected. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	This area has strong controls and the late updates identified relate to isolated circumstances. The audit risk rating is low, because the impact on settlement is minor.	
Actions taken to resolve the issue	Completion date	Remedial action status
These ICPs have now been updated in the Registry	13/08/2019	Cleared where possible
Preventative actions taken to ensure no further issues will occur	Completion date	
Powershop is satisfied that its process improvements have made a significant impact on code compliance and will continue to refine the process in order to further improvements	Ongoing	

Title: Management of “inactive” status			
Non-compliance	Description		
Audit Ref: 3.9 With: Clause 19 Schedule 11.1 From: 04-Feb-18 To: 17-Jul-19	Ten ICPs had incorrect inactive status dates applied. Two ICPs had an incorrect inactive status reason applied. ICPs 1000026379BP03D and ICP 0005757487RN231 were not corrected to active status for all periods with inactive consumption. The registry does not reflect the correct status for all dates, and some inactive consumption will be excluded from reconciliation submissions. 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 are processes in place which mitigate risk most of the time, but there is room for improvement. The impact is low, because the impact on settlement and participants is minor and a small number of ICPs are affected.		
Actions taken to resolve the issue		Completion date	Remedial action status
Powershop has now updated the ICPs that they still hold		13/08/2019	Cleared where possible
Preventative actions taken to ensure no further issues will occur		Completion date	
Powershop has reminded agents of the importance of applying the correct status updates		13/08/2019	

Title: Inform registry of switch request for ICPs - standard switch		
Non-compliance	Description	
Audit Ref: 4.1 With: Clause 2 Schedule 11.3 From: 06-Dec-18 To: 06-Dec-18	One NT was issued as a transfer switch, when a switch move should have been applied. 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 are rated as strong, because the process is compliant, and one exception occurred due to a data processing error. The impact is assessed to be low. The switch was completed as requested, and there would be a very minor impact on the Authority’s reporting on switch types.	

Actions taken to resolve the issue	Completion date	Remedial action status
Powershop is unable to resolve this without reversing the switch which would have a material impact on other parties and the customer.	NA	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Post the 2018 audit, Powershop implemented more controls and education to staff around this. This risk has significantly decreased since previous audit.	Ongoing	

Title: Losing trader must provide final information - standard switch		
Non-compliance	Description	
Audit Ref: 4.3 With: Clause 5 Schedule 11.3 From: 15-Jun-18 To: 16-Apr-19	Four late transfer CS files. One transfer CS contained an incorrect read type. Average daily kWh in the CS is not calculated in accordance with the Registry Functional Specification. 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 rated as moderate because they mitigate risk most of the time. Most CS files were on time, only one incorrect read type was identified, and the average daily kWh appeared reasonable. The incorrect CS content occurred early in the audit period. There is no impact on settlement and a minor impact on other participants. The audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
The CS files have been sent	13/08/2019	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Powershop will hold off reviewing its calculation of the average daily kWh value as the recent Switching reform sessions indicated that very few (maybe only 1) participants utilise this value and the recommendation from this industry wide group was to remove this value.	NA	

Title: Retailers must use same reading - standard switch		
Non-compliance	Description	
Audit Ref: 4.4 With: Clause 6(1) and 6A Schedule 11.3 From: 07-Jul-18 To: 21-Mar-19	Six late RR files for transfer switches. One RR contained the same reading as the CS file and was issued in error. Seven RRs were not supported by two validated actual readings. For five RRs and two ACs, the read type recorded in the system did not reflect the read type for the agreed switch reading. 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 rated as moderate overall. Most RRs were on time, but a relatively high proportion were not supported by two validated actual readings. The impact on settlement and other participants is minor. <ul style="list-style-type: none"> • A small number of RRs were issued late. • All of the RRs were supported by some readings and are likely to be correct. • The incorrectly recorded read types in Flux have no impact on settlement. 	
Actions taken to resolve the issue	Completion date	Remedial action status
The issues that can be resolved have been	13/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Post the 2018 audit, there has been improvement in this space. Powershop has compliance training planned to reduce further risk of non-compliance.	Ongoing	

Title: 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: 15-Jun-18 To: 06-Aug-18	Six RRs which should have been accepted under clause 6(2) and (3) of schedule 11.3 were invalidly rejected. One was later accepted on reissue. Potential impact: Low Actual impact: Low Audit history: none Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are currently rated as strong, because no invalid rejections occurred after August 2018, after further preventative and detective controls were implemented.</p> <p>The impact on settlement and other participants is minor, because of the small volume of RRs affected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Powershop is unable to resolve this without reversing the switch which would have a material impact on other parties and the customer.		NA	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Powershop is satisfied with the controls implemented back in Aug 2018 to minimise breach		NA	

Title: Losing trader provides information - switch move			
Non-compliance	Description		
<p>Audit Ref: 4.8</p> <p>With: Clause 10(1) Schedule 11.3</p> <p>From: 10-Jul-18</p> <p>To: 07-Mar-19</p>	<p>Two ANs had proposed event dates before the gaining trader's requested date.</p> <p>Nine ANs had proposed event dates more than ten business days after the NT receipt date and did not match the gaining trader's requested date.</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 strong.</p> <p>For the nine ICPs with event dates more than ten business days after NT receipt, Powershop believed that the date requested by the gaining trader was incorrect, and also issued a withdrawal.</p> <p>The two ICPs with event dates before the gaining trader's requested date were only two days early, and the switch completion dates were compliant.</p> <p>The impact is assessed to be low, because ten of the 11 affected switches were withdrawn or completed with compliant dates. One switch was completed with Powershop's late proposed event date where the gaining trader refused a withdrawal request.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Powershop is unable to resolve the remaining issue as the gaining trader has already rejected a withdrawal request.		NA	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Powershop is satisfied with its current controls.	NA	

Title: Losing trader must provide final information - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.10</p> <p>With: Clause 11 Schedule 11.3</p> <p>From: 11-Jun-18</p> <p>To: 02-May-19</p>	<p>37 late switch move CS files.</p> <p>One switch move CS contained an incorrect read type.</p> <p>One switch move CS contained an incorrect read type, and a reading which did not reflect the actual reading on the event date.</p> <p>One CS contained an incorrect last actual read date.</p> <p>Average daily kWh in the CS is not calculated in accordance with the Registry Functional Specification.</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: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are rated as moderate because they mitigate risk most of the time. The incorrect CS content occurred early in the audit period, and the policies for vacant consumption have since been changed. The average daily kWh appeared reasonable.</p> <p>There is no impact on settlement and a minor impact on other participants. The audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Powershop is unable to resolve these issues without reversing the switches which would have a material impact on other parties and the customer.	NA	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Please see comments in section 4.3 regarding average daily kWh values	NA	

Title: Gaining trader changes to switch meter reading - switch move		
Non-compliance	Description	
Audit Ref: 4.11 With: Clause 6(1) and 6A Schedule 11.3 From: 21-Aug-18 To: 11-Apr-19	11 late RR files for switch moves. One RR was not supported by two validated actual readings. For four RRs, the read type recorded in the system did not reflect the read type for the agreed switch reading. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are rated as moderate overall. Most RRs were on time, and one RR was not supported by two validated actual readings. The impact on settlement and other participants is minor. <ul style="list-style-type: none"> • A small number of RRs were issued late. • All RRs checked were supported by at least one actual reading and are likely to be correct. • The incorrectly recorded read types in Flux have no impact on settlement. 	
Actions taken to resolve the issue	Completion date	Remedial action status
Please see comments in section 4.4	NA	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Please see comments in section 4.4	NA	

Title: Withdrawal of switch requests	
Non-compliance	Description
Audit Ref: 4.15 With: Clauses 17 and 18 Schedule 11.3 From: 05-Jun-18 To: 06-May-19	89 NWs were issued more than two calendar months after the switch date. NWs were issued in error for two ICPs. Both were detected through Powershop's monitoring processes and the switches were reinstated. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as strong. The sample of late NWs checked found that in most cases the delay was due to an investigation being completed prior to issuing the withdrawal request. Further training has been provided to prevent invalidly issued withdrawals, and I did not see any evidence of invalid withdrawal requests after February 2019.</p> <p>The audit risk rating is low. There was a minor impact on settlement due to the correction of consumption information. There was also only a minor impact on the customer.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
These issues cannot be resolved		NA	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Powershop is satisfied with the controls in place since implementing further process change and training. This has seen significant improvement over the last 7 months.		Ongoing	

Title: Metering information			
Non-compliance	Description		
Audit Ref: 4.16 With: Clause 21 Schedule 11.3 From: 03-Jul-18 To: 03-Jul-18	<p>One switch move CS contained an incorrect read type, and a reading which did not reflect the actual reading on the event date.</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 are rated as strong, because the process has been changed to prevent inactive consumption from being passed on to the gaining trader.</p> <p>There was a small impact on the customer and other participants. The audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Powershop is unable to resolve this issue		NA	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Powershop is satisfied with the controls in place since implementing further process change and we will continue to focus on this area		Ongoing	

Title: Maintaining shared unmetered load		
Non-compliance	Description	
Audit Ref: 5.1 With: Clause 11.14 From: 08-Oct-18 To: 17-Jul-19	Four ICPs with unmetered load do not have the UNM flag set to Y, and trader unmetered load details and daily unmetered kWh populated on the registry. 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 did not identify the missing unmetered load details on the registry. There is a minor impact, because some trader unmetered load details are incorrectly recorded on the registry, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
Please see comment in section 3.7	NA	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
Please see comment in section 3.7	NA	

Title: Electricity conveyed & notification by embedded generators		
Non-compliance	Description	
Audit Ref: 6.1 With: Clause 10.13 From: 12-Jun-18 To: 30-Mar-19	While meters were bridged, energy was not metered and quantified according to the code for seven ICPs. 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	Controls are rated as moderate as they are sufficient to reduce the risk most of the time. The audit risk rating is low. 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. All bridged meters reviewed had corrections processed to capture consumption during the bridged period.	

Actions taken to resolve the issue	Completion date	Remedial action status
All ICPs have now been fixed	13/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powershop will continue to enhance the process for bridged meters and supply further training across the team	Ongoing	

Title: NHH meter reading application

Non-compliance	Description
<p>Audit Ref: 6.7 With: Clause 6 Schedule 15.2</p> <p>From: 01-Jun-18 To: 17-Jul-19</p>	<p>Readings provided by Smartco and AMS are not recorded in Flux with the actual read date and time. The read times are rolled forward by one second to ensure that they are correctly applied by the switching and reconciliation processes. Readings provided by Arc, Metrix, and Wells are recorded with the actual read date and time, but readings are not treated as if they have occurred at the end of the read date by the switching process. Consumption between the read time and end of the day is estimated where an ICP switches out. Powershop uses this process to try to increase the accuracy of its switch event readings by capturing consumption after the read time.</p> <p>Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1</p>

Audit risk rating	Rationale for audit risk rating
Low	<p>The controls are rated as strong and the impact as low.</p> <p>While AMS and Smartco reads are not recorded in Flux with the MEP's recorded read date and time, Powershop's process ensures that reads are treated correctly for submission.</p> <p>For Arc, Metrix, and Wells reads, the process to estimate consumption to the end of the last day of responsibility is intended to increase the accuracy of switch readings.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<p>The read time in the Flux system matches the time in the provided file from the MEP therefore Powershop rejects this non-compliance</p> <p>As noted the estimate of consumption to the end of the last day of responsibility increases the accuracy of switch readings and should be acceptable. Powershop openly accepts non-compliance on this but believes that the current wording in the Code is outdated and need to be reviewed as it promotes inaccuracy.</p>	13/08/2019	Investigating

Preventative actions taken to ensure no further issues will occur	Completion date
As above	NA

Title: Interrogate meters once		
Non-compliance	Description	
Audit Ref: 6.8 With: Clause 7(1) and (2) Schedule 15.2 From: 02-Jul-18 To: 20-Feb-19	For at least ten ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3	
Audit risk rating	Rationale for audit risk rating	
Low	A process is not in place for ICPs supplied by Powershop for a short period. If the period is longer the controls are moderate. The impact on settlement from an estimate for a short period is minor, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
Once an ICP has left Powershop there is no way to comply if a read has not yet been obtained.	NA	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Powershop is satisfied with the controls in place	Ongoing	

Title: NHH meters interrogated annually	
Non-compliance	Description
Audit Ref: 6.9 With: Clause 8(1) and (2) Schedule 15.2 From: 01-May-18 To: 30-Apr-19	For at least six ICPs unread in the previous 12 months, the best endeavours requirements were not met, and exceptional circumstances did not exist. 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 assessed to be moderate. A process is in place, but customer contact is manually initiated, and is not consistently applied for each affected ICP. The impact is assessed to be low. The use of estimates may have a minor impact on settlement, and overall read attainment is high.		
Actions taken to resolve the issue		Completion date	Remedial action status
Powershop is unable to resolve these instances of non-reads as it is now outside the 12 months period		NA	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Post this 2019 audit, Powershop have implemented a new process for obtaining readings within the 12 month period. This process has already seen an improvement and we will endeavour to continuously improve.		Ongoing	

Title: NHH meters 90% read rate			
Non-compliance	Description		
Audit Ref: 6.10 With: Clause 9(1) and (2) Schedule 15.2 From: 01-Jan-19 To: 30-Apr-19	For at least six ICPs unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist. 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 assessed to be moderate. A process is in place, but the best endeavours requirements are not usually met within four months. The impact is assessed to be low. The use of estimates may have a minor impact on settlement. Only NSPs with very small numbers of customers do not achieve 90% read attainment, and overall read attainment is high.		
Actions taken to resolve the issue		Completion date	Remedial action status
Powershop is unable to resolve these instances of non-reads as it is now outside the 4 month period		NA	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Post this 2019 audit, Powershop have implemented a new process for obtaining readings within the 4 month period. This process has already seen an improvement and we will endeavour to continuously improve.		Ongoing	

Title: Correction of NHH meter readings		
Non-compliance	Description	
Audit Ref: 8.1 With: Clause 19(1) Schedule 15.2 From: Jan-19 To: May-19	ICPs 1000026379BP03D and ICP 0005757487RN231 were not corrected to active status for all periods with inactive consumption. The portion of consumption that falls within the inactive period will be excluded from reconciliation submissions. 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 appropriate processes for correction are in place, and most corrections checked were accurately processed. The impact is assessed to be low, based on the number of corrections and volume affected.	
Actions taken to resolve the issue	Completion date	Remedial action status
The active status of ICPs has now been updated	13/08/2019	Cleared where possible
Preventative actions taken to ensure no further issues will occur	Completion date	
Powershop is satisfied with the controls in place	Ongoing	

Title: Identification of readings		
Non-compliance	Description	
Audit Ref: 9.1 With: Clause 3(3) Schedule 15.2 From: Jun-17 To: Jan-19	ICP 0000131268UNDE5 had an actual read entered as an estimate. The read type was corrected during the audit. ICP 006665713RN214 did not have a validated actual stop reading recorded on meter removal. 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 and the risk as low, because these appear to be isolated data processing errors. Revised submission information will be washed up.	
Actions taken to resolve the issue	Completion date	Remedial action status
These issues have now been resolved	13/08/2019	Identified

Preventative actions taken to ensure no further issues will occur	Completion date
Powershop will provide compliance training to reduce the risk of future non-compliance.	Ongoing

Title: Half hour estimates		
Non-compliance	Description	
Audit Ref: 9.4 With: Clause 15 Schedule 15.2 From: 01-Jun-19 To: 30-Jun-19	One HHR estimate was not the best estimate of the quantity for the missing periods. 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 rated as moderate and the impact is low. Actual data has been provided and revised information was provided to the RM. Where periods longer than one day are to be estimated, the ICP will be moved to NHH submission type. Before moving an ICP to HHR submission type, Powershop confirms that there is a reliable stream of HHR data and communications are reliable, reducing the likelihood that estimates will be required.	
Actions taken to resolve the issue	Completion date	Remedial action status
The estimated volumes were replaced with actuals in the R1.	01/08/2019	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Powershop intends on developing a better estimation methodology.	30/04/2020	

Title: HHR aggregates information provision to the reconciliation manager	
Non-compliance	Description
Audit Ref: 11.4 With: Clause 15.8 of part 15 From: 01-May-19 To: 17-Jul-19	HHR aggregates file does not contain electricity supplied information. Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating	
Low	The issue relating to content of the aggregates file is an error in the code, Powershop is providing submission information as expected.	
Actions taken to resolve the issue		Completion date
This is outside the control of Powershop. It is not a new issue and the Authority have known about it for many years yet have failed to implement a Code change		NA
Preventative actions taken to ensure no further issues will occur		Completion date
No comment		NA
Identified		

Title: Accuracy of submission information			
Non-compliance	Description		
Audit Ref: 12.7 With: Clause 15.12 From: 01-Jun-18 To: 17-Jul-19	ICPs 1000026379BP03D and ICP 0005757487RN231 were not corrected to active status for all periods with inactive consumption. The portion of consumption that falls within the inactive period will be excluded from reconciliation submissions. ICP 0000131268UNDE5 had an actual read entered as an estimate. The read type was corrected during the audit. ICP 006665713RN214 did not have a validated actual stop reading recorded on meter removal. Some incorrect submission information identified prior to or during the 2018 audit has not been corrected. 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. I found that most corrections had been processed as required, and compliance had increased since the 2018 audit. 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
These issues are covered in other sections (15.12 and 9.1)		NA	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
These issues are covered in other sections (15.12 and 9.1)		NA	

Title: Permanence of meter readings for reconciliation		
Non-compliance	Description	
Audit Ref: 12.8 With: Clause 4 of Schedule 15.2 From: Nov-17 r14 to Jan-18 r14	Some estimates are not replaced at R14. Some incorrect labelling of historic estimate as forward estimate. 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 considered moderate because meter reading processes are strong leading to a very small proportion of FE still existing at 14 months. The audit risk rating is low because the use of estimates may have a minor impact on settlement.	
Actions taken to resolve the issue	Completion date	Remedial action status
No comment	NA	Unknown
Preventative actions taken to ensure no further issues will occur	Completion date	
No comment	NA	

Title: Historical estimates and forward estimates		
Non-compliance	Description	
Audit Ref: 12.10 With: Clause 3 of schedule 15.3 From: 01-Jun-18 To: 17-Jul-19	Historic estimate is labelled as forward estimate where SASV are not provided for the NSP and profile by the reconciliation manager. 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 they mitigate risk most of the time but there is room for improvement. There is no impact on settlement, therefore the audit risk rating is low.	

Actions taken to resolve the issue	Completion date	Remedial action status
As noted in our 2018 audit, a system fix has been sized by Powershop's system provider and its cost is more than would be considered reasonable given the absence of any impact. The RM has advised Powershop that they do not even utilize the HE data therefore the impact should be "none" rather than low	NA	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
No comment	NA	

Title: Forward estimate process		
Non-compliance	Description	
Audit Ref: 12.12 With: Clause 6 Schedule 15.3 From: Jan 19 r1	The accuracy threshold was not met for January 2019 revision 1. 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, as they are sufficient to ensure data is within the accuracy threshold most of the time. The difference over the threshold was caused by an inaccurate switch event read provided by another trader and was appropriately resolved through the read renegotiation process. The revision one data was washed up once the read renegotiation was complete.	
Actions taken to resolve the issue	Completion date	Remedial action status
Using the total volume within a file to determine the accuracy of only the FE is flawed as it assumes that the HE must never change and therefore all variances are attributed to FE. The single ICP (0005886791RN99B) that caused the total volumes to be outside the threshold contained no FE estimations in the R1 and R3. It was the HE (which was calculated correctly at all times) that caused the total volume to shift outside the set thresholds. The accuracy of the R0 (100% FE) to R0 (100% HE) is within 3.9%	NA	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
No comment	NA	

Title: Historical estimate reporting to RM		
Non-compliance	Description	
Audit Ref: 13.3 With: Clause 10 of Schedule 15.3 From: Nov-Dec 17 (r14), Jun-Aug 18 (r7), Sep-Nov 18 (r3)	Historic estimate thresholds were not met for some revisions. 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 controls are in place to get actual or customer readings to derive submission information. The impact on settlement is minor, therefore the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
Please see comments in section 12.10	NA	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Please see comments in section 12.10	NA	