

## Compliance plan for Flick Energy – 2019

| Material Change Audit  |  |                 |
|--|--|-----------------|
| Non-compliance   | Description  |                 |
| Audit Ref: 1.11<br>With: Clause 16A.11<br><br>From: 01-Dec-18<br>To: 13-Nov-19   | Material change audit not conducted prior to using estimates and corrections created by IntelliHUB.<br><br>Potential impact: Medium<br><br>Actual impact: Low<br><br>Audit history: None<br><br>Controls: Moderate<br><br>Breach risk rating: 2                                      |                 |
| Audit risk rating  | Rationale for audit risk rating  |                 |
| <b>Low</b>   | The controls are recorded as moderate because Flick has demonstrated they are aware of the material change requirements as they have had other material change audits conducted.<br><br>The impact on settlement and participants is minor; therefore, the audit risk rating is low. |                 |
| Actions taken to resolve the issue   |  | Completion date |
| Auditors request for IntelliHUB to conduct an agent material change audit to cover for the estimation and correction activities, which do not form part of their MEP audit, has been communicated to IntelliHUB.   |  | 25/11/2019      |
| Preventative actions taken to ensure no further issues will occur  |  | Completion date |
| The requirement for an agent material change audit by an MEP for any future MEP process or system change has been noted.<br><br>Flick systems are compliant with the estimations and correction requirements under the code. We have not changed any of our systems or processes and therefore we are not required to perform a material change audit. We do not believe that it is our responsibility to inform the MEP of their obligation to perform an agent material change audit under the code. |  | 25/11/2019      |
|  |  | Cleared         |

| Relevant information  |   |                 |
|---|---|-----------------|
| Non-compliance  | Description   |                 |
| <p>Audit Ref: 2.1</p> <p>With: Clause 10.6, 11.2, 15.2</p> <p>From: 01-Dec-18</p> <p>To: 13-Nov-19</p>  | <p>Electricity supplied information is still inaccurate.</p> <p>Unmetered load submissions are not occurring.</p> <p>Data is not submitted for new ICPs until a reading is obtained.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p> |                 |
| Audit risk rating   | Rationale for audit risk rating   |                 |
| <b>Low</b>  | <p>Controls are rated as strong because they are sufficient to ensure that most information is recorded correctly.</p> <p>The risk rating is low because the impact on other participants and on settlement is minor.</p>   |                 |
| Actions taken to resolve the issue  |   | Completion date |
| <p>The discrepancy reason for incorrect electricity supplied information has been identified and the AV120 reporting has been corrected for the significant difference in reporting for the month of June 2019. The submission will be corrected through the R7 revision file.</p> <p>Unmetered load are not submitted to the reconciliation manager as Flick does not hold NHH certification. The reconciliation manager and Electricity Authority operations team have been contacted to check how this can be resolved.</p> <p>The initial incorrect submission of ICP days would be corrected through the revision files.</p> |   | 1/6/2020        |
| Preventative actions taken to ensure no further issues will occur   |   | Completion date |
|   |   |                 |
| Remedial action status  |   |                 |
| Investigating   |   |                 |

|   |          |  |
|---|----------|--|
| <p>An internal audit process has been put in place for the AV120 reports to be regularly monitored and any discrepancy arising through this report to be remedied immediately.</p> <p>Flick systems do not allow ICP's with unmetered load to be switched in. Existing ICP's which get unmetered load added are identified through safety net. This process is monitored through regular Field QA and internal audit. Any identified unmetered load for short periods for existing ICP's will be submitted through the HHY profile after approval from EA and Reconciliation manager.</p> <p>Weekly safety net process has been put in place to avoid any ICP's with unmetered load being switched in.</p> <p>The issue of data not being submitted for new ICP's until a reading is obtained has been raised with the Tech team and an attempt will be made to resolve this non-compliance through system enhancement.</p> | 1/6/2020 |  |
|---|----------|--|

| Electrical Connection of Point of Connection   |   |                 |                        |
|--|---|-----------------|------------------------|
| Non-compliance   | Description   |                 |                        |
| Audit Ref: 2.11<br>With: Clause 10.33A<br><br>From: 11-Feb-19<br>To: 13-Nov-19   | ICPs 0001301743CN073 & 0000100902DE109 not recertified within 5 business days of reconnection.<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: None<br><br>Controls: Strong<br><br>Breach risk rating: 1 |                 |                        |
| Audit risk rating  | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>   | The controls are recorded as strong because they mitigate risk to an acceptable level.<br><br>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 |
| MEP has confirmed that ICP 0000100902DE109 was recertified on 9/4/2019. A request has been sent to MEP to update registry.   |   | 25/11/2019      |                        |
| Preventative actions taken to ensure no further issues will occur  |   | Completion date |                        |
| Registry update by MEP for this process has been included in the Field QA and internal audit assessment. Robust training has been conducted in regards to the process to avoid reoccurrence of this error. |   | Ongoing         |                        |

| Changes to registry information  |  |                 |                        |
|--|--|-----------------|------------------------|
| Non-compliance   | Description  |                 |                        |
| Audit Ref: 3.3<br>With: Clause 10<br>Schedule 11.1<br><br>From: 01-Dec-18<br>To: 13-Nov-19   | Some late status and trader updates.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Multiple times<br>Controls: Moderate<br>Breach risk rating: 2  |                 |                        |
| Audit risk rating  | Rationale for audit risk rating  |                 |                        |
| <b>Low</b>   | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br>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 |
| Trader updates were backdated to correct registry records.   |  | 19/11/2019      | Identified             |
| Preventative actions taken to ensure no further issues will occur  |  | Completion date |                        |
| Robust refresher training has been provided to the team which included monitoring the timeliness of registry updates.<br>This process is assessed through regular Field QA and scheduled internal audit. |  | 19/11/2019      |                        |

| Provision of information to the registry manager   |   |                        |
|--|---|------------------------|
| Non-compliance   | Description   |                        |
| Audit Ref: 3.5<br>With: Clause 9<br>Schedule 11.1<br><br>From: 06-Dec-18<br>To: 13-Dec-18  | One late status update for a new connection.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Once<br>Controls: Strong<br>Breach risk rating: 1 |                        |
| Audit risk rating  | Rationale for audit risk rating   |                        |
| <b>Low</b>   | The controls are rated as strong because they mitigate risk to an acceptable level.<br>The risk is low because there was only one late update.                  |                        |
| Actions taken to resolve the issue   | Completion date   | Remedial action status |
| New connection status update was backdated to correct registry records. This was due to incorrect advise from MEP, indicating the ICP was not electrically connected when it was electrically connected. | 18/11/2019  | Identified             |
| Preventative actions taken to ensure no further issues will occur  | Completion date   |                        |
| Robust training has been provided to Field team regarding ensuring MEP's are monitored on accuracy and timely delivery of paperwork for service requests.  | Ongoing   |                        |

| Losing trader must provide final information - standard switch  |  |                 |                        |
|---|--|-----------------|------------------------|
| Non-compliance  | Description  |                 |                        |
| Audit Ref: 4.3<br>With: Clause 5<br>Schedule 11.3<br><br>From: 01-Dec-18<br>To: 13-Nov-19   | At least three average daily consumption errors.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Three times<br>Controls: Moderate<br>Breach risk rating: 2   |                 |                        |
| Audit risk rating   | Rationale for audit risk rating  |                 |                        |
| <b>Low</b>  | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br><br>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 |
| Refresher training on the Switch process which included the CS file submission has been completed on 19/11/2019.  |  | 19/11/2019      | Identified             |
| Preventative actions taken to ensure no further issues will occur   |  | Completion date |                        |
| This process is assessed through regular Switch QA and scheduled internal audit. 75% of the CS file submission is automated. Attempt will be made to get the remaining 25% CS file automated to prevent the recurrence of this error. |  | Ongoing         |                        |

| <b>Losing trader must provide final information - switch move</b>   |  |                               |
|---|--|-------------------------------|
| <b>Non-compliance</b>   | <b>Description</b>   |                               |
| Audit Ref: 4.10<br>With: Clause 11<br>Schedule 11.3<br><br>From: 13-Mar-18<br>To: 19-Sep-18   | Five late switch move CS files.<br>Incorrect daily consumption in three files.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Three times previously<br>Controls: Moderate<br>Breach risk rating: 2    |                               |
| <b>Audit risk rating</b>  | <b>Rationale for audit risk rating</b>   |                               |
| <b>Low</b>  | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br><br>The impact on settlement and participants is minor; therefore, the audit risk rating is low. |                               |
| <b>Actions taken to resolve the issue</b>   | <b>Completion date</b>   | <b>Remedial action status</b> |
| Refresher training on the Switch process which included the CS file submission has been completed on 19/11/2019.  | 19/11/2019   | Identified                    |
| <b>Preventative actions taken to ensure no further issues will occur</b>  | <b>Completion date</b>   |                               |
| This process is assessed through regular Switch QA and scheduled internal audit. 75% of the CS file submission is automated. Attempt will be made to get the remaining 25% CS file automated to prevent the recurrence of this error. | Ongoing  |                               |



| Withdrawal of switch requests   |  |                 |
|---|--|-----------------|
| Non-compliance  | Description  |                 |
| Audit Ref: 4.15<br>With: Clauses 17 and 18 Schedule 11.3<br><br>From: 01-Dec-18<br>To: 13-Nov-19  | 19 switch withdrawal requests were backdated greater than two months from the event date.<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: Multiple times<br><br>Controls: Strong<br><br>Breach risk rating: 1 |                 |
| Audit risk rating   | Rationale for audit risk rating  |                 |
| <b>Low</b>  | Controls are rated as strong as they are sufficient to mitigate risk most of the time.<br><br>The audit risk rating is low, a small number of files were affected.   |                 |
| Actions taken to resolve the issue  |  | Completion date |
| The backdated withdrawals were either initiated by customers or other retailers. It was essential to raise these to correct customer accounts. Flick actions requests for withdrawals as soon as incorrect property or incorrect sign ups are identified. |  | Ongoing         |
| Preventative actions taken to ensure no further issues will occur   |  | Completion date |
| The two month switch withdrawals causes operation inefficiencies and this issue is going to be resolved through the Electricity Authority's switch process review consultation.   |  | 1/12/2020       |
| Identified  |  |                 |

| <b>Maintaining shared unmetered load</b>  |  |                               |
|---|--|-------------------------------|
| <b>Non-compliance</b>   | <b>Description</b>   |                               |
| Audit Ref: 5.1<br>With: Clause 11.14<br><br>From: 13-Mar-17<br>To: 14-Nov-19  | No unmetered volumes were reported for four ICPs with unmetered load for a short period<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: Twice<br><br>Controls: Strong<br><br>Breach risk rating: 1                              |                               |
| <b>Audit risk rating</b>  | <b>Rationale for audit risk rating</b>   |                               |
| <b>Low</b>  | Controls are rated as strong, as they prevent shared unmetered ICPs from switching in, and promptly identify added shared unmetered load so that appropriate action can be taken.<br><br>The impact is very low and resulted in under reporting by 8.19 kWh. |                               |
| <b>Actions taken to resolve the issue</b>   | <b>Completion date</b>   | <b>Remedial action status</b> |
| Unmetered load are not submitted to the reconciliation manager as Flick does not hold NHH certification. The reconciliation manager and Electricity Authority operations team has been contacted to check how this can be resolved.   | 1/4/2020   | Investigating                 |
| <b>Preventative actions taken to ensure no further issues will occur</b>  | <b>Completion date</b>   |                               |
| Flick systems do not allow ICP's with unmetered load to be switched in. Existing ICP's which get unmetered load added are identified through safety net. This process is monitored through regular Field QA and internal audit. Any identified unmetered load for short periods for existing ICP's will be submitted through the HHY profile after approval from EA and Reconciliation manager. | Ongoing  |                               |

| <b>Electricity conveyed &amp; notification by embedded generators</b>  |  |                        |
|--|--|------------------------|
| <b>Non-compliance</b>  | <b>Description</b>   |                        |
| Audit Ref: 6.1<br>With: Clause 10.13 and clause 15.2<br>From: 22-Jun-18<br>To: 02-Jul-19   | Energy is not metered and quantified according to the code where meters are bridged.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Once<br>Controls: Strong<br>Breach risk rating: 1  |                        |
| <b>Audit risk rating</b>   | <b>Rationale for audit risk rating</b>   |                        |
| <b>Low</b>   | Controls are rated as strong as they are sufficient to mitigate risk most of the time.<br>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. |                        |
| <b>Actions taken to resolve the issue</b>  |  | <b>Completion date</b> |
| Some MEP's bridge meters to supply customers electricity after hours. Operations Manager has contacted MEP's to see if they process could be changed to avoid this breach. |  | 25/11/2019             |
| <b>Preventative actions taken to ensure no further issues will occur</b>   |  | <b>Completion date</b> |
| Any future requests for after hours reconnection will be monitored and MEP's requested to change their current process to avoid breach.                                    |  | Ongoing                |
| <b>Remedial action status</b>  |  |                        |
| Investigating  |  |                        |

| Interrogate meters once   |  |                 |                        |
|---|--|-----------------|------------------------|
| Non-compliance  | Description  |                 |                        |
| <p>Audit Ref: 6.8</p> <p>With: Clause 7(1) and (2) Schedule 15.2</p> <p>From: 17-Mar-19</p> <p>To: 14-Oct-18</p>                | <p>Two NHH metered ICPs did not have a validated read during the period of supply.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>                        |                 |                        |
| Audit risk rating   | Rationale for audit risk rating  |                 |                        |
| <b>Low</b>  | <p>The controls are assessed to be strong, as Flick endeavours to complete upgrades or withdraw switches for any NHH ICPs. Switches out during the NHH period are relatively rare.</p> <p>The impact is low because only two ICPs were affected.</p> |                 |                        |
| Actions taken to resolve the issue  |  | Completion date | Remedial action status |
| A process has been put in place for readings to be obtained for any failed smart upgrades before ICP's are being switched away. |  | 25/11/2019      | Identified             |
| Preventative actions taken to ensure no further issues will occur   |  | Completion date |                        |
| To ensure compliance is met in this area, this process will be monitored through regular QA and internal audit process.         |  | Ongoing         |                        |

| Identification of readings  |  |                 |
|---|--|-----------------|
| Non-compliance  | Description  |                 |
| Audit Ref: 9.1<br>With: Clause 3(3)<br>Schedule 15.2<br><br>From: 01-Dec-18<br>To: 13-Nov-19  | Unvalidated actual HHR data identified as estimated.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Twice<br>Controls: Moderate<br>Breach risk rating: 2   |                 |
| Audit risk rating   | Rationale for audit risk rating  |                 |
| <b>Low</b>  | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br><br>The impact on settlement and participants is minor; therefore, the audit risk rating is low. |                 |
| Actions taken to resolve the issue  |  | Completion date |
| We do not believe that we are non-compliant in this area. All estimated data is marked as such in our systems.<br><br>The issue of unvalidated actual HHR data being marked as an estimated in Telemetry will be raised with Tech team an attempt will be made to resolve this non-compliance through system enhancement. |  | 1/6/2020        |
| Preventative actions taken to ensure no further issues will occur   |  | Completion date |
| This issue will be resolved once system enhancement is in place.  |  | 1/6/2020        |
| Remedial action status  |  |                 |
| Identified  |  |                 |

| Calculation of ICP days  |   |                 |
|--|---|-----------------|
| Non-compliance   | Description   |                 |
| Audit Ref: 11.2<br>With: Clause 15.6<br><br>From: 01-Dec-18<br>To: 13-Nov-19   | ICP days are not provided for new ICPs until readings are entered after the switch in read.<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: Multiple times<br><br>Controls: Strong<br><br>Breach risk rating: 1  |                 |
| Audit risk rating  | Rationale for audit risk rating   |                 |
| <b>Low</b>   | Controls are rated as strong as they are sufficient to ensure that most data is correctly reported. For a small subset of new switch ins, ICP days will not be provided until actual readings are received.<br><br>The impact is assessed to be low, as updated data will be provided through the revision process. |                 |
| Actions taken to resolve the issue   |   | Completion date |
| The initial incorrect submission of ICP days are corrected through the revision files.   |   | Ongoing         |
| Preventative actions taken to ensure no further issues will occur  |   | Completion date |
| The issue of ICP days not provided for new ICPs until readings are entered after the switch in read, has been raised with the Tech team and an attempt will be made to resolve this non-compliance through system enhancement. |   | 1/6/2020        |
|  |   | Investigating   |

| Electricity supplied information provision to the reconciliation manager   |   |                 |
|--|---|-----------------|
| Non-compliance   | Description   |                 |
| Audit Ref: 11.3<br>With: Clause 15.7<br>From: 01-Dec-18<br>To: 13-Nov-19   | The AV120 report does not consistently reflect the quantity billed for the period.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Once<br>Controls: Weak<br>Breach risk rating: 3 |                 |
| Audit risk rating  | Rationale for audit risk rating   |                 |
| <b>Low</b>   | Controls are rated as weak because they do not ensure accurate data.<br>The impact is assessed to be low, because there is no impact on settlement.   |                 |
| Actions taken to resolve the issue   |   | Completion date |
| The discrepancy reason for incorrect electricity supplied information has been identified and the AV120 reporting has been corrected for the significant difference in reporting from the month of June 2019. The submission will be corrected through the R7 revision file. |   | 20/11/2019      |
| Preventative actions taken to ensure no further issues will occur  |   | Completion date |
| An internal audit process has been put in place for the AV120 reports to be regularly monitored and any discrepancy arising through this report to be remedied immediately.  |   | ongoing         |
| Identified   |   |                 |

| <b>HHR aggregates information provision to the reconciliation manager</b>   |   |                        |
|---|---|------------------------|
| <b>Non-compliance</b>   | <b>Description</b>  |                        |
| Audit Ref: 11.4<br>With: Clause 15.8<br>From: 01-Dec-18<br>To: 13-Nov-19  | HHR aggregates file does not contain electricity supplied information.<br>Estimated submission data is not provided for new ICPs with no readings entered after the switch in read.<br>One ICP with the incorrect NSP for the Day 4 file.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Three times<br>Controls: Strong<br>Breach risk rating: 1 |                        |
| <b>Audit risk rating</b>  | <b>Rationale for audit risk rating</b>  |                        |
| <b>Low</b>  | Controls are rated as strong as they are sufficient to ensure that most data is correctly reported. For a small subset of new switch ins, estimated data will not be provided until actual readings are received.<br>The impact is assessed to be low, as updated data will be provided through the revision process.   |                        |
| <b>Actions taken to resolve the issue</b>   |   | <b>Completion date</b> |
| The initial incorrect submission will be corrected through the revision files.  |   | 1/6/2020               |
| <b>Preventative actions taken to ensure no further issues will occur</b>  |   | <b>Completion date</b> |
| The issue of data not being submitted for new ICP's until a reading is obtained has been raised with the Tech team and an attempt will be made to resolve this non-compliance through system enhancement. |   | 1/6/2020               |
|   |   | Identified             |



| Accuracy of submission information   |  |                        |
|--|--|------------------------|
| Non-compliance   | Description  |                        |
| <p>Audit Ref: 12.7<br/>With: Clause 15.12<br/><br/>From: 01-Dec-18<br/>To: 13-Nov-19</p>   | <p>Some submission information was incorrect, due to not providing estimates where actual data was unavailable in some cases.</p> <p>Unmetered load not submitted</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  |                        |
| <b>Low</b>   | <p>Controls are rated as moderate as they are sufficient to ensure that submission data is accurate most of the time.</p> <p>The audit risk rating is low, because submission information can be corrected washed up through the revision process.</p>   |                        |
| Actions taken to resolve the issue   | Completion date  | Remedial action status |
| <p>The initial incorrect submission of data would be corrected through the revision files.</p> <p>Unmetered load had not been submitted to the reconciliation manager as Flick does not hold NHH certification. The reconciliation manager and Electricity Authority operations team had been contacted to check how this can be resolved.</p> | 1/6/2020   | Identified             |
| Preventative actions taken to ensure no further issues will occur  | Completion date  |                        |
| <p>The issue of data not being submitted for new ICP's until a reading is obtained has been raised with the Tech team and an attempt will be made to resolve this non-compliance through system enhancement.</p> <p>Weekly safety net process put in place avoids any ICP's with unmetered load being switched in.</p>                         | 1/6/2020   |                        |