

Compliance plan for Pulse Energy 2019

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2 From: 10-Jan-19 To: 31-Oct-19	Discrepancies between Gentrack and the registry. Incorrect information in CS files, incorrect submission volumes for 1000023001BP357 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	Controls are assessed as moderate. They will mitigate risk most of the time but there is room for improvement. Recently introduced reports help to identify inaccuracies and correct them. Audit risk rating is assigned as low.		
Actions taken to resolve the issue	Completion date	Remedial action status	
The existing reports are part of an ongoing programme of continuous improvement.	01/08/2019	Identified	
Preventative actions taken to ensure no further issues will occur	Completion date		
Existing reports will be further enhanced and added to as the opportunity arises, and as we can devise suitable ways to detect errors.	01/05/2020		

Non-compliance	Description		
Audit Ref: 2.2 With: 15.35 From: 10-Jan-19 To: 27-Jun-19	4 breaches were recorded for late or inaccurate submissions. 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	Controls are assessed as moderate. The Authority issued a warning to the company. Audit risk rating is recorded as low because files were late no more than one day therefore the RM was able to process them in time.		
Actions taken to resolve the issue		Completion date	Remedial action status
Additional checks have been introduced to the reconciliation submissions, to ensure that any errors that are likely to meet the materiality threshold are identified well before submission deadlines.		01/08/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Further changes to the reconciliation process are in progress and will further improve submission accuracy while improving the management of data errors. In future, there will be much less scope for material errors to arise.		01/08/2020	

Non-compliance	Description	
Audit Ref: 2.4 With: 21 From: 10-Jan-19 To: 31-Oct-19	No audit trail for changes made directly in COBRA's database 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	Controls are assessed are moderate. Each part of the system has an audit trail. Changes could be made directly to the COBRA's database in order to meet deadlines for volume submissions. Audit risk rating is assigned as low.	
Actions taken to resolve the issue	Completion date	Remedial action status
We have identified options for adding a compliant audit trail to Cobra, and will be actioning these before the next audit	01/04/2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
See above	01/04/2020	

Non-compliance	Description		
Audit Ref: 2.11 With: 10.33A From: 20-Feb-19 To: 31-Oct-19	13 reconnections had expired certification recorded on the registry when they were reconnected 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	Controls are rated as moderate. Pulse Energy proactively works with MEPs to ensure meters are certified when an ICP is reconnected. Audit risk rating is recorded as low due to the small number of ICPs affected		
Actions taken to resolve the issue		Completion date	Remedial action status
Training and procedures have been modified to ensure agents are aware of the need to advise customers when a meter must be recertified.		01/09/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
There is still room for improvement in ensuring that after reconnection, meters are recertified (when required) within five days. New reporting and procedures are being developed to cover this gap.		01/02/2020	

Non-compliance	Description		
Audit Ref: 3.3 With: 10 of Schedule 11.1 From: 10-Jan-19 To: 31-Oct-19	Late updates of "inactive" and "active" status and trader information 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	Controls are recorded as moderate. There are good processes in place, they need to be rigorously followed. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
New controls have been introduced and are working to contain what was previously a major problem.		01/09/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Training and processes will be further tweaked to ensure that updates are notified within timeframes whenever it is humanly possible to do so. However, it is important to recognise that there will always be some number of late updates arising from causes beyond our control. It has always been our policy to prioritise accuracy over timeliness, whenever the two conflict, and we will continue to submit late updates when it is necessary to ensure accurate reconciliation.		01/03/2020	

Non-compliance	Description		
Audit Ref: 3.5 With: 9 of Schedule 11.1 From: 10-Jan-19 To: 31-Oct-19	20 late updates to “active” status and incorrect profile for 38 ICPs (solar) 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	Controls are recorded as moderate. New reporting is working well and the updating of the profile in the registry is done twice per month. The audit risk rating is assessed as low because there is a process in place to identify and correct incorrect entries and volumes will be washed up through the revision process.		
Actions taken to resolve the issue		Completion date	Remedial action status
Reporting has been introduced, and a regular process instituted to ensure updates are made with minimum delay.		01/04/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have requested changes in Gentrack functionality that will allow us to maintain profiles directly, without the need for bulk updates. This should help us to eliminate the current delay.		01/05/2020	

Non-compliance	Description		
Audit Ref: 3.6 With: 9(1)(k) of Schedule 11.1 From: 10-Jan-19 To: 31-Oct-19	4 ICPs had incorrect ANZSIC code recorded in the registry Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Strong Breach risk rating:1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as strong. ANZSIC code is check during a sign-up process. The audit risk rating is recorded to be low because of the small number of ICPs		
Actions taken to resolve the issue		Completion date	Remedial action status
We have developed a number of queries designed to identify suspect ANZSIC errors and introduced a programme to check these codes when customers contact us for other reasons.		01/09/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We are investigating further queries and processes to ensure that information captured during the sales process is accurately reflected in later updates.		01/03/2020	

Non-compliance	Description		
Audit Ref: 3.7 With: 9(1)(f) of Schedule 11.1 From: 10-Jan-19 To: 31-Oct-19	Unmetered load incorrectly recorded for one ICP Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Strong Breach risk rating:1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as strong; information is validated against a distributor entry . One correction from the previous audit overlooked. The audit risk rating is recorded as low because it was only one ICP (1 kWh per day)		
Actions taken to resolve the issue		Completion date	Remedial action status
Reporting has been introduced to identify discrepancies between internal and distributor information.		01/03/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Reporting is now checked regularly, and discrepancies are investigated. However, further procedural changes are needed to ensure that discrepancies are appropriately resolved.		01/02/2020	

Non-compliance	Description	
Audit Ref: 3.8 With: 17 of Schedule 11.1 From: 31-Jan-19 To: 31-Oct-19	5 ICPs with incorrect "active" date 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	Controls are recorded as moderate. More detective work needs to be done. Audit risk rating is recorded as low, minor impact on settlement outcomes.	
Actions taken to resolve the issue	Completion date	Remedial action status
Improved reporting has made it easier to identify and monitor these instances.	01/09/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Reports are monitored regularly, and processes will be streamlined to ensure that errors are dealt with promptly and correctly. There will always be scope for some discrepancy between the three parties involved (MEP, network, retailer), so it is impossible to eliminate errors entirely unless we are willing to compromise accuracy. It is our belief that accuracy is the most important thing to maintain.	01/02/2019	

Non-compliance	Description		
Audit Ref: 4.3 With: 5 of Schedule 11.3 From: 10-Jan-19 To: 31-Oct-19	Average daily consumption methodology is incorrect for ICPs which usage is less than 1 kWh. Information for a small number of ICPs is incorrect 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	Controls are rated as moderate. Pulse Energy proactively works with Gentrack to ensure that information in CS files is correct. Audit risk rating is recorded as low due to the small number of ICPs affected		
Actions taken to resolve the issue		Completion date	Remedial action status
As the auditor has noted, we are working with Gentrack to address known issues in the CS file data. Some of the issues have been resolved, although some remain.		01/04/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Work is continuing to resolve the remaining areas of noncompliance. The issue of incorrect read quality flags will be resolved in January. The outstanding instances of negative EDC are currently still under investigation.		01/04/2020	

Non-compliance	Description		
Audit Ref: 4.4 With:6(1) and 6A of Schedule 11.3 From: 10-Jan-19 To: 22-Apr-19	10 late RR files for Standard Switch 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	Controls are rated as strong. A new tool to evaluate CS reads from losing traders is highly effective. All non-compliance relates to time before the new tool was implemented. Audit risk rating is recorded as low		
Actions taken to resolve the issue		Completion date	Remedial action status
A new process has been introduced to identify ICPs with potentially incorrect switching reads at an early stage, to ensure that RRs can be sent in time. New logic has been added to the reconciliation system to capture accepted RR reads from Registry files and ensure that they are used for reconciliation.		01/09/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The process to ensure that RR reads are sent in a timely fashion will be tweaked as necessary during use.		01/02/2020	

Non-compliance	Description		
Audit Ref: 4.5 With:6(3)(a) of Schedule 11.3 From: 23-Feb-19 To: 07-Oct-19	17 RR files provided by a gaining trader (AMI reads) within 5 BD were not accepted Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating:2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate. Pulse Energy was not aware of this clause but often accepts switch event reads which are sent after 5BD. Audit risk rating is recorded as low		
Actions taken to resolve the issue		Completion date	Remedial action status
This is a training issue, which is in the process of being corrected now.		01/01/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
This is a training issue, which is in the process of being corrected now.		01/01/2020	

Non-compliance	Description		
Audit Ref: 4.7 With: 9 of Schedule 11.3 From: 10-Jan-19 To: 31-Oct-19	Incorrect type of switch used Potential impact: Low Actual impact: Unknown Audit history: Twice before Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as weak. It is a common practise used between some traders. Audit risk rating is recorded as low. The impact on settlement outcomes is minor, ICPs switch on the same read		
Actions taken to resolve the issue		Completion date	Remedial action status
It is likely that this will continue to happen, because we cannot realistically backdate TR switches. It is common practice to use NTMI for backdated switches to ensure that the site switches on the requested date. This was discussed in the EA's recent switch process review, where the consensus was that a new switch type should be created for use in these instances.		01/12/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See above.		01/12/2019	

Non-compliance	Description		
Audit Ref: 4.10 With: 11 of Schedule 11.3 From: 10-Jan-19 To: 31-Oct-19	Average daily consumption methodology is incorrect for ICPs which usage is less than 1 kWh. Information for a small number of ICPs is incorrect Potential impact: Unknown Actual impact: Low Audit history: Twice previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate. Pulse Energy proactively works with Gentrack to ensure that information in CS files is correct. Audit risk rating is recorded as low due to the small number of ICPs affected		
Actions taken to resolve the issue		Completion date	Remedial action status
As the auditor has noted, we are working with Gentrack to address known issues in the CS file data. Some of the issues have been resolved, although some remain.		01/04/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Work is ongoing to ensure that all information provided in CS files is fully compliant.		01/04/2020	

Non-compliance	Description		
Audit Ref: 4.11 With:12 of Schedule 11.3 From: 10-Jan-19 To: 03-Sep-19	16 late RR files for Switch Move 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	Controls are rated as moderate. A new tool to evaluate CS reads from losing traders is highly effective but there are still late RR file are sent in August and September. Audit risk rating is recorded as low		
Actions taken to resolve the issue		Completion date	Remedial action status
A new process has been introduced to identify ICPs with potentially incorrect switching reads at an early stage, to ensure that RRs can be sent in time. New logic has been added to the reconciliation system to capture accepted RR reads from Registry files and ensure that they are used for reconciliation.		01/09/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The process to ensure that RR reads are sent in a timely fashion will be tweaked as necessary during use.		01/02/2020	

Non-compliance	Description		
Audit Ref: 6.9 With: 8(1) of Schedule 15.2 From: 10-Jan-19 To: 31-Oct-19	100% attainment was not achieved for more than 251 NSPs over 7 months Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	There are good processes in place, they need to be rigorously followed. Number of no reads is decreasing steadily. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Since the last audit, we have undergone a major initiative to identify and resolve all sites with read issues over the long term. This is reflected in the steady decline in the number of sites unread over 12 months. We are now in a position to show that best endeavours have been made in every outstanding case.		01/10/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
BAU processes have been improved and reporting instituted to ensure that we can quickly identify sites that are not being read and take appropriate measures in good time. ICPs are first identified after 4 months without a read, and efforts focused to ensure that very few will ever reach the 12+ month category.		01/10/2019	

Non-compliance	Description	
Audit Ref: 6.10 With: 9(1) of Schedule 15.2 From: 10-Jan-19 To: 31-Oct-19	90% attainment was not achieved for 4 months (19 ICPs) Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	There are good processes in place, they need to be rigorously followed. Number of no reads is decreasing steadily. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low.	
Actions taken to resolve the issue	Completion date	Remedial action status
The "no reads" project has ensured that reads are being obtained, and smart reads are being used when available.	01/05/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
See above.	01/05/2019	

Non-compliance	Description	
Audit Ref: 6.13 With: 11(2)(e) of Schedule 15.2 From: 10-Jan-19 To: 31-Oct-19	No interrogation log is generated by the interrogation software to record details of all interrogations for readings provided by AccuCal Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are recorded as moderate. There are only two meters read by AccuCal. AccuCal is certified as ATH and MEP. Reading meters and providing data to traders is additional services provided	
Actions taken to resolve the issue	Completion date	Remedial action status
We are working on transferring the meter data provision function to another provider, who we know are able to maintain compliant information.	01/02/2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
See above	01/02/2020	

Non-compliance	Description	
Audit Ref: 6.14 With: 11(3) of Schedule 15.2 From: 10-Jan-19 To: 31-Oct-19	No interrogation log created for readings provided by AccuCal (proprietary software is used) Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are recorded as weak because the software used by AccuCal to read two meters does not create an interrogation log. AccuCal is certified as ATH and MEP. Reading meters and providing data to traders is additional services provided The audit risk rating is low, no impact on settlement outcomes	
Actions taken to resolve the issue	Completion date	Remedial action status
We are working on transferring the meter data provision function to another provider, who we know are able to maintain compliant information.	01/02/2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
See above	01/02/2020	

Non-compliance	Description	
Audit Ref: 9.3 With: 3(5) of Schedule 15.2 From: 11-Jan-19 To: 31-Oct-19	Meter data used for reconciliation is truncated or rounded for 65% of ICPs Potential impact: Unknown Actual impact: Medium Audit history: None Controls: Weak Breach risk rating: 6	
Audit risk rating	Rationale for audit risk rating	
Medium	Controls are recorded as weak. The upload routine of meter data from AMS must be changed. The impact on settlement outcomes is medium therefore the audit risk rating is recorded as medium.	
Actions taken to resolve the issue	Completion date	Remedial action status
We are investigating the changes required to ensure that reads are not truncated; however, we are not in a position to make this change immediately. Since the system only truncates decimal places, the overall impact on reads is never more than 1 unit, and aggregated impact on volumes is very close to zero. Planned improvements to the reconciliation process should eliminate this issue in future.	01/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
See above	01/08/2020	

Non-compliance	Description		
Audit Ref: 11.4 With: 15.8 From: 03-Jan-19 To: 31-Oct-19	HHRAGGR files do not contain electricity supplied information Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Pulse Energy submits submissions volumes as per the reconciliation manager specification.		
Actions taken to resolve the issue		Completion date	Remedial action status
We will continue to submit volumes in accordance with RM specification		01/10/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue to submit volumes in accordance with RM specification		01/10/2020	

Non-compliance	Description		
Audit Ref: 12.2 With: 15.4 From: 06-Feb-19 To: 31-Oct-19	Two breaches were recorded for late provision of submission volumes in Feb'19 and June'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	Controls are recorded as strong, actual impact as low. The files were submitted the next day therefore the reconciliation manager processed them in time. No impact on settlement outcome, audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Additional checks have been introduced to the reconciliation submissions, to ensure that any errors that are likely to meet the materiality threshold are identified well before submission deadlines.		01/08/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Further changes to the reconciliation process are in progress and will further improve submission accuracy while improving the management of data errors.		01/06/2020	

Non-compliance	Description		
Audit Ref: 12.7 With: 15.12 From: 01-Aug-19 To: 31-Oct-19	Some submission information was inaccurate Potential impact: Low Actual impact: Low Audit history: Twice before Controls: Weak Breach risk rating:3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as weak. More detective controls need to be designed. The impact on settlement outcomes is minor (1 ICPs) therefore the audit risk rating is recorded as low. Audit risk rating low		
Actions taken to resolve the issue		Completion date	Remedial action status
We are correcting the tools used to convert meter data into submission data for this ICP		01/01/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We are working on transferring the meter data provision requirement to another provider, who we know are able to maintain compliant information.		01/02/2020	

Non-compliance	Description	
Audit Ref: 12.8 With: 4 of Schedule 15.2 From: 10-Jan-19 To: 31-Oct-19	Some forward estimates are not replaced by permanent estimates in R14 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	Controls are recorded as moderate. More detective controls need to be designed. There are good processes in place implemented by the Filled Services and the Switching Team, they need to be rigorously followed. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low. Audit risk rating low	
Actions taken to resolve the issue	Completion date	Remedial action status
This has been identified as a weakness, and we have made progress in reducing the number of affected sites.	01/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	Identified
A system will be introduced to ensure that permanent estimates are available for all unread meters after 13 months. However, this will take some time to implement and integrate with other affected business processes.	01/06/2020	

Non-compliance	Description		
Audit Ref: 12.12 With: 6 of Schedule 15.3 From: 10-Jan-19 To: 31-Oct-19	Forward estimates do not meet +/- 15% threshold for 7 balancing areas 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 recorded as moderate. More detective controls need to be designed. The high percentage of the increase of volumes is the result of actions in the past. We believe new processes will address this. Audit risk rating is recorded as low because the processes to review and validate data are good, which should have a positive flow on effect on the accuracy of submission volumes		
Actions taken to resolve the issue		Completion date	Remedial action status
New checks, and particularly the increased use of end-of-month AMI reads, have had the effect of improving the accuracy of preliminary submissions, which will reduce variance with later washups.		01/08/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See above		01/08/2019	

Non-compliance	Description	
Audit Ref: 13.3 With: 10 of Schedule 15.3 From: 10-Jan-19 To: 31-Oct-19	Historical estimates target not met for revision 3, 7, and 14 Potential impact: Low Actual impact: Low Audit history: Multiple time Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are recorded as moderate, non-compliance with R3 is and 7 is small (volumes are ever decreasing). More detective controls needs to be designed. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low.	
Actions taken to resolve the issue	Completion date	Remedial action status
We have identified the common scenarios that lead to data being incorrectly recorded at the R14 submission stage (mostly, switch reads and meter change information not being correctly captured by Cobra), and will be implementing new processes to catch and correct these cases.	01/04/2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
See above	01/04/2020	