

Compliance plan for The Embedded Network Company Distributor– 2020

Requirement to provide complete and accurate information			
Non-compliance	Description		
<p>Audit Ref: 2.1</p> <p>With: Clause 11.2(1) and 10.6(1)</p> <p>From: 22-May-20</p> <p>To: 30-Sep-20</p>	<p>Four ICPs with duplicate addresses, which were corrected to be unique during the audit.</p> <p>One ICP recorded against the incorrect NSP.</p> <p>One ICP had the incorrect initial electrical connection date.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: One</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong as TENCO has a robust set of discrepancy reports that are used to identify and correct any errors found.</p> <p>The audit risk rating is low as the number of discrepancies found were small overall.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
As soon as these data inaccuracies were recorded then they were corrected by Tenco. The duplicate address's were corrected in October/November-2020 when identified as part of the audit analysis, the incorrect NSP 18/05/2020 so captured via R3 RM Reconciliation, the wrong IED date was corrected in October/November-2020 when identified as part of the audit analysis.		Ongoing through the audit period.	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
In terms of duplicate address's when transferring in ICP's from the local network a review of analysis of transferring ICP's has now been added to the Embedded Network Setup process and we will amend the address's as soon as these ICP's are under the TENC code. The incorrect GXP was a 1 off human error as process was not correctly followed. The IED process has been modified to ensure that we have a copy of the meter cert or livening paperwork from the retailer/MEP before populating the IED in Registry.		December-2020	

Timeliness of Provision of ICP Information to the registry manager		
Non-compliance	Description	
<p>Audit Ref: 3.4</p> <p>With: Clause 7(2) of Schedule 11.1</p> <p>From: 18-Jun-20</p> <p>To: 22-Jun-20</p>	<p>Two late updates to “ready” status for new connections.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three times</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, as the process is robust.</p> <p>The impact is low, as only two ICPs were affected and both were updated within four days of being electrically connected.</p>	
Actions taken to resolve the issue		Completion date
The incorrect status on the ICP's (which was the result of a reversal) was corrected as soon as we were made aware of this by the trader on the ICP's.		As soon as we were made aware by the trader on the ICP's.
Preventative actions taken to ensure no further issues will occur		Completion date
This was human error due to the correct process and checks being completed, we believe our process is strong here and further staff training is provided where we see it as being required.		Ongoing
		Identified

Timeliness of Provision of Initial Electrical Connection Date		
Non-compliance	Description	
<p>Audit Ref: 3.5</p> <p>With: Clause 7(2) of Schedule 11.1</p> <p>From: 21-May-19</p> <p>To: 30-Sep-20</p>	<p>107 ICPs did not have the initial electrical connection date populated within ten business days of initial electrical connection.</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>Controls are rated as moderate as they are sufficient to ensure that initial electrical connection dates are updated on time most of the time.</p> <p>The impact is low, because there is no direct impact on settlement and 101 of the 107 late updates were made within 30 business days of the initial electrical connection date.</p>	
Actions taken to resolve the issue		Completion date
We have previously been using our Salesforce Compliance Report to identify ICP's moving from Ready to Active and have looked to align the first Active Date with the Traders Claim date and ensure our IED matches this date. Where the updates from the Traders to MEP's have been late to Registry this has meant that the timeframes on our side have fallen outside of the Code timeframes.		Throughout the audit period.
Preventative actions taken to ensure no further issues will occur		Completion date
The IED process has been modified to ensure that we have a copy of the meter cert or livening paperwork from the retailer/MEP before populating the IED in Registry. As a secondary check to not receiving paperwork in a timely manner (in a small number of cases where FCLM/Wells in not the MEP/metering contractor) we still have the Compliance Dashboard available to us and if the MEP's and Traders are adhering to the Code timeframes we will also remain compliant here.		December-2020
		Identified

Connection of NSP that is not point of connection to the grid		
Non-compliance	Description	
<p>Audit Ref: 3.9</p> <p>With: Clause 10.30</p> <p>From: 08-Jul-196</p> <p>To: 12-Oct-20</p>	<p>Seven NSP's were created without providing the meter certification expiry date within 5 business days of the NSP being electrically connected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>This audit risk rating is assessed to be low as there were only seven late notifications.</p>	
Actions taken to resolve the issue		Completion date
The meter cert dates were added as soon as the paperwork came in from the MEP (AMS) however as noted in some cases this is arriving late to us.		During the audit period.
Preventative actions taken to ensure no further issues will occur		Completion date
The Market Operations and Compliance Manager has assumed responsibility for this part of all EN setups and we have added additional steps to the process to weekly check the RM NSP table with our Salesforce records and in addition to this send AMS a copy of our Salesforce records monthly to ensure that our 2 systems are in synch as the delivery of meter cert details to us is a manual process at their end that is subject to oversight at times.		September-2020
		Identified

Monitoring of 'new' & 'ready' statuses		
Non-compliance	Description	
<p>Audit Ref: 3.14</p> <p>With: Clause 15</p> <p>Schedule 11.1</p> <p>From: 23-Mar-18</p> <p>To: 30-Sep-20</p>	<p>Monitoring in place for the ICPs at "new" and "ready" status for over 24 months has lapsed.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The audit risk rating is low as overall the number of ICPs at these statuses for more than 24 months is small.</p>	
Actions taken to resolve the issue		Completion date
Prior to the onsite audit a review of all NEW and READY ICP's was completed.		October-2020
Preventative actions taken to ensure no further issues will occur		Completion date
A monthly process to review these and ensure that the compliance notes in SF are still up to date and accurate has been reinstated and will be followed going forward.		October-2020
		Identified

Changes to registry information		
Non-compliance	Description	
<p>Audit Ref: 4.1</p> <p>With: Clause 8 Schedule 11.1</p> <p>From: 21-May-19 To: 30-Sep-20</p>	<p>155 late address updates.</p> <p>Three late network updates.</p> <p>14 late pricing updates.</p> <p>Two late updates to decommissioned status.</p> <p>One late NSP change.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as strong, as they are sufficient to ensure updates are on time most of the time</p> <p>The risk is assessed as low as a relatively small proportion of updates were affected.</p>	
Actions taken to resolve the issue		Completion date
As soon as these data inaccuracies were recorded then they were corrected by Tenco. There are a lot of transactions on our ICP's and a large percentage of these are completed on time, a number of late entries are the result of human error and additional training for staff if being provided where required.		Ongoing throughout the audit period.
Preventative actions taken to ensure no further issues will occur		Completion date
Additional staff training and controls around registry updates made.		September-2020
		Identified

Notice of NSP for each ICP		
Non-compliance	Description	
<p>Audit Ref: 4.2</p> <p>With: Clauses 7(1)(b) of Schedule 11.1</p> <p>From: 02-Mar-20</p> <p>To: 18-May-20</p>	<p>One ICP was allocated to the incorrect NSP.</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>Controls are rated as strong, as this was a one-off instance and was due to human error.</p> <p>The audit risk rating is low as only one ICP was affected.</p>	
Actions taken to resolve the issue		Completion date
As soon as we were made aware of the incorrect NSP being setup on this ICP it was corrected in Registry.		18/05/2020
Preventative actions taken to ensure no further issues will occur		Completion date
We are confident that our controls in the creation of ICP's is strong and this one off error was the result of human error.		N/A
		Identified

ICP location address		
Non-compliance	Description	
<p>Audit Ref: 4.4</p> <p>With: Clause 2 Schedule 11.1</p> <p>From: 21-May-19</p> <p>To: 30-Sep-20</p>	<p>Four ICPs with duplicate addresses, which were corrected to be unique during the audit.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: One</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as strong, as there is a check in place to ensure that all addresses are readily locatable, and this step was missed in these two instances resulting in four duplicated addresses.</p> <p>The impact is low because in most cases address information is correct. Incorrect addresses can have a direct impact on the retailer's ability to read, disconnect and reconnect these sites.</p>	
Actions taken to resolve the issue		Completion date
As soon as these data inaccuracies were recorded then they were corrected by Tenco. The duplicate address's were corrected in October/November-2020 when identified as part of the audit analysis.		October/November-2020
Preventative actions taken to ensure no further issues will occur		Completion date
When transferring in ICP's from the local network a review of analysis of transferring ICP's has now been added to the Embedded Network Setup process and we will amend the address's as soon as these ICP's are under the TENC code		December-2020
		Identified

Distributors to provide ICP information to the registry manager			
Non-compliance	Description		
<p>Audit Ref: 4.6</p> <p>With: Clause 7(1) Schedule 11.1</p> <p>From: 21-May-19 To:3020-Sep-20</p>	<p>One ICP recorded against the incorrect NSP.</p> <p>One ICP had the incorrect initial electrical connection date.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as strong as processes are well documented.</p> <p>The audit risk rating is low as there were only two discrepancies.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
As soon as these data inaccuracies were recorded then they were corrected by Tenco. The incorrect NSP was corrected on the 18/05/2020 so captured via R3 RM Reconciliation, the wrong IED date was corrected on 16/11/2020 when identified as part of the audit analysis.		18/05/2020 (Incorrect NSP) & 16/11/2020 (IED)	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The incorrect NSP was a 1 off human error as process was not correctly followed. The IED process has been modified to ensure that we have a copy of the meter cert or livening paperwork from the retailer/MEP before populating the IED in Registry.		December-2020	

New loss categories		
Non-compliance	Description	
Audit Ref: 5.1 With: Clause 21 of schedule 11.1 From: 01-May-19 To: 03-Jul-19	Three new loss categories not notified two months in advance of coming into effect. 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 processes are well mapped. The audit risk rating is low as the number of ICPs affected was small.	
Actions taken to resolve the issue		Completion date
The above loss codes were added to Registry for a new Embedded Network commencing the 08/07/2019 and we looked to add these on the 03/07/2019 in preparation however Registry requires start dates for losses to be the 1 st of the month hence non-compliance occurred		N/A
Preventative actions taken to ensure no further issues will occur		Completion date
This was a one off error and the result of us not being aware of the Registry requirement for 1 st of the month loss start date. Our process has since been updated.		July-2019

Creation and decommissioning of NSPs			
Non-compliance	Description		
<p>Audit Ref: 6.1</p> <p>With: Clause 11.8 and Clause 25 Schedule 11.1</p> <p>From: 07-Jun-19</p> <p>To:16-Jun-19</p>	<p>Late notification for NSP TMM0011.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong, because one update was late, and the processes ensure that information is normally provided on time.</p> <p>The impact is low as it was a few days late.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The late notification of TMM0011 for the 08/07/2019 on the 18/06/2019 was consciously made by us following confirmation from the onsite development team that livening would be occurring from the 08/07/2019 (we had previously requested 1 months notice at a minimum however the early delivery of the HV metering unit brought forward the livening date)		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
This is a one off issue and made by a decision to short notify by us, our process is very clear on the required notice period.		N/A	

Notice of supporting embedded network NSP information		
Non-compliance	Description	
<p>Audit Ref: 6.4</p> <p>With: Clause 26(4)</p> <p>Schedule 11.1</p> <p>From: 01-Sep-19</p> <p>To: 04-Sep-20</p>	<p>Six LE ICP numbers were not provided at least one month before network creation date.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice previously</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, because the delays were primarily caused by other parties not providing information on time.</p> <p>The audit risk rating is low because all other required information was provided on time.</p>	
Actions taken to resolve the issue		Completion date
As soon as the LE ICP was provided to us it was populated to the RM portal. The challenge we have is that in some cases we do not receive the LE ICP from the local network 1 month prior to the network commencement or liveness date due to their own internal rules which are not in alignment with the 1 month notice required by code for new NSP's.		Ongoing through the audit period.
Preventative actions taken to ensure no further issues will occur		Completion date
We continue to work with Local Networks to ensure that we get LE ICP's in a timely fashion and that they are aware of the non-compliance on us for late provision of these.		Ongoing
		Identified

Responsibility for metering information for NSP that is not a POC to the grid			
Non-compliance	Description		
<p>Audit Ref: 6.8</p> <p>With: Clause 10.25(1) and 10.25(3)</p> <p>From: 21-May-19</p> <p>To: 30-Sept-20</p>	<p>Meter certification details were updated more than 20 business days for seven NSPs.</p> <p>Meter certification expired on TLN0011.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Moderate</p> <p>Breach risk rating:2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are moderate as the process did not identify when meter certifications weren't being received, so there is room for improvement.</p> <p>The impact is low. The meters with late updates were certified at all times.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
As soon as we were made aware of the mis-match between or records on the MEP's we updated the RM NSP Metering table with the updated records.		23/09/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have added a step to our process whereby on BD1 each month we send the MEP a record of all LE metering cert details with have in Tenco's CRM to allow them to review and provide updated meter paperwork to us where the steps introduced in November-2017 as referenced above have not been completed.		September-2020	

Responsibility for metering information when creating an NSP that is not a POC to the grid		
Non-compliance	Description	
<p>Audit Ref: 6.9</p> <p>With: Clause 10.25(2)</p> <p>From: 01-Sep-19</p> <p>To: 10-Aug-20</p>	<p>Four NSP's were created without providing the required meter certification expiry date to the Reconciliation Manager within 20 business days of the meter being certified.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time, but there is room for improvement.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
The meter cert dates were added as soon as the paperwork came in from the MEP (AMS) however as noted in some cases this is arriving late to us.		During the audit period.
Preventative actions taken to ensure no further issues will occur		Completion date
The Market Operations and Compliance Manager has assumed responsibility for this part of all EN setups and we have added additional steps to the process to weekly check the RM NSP table with our Salesforce records and in addition to this send AMS a copy of our Salesforce records monthly to ensure that our 2 systems are in synch as the delivery of meter cert details to us is a manual process at their end that is subject to oversight at times.		September-2020
		Identified

Obligations concerning change in network owner			
Non-compliance	Description		
<p>Audit Ref: 6.13</p> <p>With: Clause 6 of schedule 11.2</p> <p>From: 01-May-20</p> <p>To: 15-May-20</p>	<p>One ICP omitted from the transfer of NSP PPH0011 from PPNZ to TENC.</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 recorded as strong as the process is well mapped and this was a one-off human error.</p> <p>The audit risk rating is low as only one ICP was affected and was corrected as soon as it was discovered.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
This was due to human error in the preparation of the DS-10 file and is a one off. As soon as we became aware of the issue it was corrected by us via the EA.		13/05/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We believe this is a one off error and the result of human error and that our controls in this space utilising the correct Salesforce reports will ensure that this does not occur again in the future.		N/A	

Creation of loss factors		
Non-compliance	Description	
<p>Audit Ref: 8.1</p> <p>With: Clause 11.2</p> <p>From: 14-Aug-19</p> <p>To: 14-Aug-19</p>	<p>Loss factor codes TCLCL01 and TCLCL02 were assigned to 144 ICPs which did not have parent network loss codes consistent with the loss code. There is no difference in loss factor for these ICPs.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are strong as there were no new loss factor errors identified for the current audit period.</p> <p>The impact is none but low is the only option available as there is no difference in loss factor for the affected ICPs.</p>	
Actions taken to resolve the issue		Completion date
These loss codes were corrected by us from the 01/12/2020 across all ICP's, the corrections should have been made in early 2020 following our last audit but were not due to human error as new loss codes were established however once the loss codes became available the changes at an ICP level were not pushed through to Registry.		01/12/2020
Preventative actions taken to ensure no further issues will occur		Completion date
The Market Operations and Compliance Manager in conjunction with the Managing Director has assumed responsibility for overseeing all noted actions and recommendations coming out of our audits.		September-2020
		Identified