Compliance plan for Northpower - 2021

Non-compliance	Description		
Audit Ref: 2.1	Relatively low number of information inaccuracies identified during the audit		
With: 11.2(1)	Potential impact: Low		
	Actual impact: Low		
From: 01-Mar-20	Audit history: Multiple times		
To: 28-Feb-21	Controls: Strong		
	Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong. During the audit evidence was produced showing considerable steps taken to achieve accuracy, exception reporting in place and correction of any errors discovered. No impact on settlement outcomes. Audit risk rating low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Refer to Northpower comments on the individual non-compliance areas in this report (Audit Ref: 3.5, 3.6, 3.7, 4.1, and 4.6)		31/3/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Refer to Northpower's comment and corrective actions to be taken in the individual non-compliance areas in this report (Audit Ref: 3.5, 3.6, 3.7, 4.1, and 4.6)		31/3/2022	

Non-compliance	Desc	cription	
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 01-Feb-20 To: 28-Feb-21 Audit risk rating Low	51 new ICP connections had the IECD uploaded to the registry more than 10 days after the event date. 2 ICPs had no IECD populated in the registry. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 Rationale for audit risk rating The controls are recorded as moderate because Northpower has well documented processes, information recording and exception reporting. The		
	main issue appears to be receiving late data from third parties. No impact o settlement outcomes. Audit risk rating low.		
Actions ta	ken to resolve the issue	Completion date	Remedial action status
Due to the infancy of process to have warranted persons, other than the internal contracting arm, on the Northpower Network, a relationship based approach was followed to ensure compliance with S6.5 of the Default Distributor Agreement. A Contractor presentation was conducted in March 2020 to inform/remind Contractors of their obligation around paperwork. Follow up communication with the Contractor that completes the majority of new connections on the Network resulted in some improvement, but not compliance. Lack of alternative options for customers on the Network constrained Northpower's ability to enforce the obligation.		31 March 2021	Identified
Preventative actions t	aken to ensure no further issues will occur	Completion date	
on the Network, a more This will involve a notic requirement to return i Distributor Agreement. with the consequence of being a time bound sus	Il parties are now Warranted to work e formal process will be instigated. e to Contractors not meeting the nformation as per S6.5 of the Default Two reminder notices will be sent of a third notice of non-compliance pension from the Network. A fourthing in Warranted person status being	31 March 2022	

Non-compliance	Desc	cription	
Audit Ref: 3.6 With: 11.17(2)	25% of new ICP connections sampled had no retailer acceptance of responsibility recorded by Northpower (retailers with "blanket" acceptance are excluded).		
	Potential impact: Low		
From: 01-Feb-20	Actual impact: Low		
To: 28-Feb-21	Audit history: Multiple times		
	Controls: Weak		
	Breach risk rating: 3		
Audit risk rating	Rationale for	audit risk rating	3
Low	The controls are recorded as weak because handling of new connections is split between two team; there are no robust processes between the two teams, already noted as non-compliance in the last audit. No impact on settlement outcomes. Audit risk rating low.		
Actions ta	ken to resolve the issue	Completion date	Remedial action status
that at the same time a ICP and provide its app contractor is often advi ICP. Because this approgranted before the retathe retailer does not ac	igated the process and discovered is requesting a retailer to accept an roval to connect, the trader and its sed it may electrically connect the oval to electrically connect is being ailer provides its acceptance, often accept the ICP at all, or provides the P is electrically connected.	31/3/2021	Identified
Preventative actions t	aken to ensure no further issues will occur	Completion date	
To address this we will:		31 Mar 2022	
 change our process so that we do not authorise electrical connection of the ICP until the retailer accepts the ICP. 			
Acceptance / A	a report from Salesforce identifying pprovals that have not been received e blanket approval, and follow up		
to provide a bla	etailers who have previously declined anket acceptance and approval to if they are now willing to provide		

Non-compliance	Des	cription	
Audit Ref: 3.7 With: 10.31	39% of new ICP connections sampled had no retailer acceptance of responsibility recorded by Northpower (retailer with "blanket" acceptance are excluded)		
	Potential impact: Low		
From: 01-Mar-20	Actual impact: Low		
To: 28-Feb-21	Audit history: Multiple times		
	Controls: Weak		
	Breach risk rating: 3		
Audit risk rating	Rationale for	audit risk rating	g
Low	The controls are recorded as weak because the handling of new connections is split between two team; there are no robust processes between two teams, already noted as non-compliance in the last audit. No impact on settlement outcomes. Audit risk rating low.		
Actions taken to resolve the issue Completion Remedial action date status		Remedial action status	
Northpower has investigated the process and discovered that at the same time as requesting a retailer to accept an ICP and provide its approval to connect, the trader and its contractor is often advised it may electrically connect the ICP. Because this approval to electrically connect is being granted before the retailer provides its acceptance, often the retailer does not accept the ICP at all, or provides the acceptance after the ICP is electrically connected.		31/3/2021	Identified
Preventative actions to	aken to ensure no further issues will occur	Completion date	
To address this we will	•	31 Mar 2022	
	ocess so that we do not authorise ection of the ICP until the retailer of the ICP until		
Acceptance / A	a report from Salesforce identifying provals that have not been o not have blanket approval, and retailers.		
to provide a bla	etailers who have previously declined anket acceptance and approval to , if they are now willing to provide		

Non-compliance	Description
Audit Ref: 4.1 With: 8(1)(b)&(4) of Schedule 11.1	Registry event updates backdated greater than three days. Changes of NSP for 464 was not recorded in the registry. Potential impact: Low Actual impact: Low
From: 01-Feb-20 To: 28-Feb-21	Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
Low	Controls are recorded as moderate as exception reporting and follow up is evident. Unfortunately, efforts made to correct and maintain registry information to be compliant with clause 11.2 can result in updates over 3 days and consequent non-compliance. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low

Actions taken to resolve the issue	Completion date
Contractor info: Due to the infancy of the process to have Warranted Persons, other than the internal contracting arm, on the Northpower Network, a relationship based approach was followed to ensure compliance with (what is now) S6.5 of the Default Distributor Agreement. A Contractor presentation was conducted in March 2020 to inform/remind Contractors of their obligation around paperwork. Follow up communication with the Contractor that completes the majority of new connections on the Network resulted in some improvement, but not compliance. Lack of alternative options for customers on the Network constrained Northpower's ability to enforce the obligation.	31 March 2021
Preventative actions taken to ensure no further issues will occur	Completion date

Northpower will introduce the following new policies and actions:

1 May 2021

- that address changes will be made in the Registry effective from the date at which it is made aware of the change.
- that price category code changes will not be backdated prior to the date the request is received from the retailer, unless it relates to switching a price category code between ToU and non-ToU and aligns to a recent switch date. We will write to the EA separately regarding this issue.
- that the EA audit report will be generated and reviewed on a monthly basis, including incorporation into month end packs to raise visibility.
- That NP will not shift an ICP to the ToU price equivalent unless requested by the retailer (i.e. relying on retailer to review the price plan in accordance with NP's pricing policy upon an inward switch).

Contractor info:

Now that more external parties are now Warranted to work on the Network, a more formal process will be instigated. This will involve a notice to Contractors not meeting the requirement to return information as per S6.5 of the Default Distributor Agreement. Two reminder notices will be sent with the consequence of a third notice of non-compliance being a time bound suspension from the Network. A fourth notice ultimately resulting in Warranted person status being revoked.

31 March 2022

Non-compliance	Desc	cription	
Audit Ref: 4.6 With: 7(1)(p) of	Missing information in the registry for Initial Electrical Connection Date (2 ICPs)		
Schedule 11.1	Potential impact: Low		
	Actual impact: Low		
From: 01-Mar-20	Audit history: Multiple times		
To: 28-Feb-21	Controls: Strong		
	Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong. During the audit evidence was produced showing exception reporting in place and correction of any errors discovered. Minor impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Refer to comment in previous non-compliances regarding the issues with enforcing Warranted Persons to meet deadlines with the return of information in a timely manner that will allow Northpower to update the Registry within the Code time frames. However there are some areas, for example connection of generation to existing ICPs, where Northpower has no contractual relationship and therefore no control over the third parties completing this work so little can be done in these cases.		31/3/2021	Identified
Preventative actions t	aken to ensure no further issues will occur	Completion date	
Refer to comments in previous non-compliances regarding the planned changes to the relationship and management of those parties who are Warranted Persons to work on the network.		31/3/2022	
Compliance Report files	orting, including use of the Audit s, will be implemented to help se areas of non-compliance		

Non-compliance	Desc	cription	
Audit Ref: 4.9 With: 14 of Schedule 11.1	39% of ICPs in the sample taken from first connected ICPs, where a "blanket" acceptance/approval to liven is not held, had the registry status' made "Ready" prior to retailer acceptance or confirmation of responsibility being received by Northpower		
	Potential impact: Low		
From: 01-Mar-20	Actual impact: Low		
To: 28-Feb-21	Audit history: Many times		
	Controls: Moderate		
	Breach risk rating: 2		
Audit risk rating	Rationale for	audit risk rating	I
Low	The controls are recorded as moderate. Process of handling new connections with traders which require individual acceptance lacks robustness, it need to be re-engineered. No impact on settlement outcomes. Audit risk rating low.		
Actions ta	aken to resolve the issue	Completion date	Remedial action status
Northpower has investigated the process and discovered that at the same time as requesting a retailer to accept an ICP and provide its approval to connect, the trader and its contractor is often advised it may electrically connect the ICP. Because this approval to electrically connect is being granted before the retailer provides its acceptance, often the retailer does not accept the ICP at all, or provides the acceptance after the ICP is electrically connected.		31/3/2021	Identified
Preventative actions t	aken to ensure no further issues will occur	Completion date	
To address this we will:		31/3/2022	
	cess so that we do not authorise ection of the ICP until the retailer	31, 3, 2022	
Acceptance / A	a report from Salesforce identifying pprovals that have not been received e blanket approval, and follow up		
to provide a bla	etailers who have previously declined anket acceptance and approval to a fit they are now willing to provide		