

Compliance plan for Northpower - 2021

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2(1) From: 01-Mar-20 To: 28-Feb-21	Relatively low number of information inaccuracies identified during the audit 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	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	Description	
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 01-Feb-20 To: 28-Feb-21	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	
Audit risk rating	Rationale for audit risk rating	
Low	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 on settlement outcomes. Audit risk rating low.	
Actions taken 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 taken to ensure no further issues will occur	Completion date	
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	Description		
Audit Ref: 3.6 With: 11.17(2) From: 01-Feb-20 To: 28-Feb-21	25% of new ICP connections sampled had no retailer acceptance of responsibility recorded by Northpower (retailers with “blanket” acceptance are excluded). 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	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 taken 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 taken to ensure no further issues will occur		Completion date	
To address this we will: <ul style="list-style-type: none"> • change our process so that we do not authorise electrical connection of the ICP until the retailer accepts the ICP. • Create and run a report from Salesforce identifying Acceptance / Approvals that have not been received and do not have blanket approval, and follow up with retailers. • Re-approach retailers who have previously declined to provide a blanket acceptance and approval to connect to see, if they are now willing to provide one. 		31 Mar 2022	

Non-compliance	Description		
Audit Ref: 3.7 With: 10.31 From: 01-Mar-20 To: 28-Feb-21	39% of new ICP connections sampled had no retailer acceptance of responsibility recorded by Northpower (retailer with “blanket” acceptance are excluded) 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	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 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 taken to ensure no further issues will occur		Completion date	
To address this we will: <ul style="list-style-type: none"> • change our process so that we do not authorise electrical connection of the ICP until the retailer accepts the ICP. • Create and run a report from Salesforce identifying Acceptance / Approvals that have not been received and do not have blanket approval, and follow up with retailers. • Re-approach retailers who have previously declined to provide a blanket acceptance and approval to connect to see, if they are now willing to provide one. 		31 Mar 2022	

Non-compliance	Description	
Audit Ref: 4.1 With: 8(1)(b)&(4) of Schedule 11.1 From: 01-Feb-20 To: 28-Feb-21	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 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

Non-compliance	Description		
Audit Ref: 4.6 With: 7(1)(p) of Schedule 11.1 From: 01-Mar-20 To: 28-Feb-21	Missing information in the registry for Initial Electrical Connection Date (2 ICPs) 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	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 taken 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. In addition further reporting, including use of the Audit Compliance Report files, will be implemented to help highlight and investigate areas of non-compliance		31/3/2022	

Non-compliance	Description		
<p>Audit Ref: 4.9</p> <p>With: 14 of Schedule 11.1</p> <p>From: 01-Mar-20</p> <p>To: 28-Feb-21</p>	<p>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</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Many times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<p>Low</p>	<p>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.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>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.</p>		<p>31/3/2021</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>To address this we will:</p> <ul style="list-style-type: none"> • change our process so that we do not authorise electrical connection of the ICP until the retailer accepts the ICP. • Create and run a report from Salesforce identifying Acceptance / Approvals that have not been received and do not have blanket approval, and follow up with retailers. • Re-approach retailers who have previously declined to provide a blanket acceptance and approval to connect to see, if they are now willing to provide one. 		<p>31/3/2022</p>	