

Compliance plan for Powerco Distributor Audit – 2024

Requirement to provide complete and accurate information	
Non-compliance	Description
<p>Audit Ref: 2.1 With: Clause 11.2(1) and 10.6(1)</p> <p>From: 01-Aug-21 To: 26-Aug-24</p>	<p>190 “active” ICPs have duplicate addresses, and 442 “active” ICPs have addresses which do not have a street number or property name.</p> <p>Three ICPs had a fuel type of other and were corrected to solar + battery following investigation during the audit.</p> <p>ICPs 0000905540TU390 and 0000056812UN277 had incorrect event dates, and were corrected during the audit.</p> <p>24 ICPs had unmetered load details removed on the registry on 3 April 2024 in error. The records were reinstated during the audit, and the cause of the error is being investigated by Powerco.</p> <p>Unmetered ICP 1000615008PCC7D had incorrect on hours recorded and was corrected during the audit.</p> <p>Shared unmetered load parent ICP 1000548564PC076 and child ICPs (0000049402CP1C4, 0000049403CPD81, 0000049404CP04B, 0000067578CPE01 and 0900087477PC9E1) had their unmetered load details updated to include child ICP 1000613185PCAA8 from 7 June 2023 but should have been updated effective from 8 April 2024; the event dates for the child ICPs have been corrected and all the affected traders have been notified. The parent ICP’s records remain incorrect.</p> <p>Some private lights in the Manawatu District Council, Matamata Piako District Council, New Plymouth District Council, Palmerston North City Council and Western Bay of Plenty regions do not have their load recorded against an ICP.</p> <p>ICP 1000615987PCFE0 had an initial electrical connection date of 28 September 2023 populated but should have had 29 September 2023. The date was corrected during the audit.</p> <p>ICP 1000612234PC6FC had an initial electrical connection date of 2 May 2023 populated but should have had 3 May 2023. The date was corrected during the audit.</p> <p>ICP 1000579462PC871 was decommissioned in error effective 30 June 2022, based on work completion paperwork from a contractor who advised the meter was removed and the ICP was to be decommissioned. The decommissioning event was later reversed, and 165,804 kWh was under reported during the period the ICP was thought to be decommissioned.</p> <p>Potential impact: High Actual impact: High Audit history: Multiple times Controls: Strong Breach risk rating: 3</p>
Audit risk rating	Rationale for audit risk rating
High	I have rated the controls as strong overall, as there are strong controls over validation and accuracy:

	<ul style="list-style-type: none"> the decommissioning in error occurred because the paperwork was incorrect, although it did appear reasonable based on the work Powerco expected to be completed, the incorrect event dates for distributed generation changes occurred because CWMS does not allow the user to select an event date for these updates, but in most cases Powerco’s manual controls ensure the correct event dates are applied, no new ICPs had incomplete or inaccurate addresses, and Powerco is working through resolving historic discrepancies, Powerco is working through investigating and resolving potentially unmetered private lights with no ICP numbers, and a very small number of incorrect initial electrical connection dates were identified. <p>The impact is high overall because 165,804 kWh was under submitted for the ICP which was decommissioned in error. The impact of the other exceptions is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco continues to dedicate resources to resolve these historic data issues, utilising information from multiple sources across the business.	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco is continuing to work with contractors, retailer and customers to ensure complete and accurate information is submitted within a timely manner.	Ongoing	

Requirement to correct errors	
Non-compliance	Description
Audit Ref: 2.2 With: 11.2(2) and 10.6(2) From: 01-Aug-21 To: 26-Aug-24	190 “active” ICPs have duplicate addresses. 442 “active” ICPs have addresses which do not have a street number or property name. 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 strong as the processes in place will prevent new ICPs being created with incomplete or duplicate addresses, and historic address issues are being resolved.

	The audit risk rating is low as the volume of ICPs that are not readily locatable and duplicated has reduced greatly during the audit period. Incorrect addresses can have a direct impact on the retailer's ability to read, disconnect and reconnect these sites.	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco is continuing to dedicate resources to resolve historic data issues, utilising information from multiple sources across the business.	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco's systems and processes are in place to prevent duplicate/incomplete addresses from being created and monitoring is in place to detect these issues if they present from other updates.	In place	

Distributor must create ICPs		
Non-compliance	Description	
Audit Ref: 3.1 With: 11.4 From: 19-Jun-20 To: 26-Aug-24	Some private lights in the Manawatu District Council, Matamata Piako District Council, New Plymouth District Council, Palmerston North City Council and Western Bay of Plenty regions do not have their load recorded against an ICP. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	I have rated the controls as strong as Powerco has a robust ICP creation process, these lights are an historic issue, and no other such instances have been identified. I have rated the audit risk rating as low as the kWh volume associated with these lights will be small, and some of the private lights may be metered.	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco is following up with the respective councils and their retailers to ensure all lights are being reconciled and new ICPs are created where necessary.	Ongoing	Identified

Preventative actions taken to ensure no further issues will occur	Completion date
Powerco is continuing to work closely with councils to ensure better understanding of the requirements and obligations for streetlight connections.	Ongoing

Timeliness of Provision of ICP Information to the registry manager		
Non-compliance	Description	
<p>Audit Ref: 3.4</p> <p>With: 7(2) of schedule 11.1</p> <p>From: 01-Mar-23</p> <p>To: 30-Apr-24</p>	<p>16 ICPs did not have "ready" status populated prior to being electrically connected.</p> <p>14 ICPs did not have a proposed trader, network information (excluding the proposed trader), and address information populated prior to being electrically connected.</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	The controls are rated as strong, and the audit risk rating is low. The overall level of compliance is high, and the number of ICPs affected is very small and will only have a minor impact on settlement.	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco continues to work with contractors communicating the importance of correct and timely information for new connections. We will continue to backdate and correct where appropriate to provide the most accurate information to registry.	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
As above, Powerco is continuing to work with its approved contractors to get accurate and timely information for new connections.	Ongoing	

Timeliness of Provision of Initial Electrical Connection Date			
Non-compliance		Description	
Audit Ref: 3.5 With: 7(2A) of schedule 11.1 From: 01-Aug-21 To: 30-Apr-24		103 ICPs did not have initial electrical connection dates populated within ten business days of being electrically connected. Potential impact: None Actual impact: None Audit history: Multiple times Controls: Moderate Breach risk rating: 2	
Audit risk rating		Rationale for audit risk rating	
Low		Controls are moderate. Initial electrical connection dates are based on the best information available with daily monitoring and resolution of missing and potentially incorrect dates. The audit risk rating is low because there is no direct impact on submission. Retailers may use this information to check their “active” dates.	
Actions taken to resolve the issue		Completion date	Remedial action status
Powerco has corrected IECDs where identified in reporting.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Powerco monitors IECD accuracy through daily reporting as well as in its weekly registry reconciliation		In Place	

Connection of ICP that is not an NSP			
Non-compliance		Description	
Audit Ref: 3.6 With: 11.17 From: 01-Mar-23 To: 30-Apr-24		A proposed trader was not recorded on the registry prior to commencement of trading for 16 ICPs created and electrically connected during the audit period. 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 rated as strong, and the audit risk rating is low. For ten of the ICPs the trader had accepted responsibility for the ICP prior to initial electrical connection, and for the other six ICPs the trader had retrospectively agreed to the connection date.	

Actions taken to resolve the issue	Completion date	Remedial action status
As above, Powerco created the ICPs as soon as they were identified to ensure the correct information was supplied to registry.	Complete	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco is continuing to work with contractors to ensure complete and accurate information is supplied to avoid these errors.	Ongoing	

Connection of ICP that is not an NSP		
Non-compliance	Description	
Audit Ref: 3.7 With: 10.31 From: 01-Mar-23 To: 30-Apr-24	For six ICPs the proposed trader had not provided acceptance prior to initial electrical connection, but retrospectively agreed to the connection date. 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 rated as strong, and the audit risk rating is low, as the trader had retrospectively agreed to the connection date. One consent was delayed by a change of proposed trader, and the other five were backdated connections for DUML or private streetlights.	
Actions taken to resolve the issue	Completion date	Remedial action status
Powerco created the ICPs as soon as they were identified to ensure the correct information was supplied to registry.	Complete	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Powerco is continuing to work with contractors to ensure complete and accurate information is supplied to avoid these errors.	Ongoing	

Changes to registry information		
Non-compliance	Description	
<p>Audit Ref: 4.1</p> <p>With: 8 of schedule 11.1</p> <p>From: 01-Feb-23</p> <p>To: 05-Jul-24</p>	<p>61 late address updates.</p> <p>2,515 late distributed generation updates.</p> <p>5,920 late network updates (excluding the 2,515 late distributed generation updates).</p> <p>Up to 44 late NSP changes.</p> <p>228 late updates to decommissioned status.</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>I have rated the controls as moderate as they will mitigate the risk most of the time, and many of the late updates related to corrections.</p> <p>Depending on the type of late update there can be a minor impact on settlement, customers and traders and the audit risk rating is low.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Powerco is committed to correcting data inaccuracies to the appropriate effective date as soon as they are identified. Improvements to processes and reporting will lead to less errors to be corrected and the timeliness of any updates</p>	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Powerco will continue to work with its contractors to maintain and improve timeframes for providing information. Regular reporting provides Powerco with visibility of timeframes and any issues are raised with contractors as required.</p> <p>Powerco is continuing to improve reporting to identify errors quickly for correction and identify areas where processes and/or controls should be reviewed.</p>	Ongoing	

ICP location address		
Non-compliance	Description	
Audit Ref: 4.4 With: 2 of schedule 11.1 From: 01-Aug-21 To: 26-Aug-24	190 "active" ICPs have duplicate addresses. 442 "active" ICPs have addresses which do not have a street number or property name. 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 rated as strong as the new connection process is robust and the historic addresses are being resolved using as many tools as are available to Powerco. The audit risk rating is low as the volume of ICPs that are not readily locatable and duplicated is reducing. Incorrect addresses can have a direct impact on the retailer's ability to read, disconnect and reconnect these sites.	
Actions taken to resolve the issue	Completion date	Remedial action status
As noted in 2.2, Powerco is continuing to dedicate resources to resolve historic data issues, utilising information from multiple sources across the business.	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
As noted in 2.2, systems and processes prevent the creation of new exceptions and Powerco will continue to correct errors in its weekly and ad-hoc reporting.	In Place	

Distributors to Provide ICP Information to the Registry manager	
Non-compliance	Description
Audit Ref: 4.6 With: 7(1) of Schedule 11.1	1,279 ICPs in total have duplicate and/or incomplete addresses and Powerco is working through resolving these. Three ICPs had incorrect address information were corrected during the audit. One ICP had incorrect distributed generation information and was corrected during the audit. Two ICPs had some incorrect unmetered load details and were corrected during the audit. Two ICPs had incorrect NSPs and were corrected during the audit.

<p>From: 01-Aug-21 To: 07-Mar-23</p>	<p>At least two ICPs had incorrect initial electrical connection dates and were corrected during the audit.</p> <p>Five ICPs had missing initial electrical connection dates and were corrected during the audit.</p> <p>One ICP had an incorrect network event date and was corrected during the audit.</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	
<p>Low</p>	<p>I have rated the controls as strong. The errors mainly occurred because CWMS does not allow users to select an event date when processing updates to network attributes making it more difficult to ensure that the correct attributes are applied on the event date. There is a manual process which is used to check and update the registry information, and almost all exceptions are resolved through this process.</p> <p>The impact is low because there may be a small impact on settlement.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Powerco has continued to work with traders and contractors to ensure the correct information and effective dates have been sent to registry</p>	<p>Ongoing</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Powerco is confident in its processes for assigning pricing to new connections but will continue to monitor and report on them to identify issues and correct them as soon as practicable.</p>	<p>In-place</p>	