



VERITEK

Electricity Industry Participation Code Reconciliation Participant Audit Report

for

Opunake Hydro Ltd

Prepared by Tara Gannon – Veritek Ltd

Date of Audit: 30/11/16

Date Audit Report Complete: 12/01/17

Date Audit Report Due: 14/01/17



Executive Summary

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of **Opunake Hydro Limited (OPHL)**, to support their application for renewal of certification in accordance with clauses 5 and 7 of schedule 15.1.

OPHL's HHR compliance is reliant on the compliance of Simply Energy and EMS, as agents to OPHL. NHH compliance is reliant on the compliance of Simply Energy, Datacol, Delta and EMS as agents to OPHL.

This audit found 15 non-compliances and makes three recommendations. This is an increase from the ten non-compliances found in the last audit, and several of the non-compliances have been raised in previous audits.

Simply Energy is working to resolve the issues relating to incorrect submission information in consultation with the Electricity Authority. Simply Energy have indicated that resolving these issues within the wash up cycle is a high priority.

These matters are detailed in the tables below.

Table of Non-compliance

Subject	Section	Clause	Non-compliance	Indicative Impact	Audit History	Procedures	Remedial Action
Provision of Complete and Accurate Information	1.9	15.2 of part 15	Inaccurate information used for submission.	None	Three times previously	Need Improvement	Investigating
Losing Trader Response to Switch Request	2.1.2	3 of Schedule 11.3	An incorrect AN response code was provided for 0007117408RNF25. AD (advanced metering) applied, but AA (accept and acknowledge) was used.	None	None	Need Improvement	Cleared
Gaining Trader Changes to Switch Read	2.1.5	6 of schedule 11.3	Two late RR files for transfer switches, both for ICP 0000183037TPFB4.	None	Once	In place	Identified
Gaining Trader Changes to Switch Read	2.2.3	12 of schedule 11.3	One late RR file for a switch move.	None	None	In place	Identified

Subject	Section	Clause	Non-compliance	Indicative Impact	Audit History	Procedures	Remedial Action
Losing Trader Response and Provision of Final Information	2.3.3	16 of Schedule 11.3	Three late CS files for half hour switches	None	Once	In place	Identified
Changes to Registry Information	2.9.2	10 of schedule 11.1	21 late ICP status changes, and 121 late trader information changes.	None	Three times previously	In place	Identified
Interrogate Meters Once	3.3.2	7(1) and 7(2) of schedule 15.2	One ICP was not read during the period of supply.	None	None	In place	Identified
Electricity Supplied	4.2	15.7 of part 15	Electricity supplied reporting inaccurate.	Low	Three times previously	Need improvement	Investigating
HHR Aggregates	4.3	15.8 of part 15	HHR aggregates file does not contain electricity supplied information.	None	None	In place if Code is changed	Identified
Permanence of Meter Readings for Reconciliation	5.1.2	4 of schedule 15.2	Not all estimates replaced at R14.	None	Once	Need improvement	Investigating
Creation of Submission Information	5.1.3	15.5(1) & 15.12 of part 15 & 2 of schedule 15.3	Some errors in submission information.	Low	Once previously	Need improvement	Identified
Historical Estimate Process	5.1.4	4 & 5 of schedule 15.3	Incorrect HE calculations.	Low	None	Need improvement	Investigating
Forward Estimate Process	5.1.5	6 & 10(3) of Schedule 15.3	The accuracy of the initial submission, in comparison to each subsequent revision is not within 15% and within 100,000kWh.	Low	None	Need improvement	Identified
Historical Estimates	5.2.4	10 of schedule 15.3	HE targets not met for some NSPs.	Low	Twice previously	Need improvement	Investigating

Subject	Section	Clause	Delta Non-compliance	Indicative Impact	Audit History	Procedures	Remedial Action
Phase failure	3.3.1	5 (c) of schedule 15.2 Check	Check for phase failure not conducted and recorded by Delta	Unknown	None	Need Improvement	Identified

Table of Recommendations

Subject	Section	Clause	Recommendation	Remedial action
Embedded generation capacity	1.8.5	10.13 of part 10	Liaise with relevant network and MEP to confirm and update the generation capacity for ICP 1001131304LC8ED.	Cleared
Registry Data Discrepancies	2.9.8	11 of schedule 11.1	Liaise with relevant MEP to confirm the correct number of meter channels for ICP .0002623240WFD23.	Identified
Changes to Unmetered Load	2.11.2	9(1)(f) & (g) of schedule 11.1	Liaise with relevant Distributor to confirm if UML exists for ICP 0000536652NR7E6.	Cleared

Persons Involved in This Audit

Auditor:

T Gannon

Tara Gannon
Veritek Limited
Electricity Authority Approved Auditor

Personnel assisting in this audit were.

Name	Title	Company
Stephen Kemp	Operations Manager	Simply Energy

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1. Pre-Audit and Operational Infrastructure Information

1.1 Summary of Previous Audit

OPHL provided a copy of the audit report from their previous audit by Rebecca Elliot. 10 non-compliance issues were identified during the audit and two recommendations were made. The current status of these has been recorded below and are discussed in detail in the report.

Table of Non-compliance

Subject	Section	Clause	Non-compliance	Status
Provision of Complete and Accurate Information	1.9	15.2 of part 15	Inaccurate information used for submission.	Still existing
Gaining Trader Changes to Switch Read	2.1.5	6 of schedule 11.3	One late RR file.	Still existing
Gaining Trader Informs Registry of Event Date	2.3.3	16 of schedule 11.3	One late CS file.	Still existing
Changes to Registry Information	2.9.2	10 of schedule 11.1	One ICP updated on the registry late.	Still existing
Registry Discrepancies	2.9.8	11 of schedule 11.1	Incorrect submission flag for one ICP.	Cleared
Electricity Supplied	4.2	15.7 of part 15	Electricity supplied reporting inaccurate.	Still existing
HHR Aggregates	4.3	15.8 of part 15	Load submission omitted for ICP 1000548453PC340	Cleared in relation to this ICP
Permanence of Meter Readings for Reconciliation	5.1.2	4 of schedule 15.2	Not all estimates replaced at R14.	Still existing
Creation of Submission Information	5.1.3	15.5(1) & 15.12 of part 15 & 2 of schedule 15.3	Some errors in submission information.	Still existing
Historical Estimates	5.2.4	10 of schedule 15.3	HE targets not met for some NSPs.	Still existing

Table of Recommendations

Subject	Section	Clause	Recommendation	Status
ANZSIC codes	2.9.9	9(1)(k) of schedule 11.1	Check the two ICPs with T994 "Don't know" ANZSIC code.	Cleared
Changes to Unmetered Load	2.11.2	9(1)(f) & (g) of schedule 11.1	Liaise with relevant Distributors to confirm if UML exists or not.	Still existing

1.2 Scope of Audit

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of OPHL, to support their application for renewal of certification in accordance with clauses 5 and 7 of schedule 15.1.

The audit was conducted in accordance with the Guideline for Reconciliation Participant Audits V6.2

The table below shows the agents used by OPHL and their areas of responsibility.

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks		MEP
	HHR	NHH	
(a) Maintaining Registry information and performing switching	Simply Energy EMS (Registry discrepancies)	Simply Energy EMS (Registry discrepancies)	
(b) Gathering and storing raw meter data	AMS EMS EDMI	Datacol Delta	Metrix AMS FCLM Arc Innovations Counties Power Smartco Limited
(c)(iii) Creation and management of HHR & NHH volume information	EMS AMS EDMI	Datacol Simply Energy EMS	
(da) - delivery of electricity supplied information under clause 15.7	Simply Energy	Simply Energy	
(db) - delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8	EMS	EMS	
(e) Provision of submission information for reconciliation	EMS	EMS	

The audit reports for the agent parties mentioned above are attached as appendices.

This report only contains details of those areas where issues were identified or where additional analysis was conducted specifically for OPHL. The agents' reports contain all the remaining detail.

1.3 Exemptions From Obligations to Comply With Code (Section 11 of Electricity Industry Act 2010)

OPHL confirms that there are no exemptions in place, which are relevant to the scope of this audit.

1.4 Quality Management Systems (Clause 5 (1)(b) of Schedule 15.1)

AMS, EMS, EDMI, Delta and Datacol have ISO 9001:2008 certification and reference is made to this in their audit reports.

Simply Energy has Q-Base Code: 2001 certification and reference is made to this in their audit report.

1.5 Use of Agents (Clause 15.34 of Part 15)

Agents, who are listed in Section 1.2, perform all OPHL's responsibilities.

1.6 Breaches or Breach Allegations

OPHL has had no alleged breaches recorded by the Electricity Authority relevant to this audit.

1.7 ICP Data

OPHL provided a list file as at November 2016 by status:

ICP Status	Number of ICPs 2016	Number of ICPs 2015	Number of ICPs 2014
Active (2)	968	525	183
Inactive – vacant (1,4)	4	1	1
Inactive – ready for decommissioning (1,6)	4	8	1
Inactive – de-energised remotely by AMI meter (1,7)	1	-	-
Inactive – de-energised at pole fuse (1,8)	1	-	-
Decommissioned (3)	66	1	1

The active ICPs from the list file are summarised by meter category in the table below.

Metering Category	2016	2015	Dec 2014	Jan 2014	2013
1	743	384	132	76	30
2	196	113	40	15	3
3	31	23	8	8	4
4	8	4	2	2	2
5	0	0	0	1	1
9	65	1	0	0	-

Metering Category	2016	2015	Dec 2014	Jan 2014	2013
Blank	1	0	1	-	NA

1.8 Retailer responsibility for Electricity Conveyed (Clause 10.13 of Part 10)

In accordance with Part 10, the responsibility for the metering installations at each point of connection are the responsibility of the Metering Equipment Provider. The Retailer retains responsibility for the following:

1.8.1 Participant Obligations (Clause 10.4 & 10.33 of Part 10)

The participant may energise or authorise the energisation of connection only if –

- (a) they have accepted responsibility for the point of the connection; and
- (b) they have one or more certified metering installations are in place.

If this Part provides that a participant must obtain a consumer's consent, approval, or authorisation, the participant must, if relevant, ensure that the consent, approval, or authorisation extends, for the full term of the contract or arrangement in relation to which the consent, approval, or authorisation is given, to any participant who may be expected to rely on that consent, approval, or authorisation to remain in compliance with this Part.

If a participant (participant A) incorrectly populates the Registry, causing another participant (participant B) to breach an obligation under this Code, and participant B relies, in good faith, on the incorrect information published by the Registry, participant B has not breached its obligation.

OPHL contracts with their customers meet the requirements of this clause and provide other parties such as the MEP to have access to a customer site. Additionally, OPHL has arrangements via Simply Energy in place with all relevant MEPs.

1.8.2 Access to Metering Installations (Clause 10.7(2) to (6) of Part 10)

A reconciliation participant must, upon receiving a request from one of the following parties, arrange access to a metering installation for which it is responsible –

- (a) the Authority
- (b) an ATH
- (c) an auditor
- (d) a metering equipment provider
- (e) a gaining metering equipment provider.

A party listed above may only request access to the metering installation for the purposes of exercising the party's rights and performing the party's obligations under this Code or any relevant regulations in connection with one or more of the following –

- (a) the party's audit functions
- (b) the party's administration functions
- (c) the party's testing functions

(d) the provision of metering components.

A reconciliation participant who is required to give a party listed above access to a metering installation must use its best endeavours to do so —

(a) in accordance with the authorisation, and any conditions or restrictions contained in the authorisation, referred to in sub-clause (5); and

(b) subject to and to the extent allowed by the authorisation, in a manner and within a timeframe which are appropriate in the circumstances, to enable the party to exercise the party's rights, or perform the party's obligations, that are dependent, either directly or indirectly, on access being given.

If the reconciliation participant referred to above is a trader responsible for an ICP that —

(a) has a consumer, the trader must have obtained the authorisation from the consumer to access the metering installation before arranging access; or

(b) does not have a consumer, the trader must arrange for access to the metering installation.

(6) The reconciliation participant must arrange for the party listed in subclause (2) to be provided with any necessary facilities, codes, keys, or other means to enable the party to obtain access to the metering installation by the most practicable means.

Access to metering installations is part of the standard terms and conditions for all OPHL customers. OPHL makes appropriate arrangements for access to metering as required. I could not find any examples where OPHL had not made the necessary arrangements.

1.8.3 Certification of Control Devices (Clause 33(1A)&(1) of Schedule 10.7 & Clause 2(2) of Schedule 15.3)

The reconciliation participant must advise the MEP if a control device is used to control load or switch meter registers. They must also ensure the control device is certified prior to using it for reconciliation purposes.

OPHL uses only the RPS profile for NHH ICPs, so no control devices are in use for any of their category 1 & 2 metered ICPs.

1.8.4 Physical Location of Metering Installation (Clause 10.35(1) of Part 10)

A reconciliation participant responsible for ensuring there is a category 1 metering installation or category 2 metering installation must ensure that the metering installation is located as physically close to a point of connection as practical in the circumstances.

A reconciliation participant responsible for ensuring there is a category 3 or higher metering installation must, —

(a) if practical in the circumstances, ensure that the metering installation is located at a point of connection; or

(b) if it is not practical in the circumstances to locate the metering installation at the point of connection, calculate the quantity of electricity conveyed through the point of connection using a loss compensation process approved by the certifying ATH.

Simply Energy, on behalf of OPHL liaise directly with electricians to ensure that a new metering installation is located as physically close to a point of connection as practical.

1.8.5 Electricity Conveyed & Notification by Embedded Generators (Clause 10.13 (2) of Part 10 & 15.13 of Part 15)

A trader must ensure that for each energised ICP that electricity is conveyed is in accordance with the code. A participant is not required to quantify the electricity at a point of connection if the electricity is supplied by an embedded generator who has given the Reconciliation Manager a notification under clause 15.13 of Part 15.

OPHL has five ICPs with generation capacity recorded by the Distributor. All have a HHR profile. Two of these ICPs have zero generation capacity recorded on the Registry:

- 0080012466PC908, which was decommissioned in 2012.
- 1001131304LC8ED, where OPHL believes there is no generation capacity.

A recommendation has been raised to confirm the generation capacity, if any, for these ICPs and update the Registry.

Recommendation	Description	Audited party comment	Remedial action
With: Clauses 10.13 of part 10	Liaise with relevant network and MEP to confirm and update the generation capacity for ICP 1001131304LC8ED.	For ICP 1001131304LC8ED Vector has updated the Registry already confirming the site has no Generation.	Cleared

1.8.6 Retailer Responsibility (Clause 10.18 of Part 10)

The participant who is responsible for submission information for a point of connection must ensure that there is a metering equipment provider for all category 1 or higher metering installations. If there is more than one metering installation for a point of connection, it must only have one metering equipment provider. The list file was examined and all ICPs have an MEP. Compliance is confirmed.

1.8.7 Metering Certification (Clause 10.33(2) of Part 10)

The participant may energise or authorise the energisation of connection only if:

- They have accepted responsibility for the point of the connection.
- One or more certified metering installations are in place. Certification must be completed within five days of liveness.

The list file contained 65 ICPs that had a meter category 9 and the UML flag was "N". The affected ICPs had a status of Inactive – ready for decommissioning (1,6) or decommissioned (3), and no meter channels installed.

The list file contained one ICP with a blank meter category. ICP 0007177474RNB3E was connected by OPHL on 31/10/16, but the MEP did not accept the MEP nomination and upload the metering details until after the LIS report was run on 07/11/16. It is the MEPs responsibility to certify metering and record the metering information in the Registry.

Compliance is confirmed for OPHL.

1.9 Provision of Complete and Accurate Information in relation to Parts 10 & 15 of the Electricity Code (Clause 10.6 of Part 10 & 15.2 of Part 15)

The participant must provide complete and accurate information in relation to parts 10 & 15 of the code. If the participant becomes aware that in providing information under either of these parts, the participant has not complied with that obligation, the participant must, as soon as practicable, provide such further information as is necessary to ensure the participant complies.

As discussed in Section 4.2 “Electricity Supplied”, analysis of the GR130 file for this audit period found that inaccurate information has continued to be used for submission. This is recorded as non-compliance.

Non-compliance	Description		
With: Clause 15.2 of part 15 From/to: Entire audit period	Inaccurate information used for submission. Indicative impact: None Audit history: Three times previously Procedures: Need improvement		
Actions taken to resolve the issue		Completion date	Remedial action Status
Our Billing system over reported Electricity Supplied volumes from the start of August 2016 through to November when the issue was resolved. This has contributed to some of the mis-match in this reporting. The affected months are January and February 2016 and May and June 2016. We are investigating any other discrepancies as we had resolved the issues previously reported in past years.		31 January 2016	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

1.10 Provision of Information (Clause 15.35 of Part 15)

This area is discussed in several sections in this report and compliance is confirmed.

1.11 Data Transmission (Clause 20 of Schedule 15.2)

All data supplied to OPHL via Simply Energy is transmitted securely by FTP or by zipped and password protected files sent by email.

1.12 Audit Trails (Clause 21 of Schedule 15.2)

A complete audit trail was viewed for all data gathering, validation and processing functions as part of the Simply Energy audit. As recorded in the Simply Energy report the logs of these activities include the activity identifier, date and time and an operator identifier.

2. Performing Customer and Embedded Generator Switching

Simply Energy carries out these activities on behalf of OPHL.

The Simply Energy report confirms that the content of switch files is compliant or where the Registry is populated manually, this is conducted in a compliant manner. All switches are automated. They are provided in accordance with the Registry Functional Specification. The "Registry switch breach report" is reviewed daily to assist compliance with timeframes.

The event detail report for the period 24/12/2015 through to 12/10/2016 was examined determine compliance with the below clauses.

2.1 NHH Standard Switching

2.1.1 Inform Registry of Switch Request for ICPs (Clause 2 of Schedule 11.3)

The "two business days" should be measured from "...the date when agreement is reached and any pre-conditions (such as a credit check, or section 36M of the Fair Trading Act 1986) are cleared." The process employed for OPHL where Simply Energy is acting as an agent, is that the NT files will not be "held" and the withdrawal process will be relied on to cater for the five business day right to cancel period post the agreement being signed.

All NT notifications were provided within two business days of agreement being reached and the clearance of any pre-conditions.

Compliance is confirmed.

2.1.2 Losing Trader Response to Switch Request (Clause 3 of Schedule 11.3)

The event detail report was examined in relation to OPHL as the “losing trader” for a selection of NHH ICPs. On 5 August 2016, the Electricity Authority clarified that the AA (accept and acknowledge code) was only to be used where none of the other switch response codes were valid. We found one instance after this where an AA (accept and acknowledge) code was used, when the AD (advanced metering) code applied. This is recorded as non-compliance.

Non-compliance	Description	
With: Clause 3 of Schedule 11.3 From/to: August 2016	An incorrect AN response code was provided for 0007117408RNF25. AD (advanced metering) applied, but AA (accept and acknowledge) was used. Indicative impact: None Audit history: None Procedures: Need improvement	
Actions taken to resolve the issue	Completion date	Remedial action Status
Process documentation has been updated so that all staff are aware of this change. The one instance in this audit was done 6 days after the new code came into force.	31 August 2016	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	

The switch breach report confirmed that all AN notifications were provided within the required timeframe during the audit period.

2.1.3 Event Dates (Clause 4 of Schedule 11.3)

Event dates set by the losing trader must be within 10 business days of receipt of an NT file. Over a 12-month period, 50% of event dates must be within five business days. The table below shows a summary of event date timeframes.

Simply Energy attempts to set all event dates within five business days. An examination of the event detail report for the entire audit period confirmed that no event dates were set greater than 10 days and more than 50% were within five days.

Total transfer switches	Total within 10 days	% within 10 days	Total within five days	% within five days
18	18	100%	18	100%

Compliance is confirmed.

2.1.4 Losing Trader Must Provide Final Information (Clause 5 of Schedule 11.3)

The content of the CS files was examined during the Simply Energy audit, which confirmed that meter readings were appropriately labelled. The “date of the last actual read” field was appropriately populated.

The switch breach report was examined, and there were no late CSs for standard switches during the audit period. Compliance is confirmed.

2.1.5 Traders Must Use Same Reading (Clause 6 Of Schedule 11.3)

This clause requires if the gaining trader provides an AMI read within five days of the switch event date the losing trader must use this read if the losing trader has not provided an actual read from an AMI site. Or that where the validated meter reading or permanent estimate provided by the losing trader differs by less than 200 kWh from a value established by the gaining trader, the gaining trader uses the losing trader's validated meter reading or permanent estimate as the switch meter reading.

OPHL's agent Simply Energy's processes are compliant with this clause. There were two late RR files for transfer switches recorded in the switch breach report. Two of the late files relate to one ICP. This is recorded as non-compliance.

Non-compliance	Description		
With: Clause 6 of schedule 11.3 From/to: April 2016	Two late RR files, both for ICP 0000183037TPFB4. Indicative impact: None Audit history: Once previously Procedures: In place		
Actions taken to resolve the issue	Completion date	Remedial action Status	
This ICP is a High School, it switched to OPHL in November 2015. The first two read attempts found the school closed so the first successful read was February 2016. To dispute the switch a second actual read was required however when Delta visited the site in March it was Easter and again the School was closed. In April the second read was obtained and then we disputed the switch read.		Identified	
Preventative actions taken to ensure no further issues will occur	Completion date		
In general missed reads are managed more frequently and through replacing legacy meters to Advanced Meters the 4 month time should not be breached in future.			

2.2 NHH Switch Move

2.2.1 Gaining Trader Informs Registry of Switch Request (Clause 9 of Schedule 11.3)

The “two business days” should be measured from “...the date when agreement is reached and any pre-conditions (such as a credit check, or section 36M of the Fair Trading Act 1986) are cleared.” The process employed for OPHL where Simply Energy is acting as an agent, is that the NT files will not be “held” and the withdrawal process will be relied on to cater for the five business day right to cancel period post the agreement being signed. All NT notifications were provided within two business days of agreement being reached and the clearance of any pre-conditions.

Compliance is confirmed.

2.2.2 Losing Trader Response and Provision of Final Information (Clause 10 & Clause 11 of Schedule 11.3)

As of October 9th, 2015 the losing trader MUST respond to a MI NT request within five days by either requesting a withdrawal or providing a CS file.

As reported in the Simply Energy report, the content of the CS files was examined, which confirmed that meter readings were appropriately labelled. All files were sent on time. Compliance is confirmed.

2.2.3 Gaining Trader Changes to Switch Meter Reading (Clause 12 of Schedule 11.3 & Clause 15.29 of Part 15)

This clause requires if the gaining trader provides an AMI read within five days of the switch event date the losing trader must use this read if the losing trader has not provided an actual read from an AMI site. Or that where the validated meter reading or permanent estimate provided by the losing trader differs by less than 200 kWh from a value established by the gaining trader, the gaining trader uses the losing trader's validated meter reading or permanent estimate as the switch meter reading.

The switch breach report confirmed that there was one late RR file for a switch move during the audit period. This is recorded as non-compliance.

Non-compliance	Description		
With: Clause 12 of schedule 11.3 From/to: March 2016	One late RR file, for ICP 0000194073UN253. Indicative impact: None Audit history: None Procedures: In place		
Actions taken to resolve the issue		Completion date	Remedial action Status
The switch on this ICP was in fact backdated to November 2015. Once the ICP switched in February we built some read history up and then had to use this to back estimate.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
A report is used to view recent switched ICPs with estimates on Advanced Meters, this was adapted to detect these issues but ICP 0000194073UN253 with a long backdate was we believe an exception.			

2.3 Gaining Trader Switch (HH Switches)

2.3.1 Gaining Trader Informs Registry of Switch Request (Clause 14 of Schedule 11.3)

The “two business days” should be measured from “...the date when agreement is reached and any pre-conditions (such as a credit check, or section 36M of the Fair Trading Act 1986) are cleared.” The process employed for OPHL where Simply Energy is acting as an agent, is that the NT files will not be “held” and the withdrawal process will be relied on to cater for the five working day right to cancel period post the agreement being signed. All NT notifications were provided within two business days of agreement being reached and the clearance of any pre-conditions.

Compliance is confirmed.

2.3.2 Losing Trader Provision of Information (Clause 15 of Schedule 11.3)

As discussed in the Simply Energy report the switching process was examined for a selection of HHR ICPs and in all cases, the correct codes were used.

The switch breach report and event detail report showed that all AN notifications were provided within the required timeframe during the audit period.

2.3.3 Gaining Trader Informs Registry of Event Date (Clause 16 of Schedule 11.3)

The switch breach report confirmed three late CS files were provided for half hour switches during the audit period. This is recorded as non-compliance.

Non-compliance	Description		
With: Clause 16 of Schedule 11.3 From/to: May-August 2016	Three late CS files for half hour switches, for ICPs 0007757907NV783, 0000174636TRC1A, and 0006949428RN40C. Indicative impact: None Audit history: Once Procedures: Need improvement		
Actions taken to resolve the issue		Completion date	Remedial action Status
We do have a Dashboard that detects when HHR ICPs are ready to claim which is monitored regularly. The other report we rely on is the Registry Switch Breach report but for some reason these don't report here once the AN file is sent.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

2.4 Withdrawal of Switch Requests (Clause 17 of Schedule 11.3)

No breaches were reported in the Switch Breach report. All AW files were sent within the required timeframe. Compliance is confirmed.

2.5 Disputes (Clause 15.29 & Clause 7 of Schedule 11.3)

The losing trader and gaining trader must agree on a switch meter reading. Where the losing trader and gaining trader are unable to agree on a switch meter reading the dispute is resolved in accordance with clause 15.29. OPHL's agent Simply Energy's processes are compliant with this clause. There were no examples to examine during the audit.

2.6 Switch Saving Protection (Clause 11.15AA to 11.15AD of Part 11)

A trader that buys electricity from the clearing manager may elect to have switch saving protection by giving written notice to the Authority.

If the protected trader enters into an arrangement with a customer of another trader (the "losing trader") to commence trading electricity with the customer, the losing trader must not, by any means, initiate contact with the customer to attempt to persuade the customer to terminate the arrangement during the period from the receipt of NT to the event date of the switch, including by –

- (a) making a counter-offer to the customer; or
- (b) offering an enticement to the customer.

If a trader enters into an arrangement with a customer of a protected trader to commence trading electricity with the customer, the protected trader must not, by any means, initiate contact with the customer to attempt to persuade the customer to terminate the arrangement during the period from the receipt of NT to the event date of the switch, including by –

- (a) making a counter-offer to the customer; or
- (b) offering an enticement to the customer.

OPHL does not undertake any switch save activity. Compliance is confirmed.

2.7 Exchange of Information (Clauses 19 & 20 of Schedule 11.3)

As recorded in the Simply Energy audit report the file formats comply with the Registry Functional Specification.

2.8 Metering Information (Clause 21 of Schedule 11.3)

All meter readings used in the switching process are intended to be validated meter readings or permanent estimates in accordance with this clause.

OPHL's policy regarding the management of meter reading expenses is compliant.

2.9 Maintaining Registry Information

2.9.1 Provision of Information to the Registry (Clause 11.7 of Part 11 & Clause 9 of Schedule 11.1)

Simply Energy updates the Registry manually on behalf of OPHL.

The event detail report was examined and found six new connections during the audit period. For four of these, status information was updated on the Registry more than five days after the event date. This is recorded as a non-compliance under section 2.9.2.

2.9.2 Changes to Registry Information (Clause 10 of Schedule 11.1)

Simply Energy updates the Registry manually on behalf of OPHL.

The event detail report was examined to confirm that the Registry is notified within five business days when information referred to in clause 9 of schedule 11.1 changes. There were 21 status changes and 121 trader updates notified more than five days after the event date. This is recorded as non-compliance.

Non-compliance	Description		
<p>With: Clause 10 of schedule 11.1</p> <p>From/to: January to October 2016</p>	<p>21 late ICP status changes, and 121 late trader information changes.</p> <p>Indicative impact: None</p> <p>Audit history: Three times previously</p> <p>Procedures: In place</p>		
Actions taken to resolve the issue		Completion date	Remedial action Status
<p>Simply Energy on behalf of Opunake Hydro is working with Test Houses to provide confirmation on meter installations quicker. This was noted in the Simply Energy audit and when meeting with the EA. This is for the 21 late ICP Status changes. The late trader information changes are a combination of Proposed MEP and ANZSIC changes. The latter we used the switch date as effective date of change.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Proposal to change the Code to put more ownership on MEP's to provide quicker turnaround times on meter installations should improve the timing on claiming ICPs. Don't know ANZSIC codes are now monitored every two weeks.</p>			

2.9.3 Arrangements for Metering Equipment Provision (Clause 10.36 of Part 10)

OPHL must, before accepting responsibility for a point of connection have an 'arrangement' in place with a metering equipment provider (MEP). It must include:

- Arrangements for physical access to the metering installations
- Arrangements for de-energisation with the customer to enable recertification shutdowns.
- That the MEP must provide access at the 'services access interface' for the provision of metering data (in accordance with authorisation from the consumer for an ICP or Network for NSP).

Through Simply Energy, OPHL has arrangements in place with all MEPs who manage metering on their ICPs.

2.9.4 Arrangements for Line Function Services (Clause 11.5)

OPHL has arrangements in place with all relevant distributors. Trader Contracts to Permit Assignment by the Authority (Clause 11.15B of Part 11)

Each trader must at all times ensure that the terms of each contract under which a customer of the trader purchases electricity from the trader permit the Authority to assign the rights and obligations of the trader under the contract to another trader if the trader commits an event of default.

OPHL's Terms and Conditions contain appropriate clauses in relation to this requirement.

2.9.5 Trader Responsibility for an ICP (Clause 11.18)

As recorded in Simply Energy audit report their processes are compliant with this clause.

2.9.6 Retailers Responsibility to Nominate and Record MEP in the Registry (Clause 11.18(4) & (5) of Part 11 & Clause 10.18 of Part 10)

The participant who is responsible for submission information for a point of connection must ensure that there is a metering equipment provider for all category 1 or higher metering installations. If there is more than one metering installation for a point of connection, it must only have one metering equipment provider. A trader who is responsible for an ICP (excluding UML) must ensure that an MEP is recorded in the Registry and must not trade at an ICP unless an MEP is recorded in the Registry.

The list file as at November 2016 was examined to determine whether all active ICPs had an MEP recorded. One active ICP without an MEP was identified, this was a timing issue due to a late trader update to nominate the MEP. This is recorded as a non-compliance under section 2.9.2.

Compliance is confirmed.

2.9.7 Registry Discrepancies (Clause 11 of Schedule 11.1)

Simply Energy has a process to identify and resolve Registry discrepancies in accordance with this clause. This validation encompasses the data held by their HHR agent, EMS.

The list file was examined and compliance was confirmed for OPHL. Two discrepancies in MEP and distributor data were found:

- 0002623240WFD23 is active with a 0 meter channel count. A recommendation has been raised to confirm the correct number of channels and update the Registry.
- 0000536652NR7E6 has distributor unmetered details, but an UNM Flag = N and no daily unmetered kWh. Resolving this is raised as a recommendation under 2.11.2.

Recommendation	Description	Audited party comment	Remedial action
With: Clauses 11 of schedule 11.1	Liaise with relevant MEP to confirm the correct number of meter channels for ICP .0002623240WFD23.	This ICP has been referred to FCLM for them to update the Registry.	Identified

2.9.8 ANZSIC Codes (Clause 9 (1)(k) of Schedule 11.1)

Traders are responsible to populate the relevant ANZSIC code for all ICPs for which they are responsible.

The list file was examined. All active ICPs have an ANZSIC code recorded. None have an ANZSIC code recorded as T994 “Don’t know” or blank. Compliance is confirmed for the correct use of statuses. Late trader updates are recorded as non-compliance in Section 2.9.2.

2.9.9 Management of “Active” Status (Clause 17 of Schedule 11.1)

The status of an ICP is only changed to “Active” once confirmation has been received by a contractor that the ICP has been energised.

Before being given an “Active” status the retailer is required to ensure that the ICP has only one customer, embedded generator, or direct purchaser; and that the electricity consumed is quantified by a metering installation(s) or other Authority approved method of calculation. No ICPs can be set up with more than one customer or without a meter, because the system will not allow this to occur.

Compliance is confirmed for the correct use of statuses. Late status updates are recorded as non-compliance in Section 2.9.2.

2.9.10 Management of “Inactive” Status (Clause 19 of Schedule 11.1)

The status of “Inactive” is used when an existing ICP becomes vacant (1,4), is ready for decommissioning (1,6), is de-energised remotely by AMI (1,7) or is de-energised at the pole fuse (1,8).

Compliance is confirmed for the correct use of statuses. Late status updates are recorded as non-compliance in Section 2.9.2.

2.10 Reporting of Defective Metering Installations & Correction of Raw Meter Data (Clause 10.43(2)&(3) & 10.48 of Part 10 & 15.12 of Part 15)

A participant must advise the Metering Equipment Provider responsible for the metering installation if they suspect the metering installation is inaccurate, defective or not fit for purpose. They must provide the MEP with all relevant details (to the extent they are known). If found the meter is found to be faulty, the participant, once advised by the MEP of the correction factors, must submit this corrected data to the Reconciliation Manager at the next available opportunity.

There have been no examples found during the audit period. Compliance is confirmed.

2.11 Maintenance of Unmetered load

2.11.1 Unmetered Threshold (Clause 10.14 of Part 10)

Where the quantity of electricity conveyed at a single point of connection is not quantified, using a metering installation the amount of electricity conveyed per annum must not exceed 6,000 kWh per annum. Any with a load between 3,000-6,000 kWh per annum must be of an approved load type. OPHL has eight ICPS with unmetered load. None of these exceed 3,000 kWh per annum. Compliance is confirmed.

2.11.2 Changes to Unmetered Load (Clause 9(1)(f) & (g) of Schedule 11.1)

For ICPs with unmetered load, the daily unmetered load details are converted to meter readings by Simply Energy on behalf of OPHL and then sent to EMS to be processed by Madras. The accuracy of this process was confirmed during the Simply Energy audit.

A recommendation from the last audit has not yet been implemented. One ICP (0000536652NR7E6) has an unmetered flag of N and no daily unmetered kWh, but the distributor field is populated with unmetered details. I recommend that OPHL liaise with the Distributor concerned to confirm if any unmetered load exists for this ICP.

Recommendation	Description	Audited party comment	Remedial action
With: Clauses 9(1)(f) & (g) of schedule 11.1	Liaise with relevant Distributor to confirm if UML exists for ICP 0000536652NR7E6.	Northpower have confirmed that the Registry was incorrect for ICP 0000536652NR7E6, there is no action here.	Cleared

2.11.3 Maintaining Shared Unmetered Load (Clause 11.14 of Part 11)

OPHL has no ICPs that have shared unmetered load. As recorded in Simply Energy's audit report processes exist to manage shared unmetered load should the need arise.

2.11.4 Distributed Unmetered Load (Clause 11 of Schedule 15.3)

Clause 11(5) of schedule 15.3 requires that the annual audit of a reconciliation participant who is a retailer in accordance with Schedule 15.1 must include an audit of the databases of distributed unmetered load to verify that the volume information is being calculated accurately and that profiles have been correctly applied.

OPHL has no DUML ICPs that it is responsible for.

3. Gathering and Storing Raw Meter Data

3.1 Collection of Information by Certified Reconciliation Participant (Clause 2 of Schedule 15.2)

All information used to determine NHH volume information is collected by DataCol and Delta. DataCol and Delta have been audited in relation to this and their audit reports are attached as an appendix. The remaining parties perform these actions as an MEP. Their compliance will be assessed as part of their MEP audits.

A non-compliance was noted in Delta's audit report. Delta's audit process for NHH meter reading had overlooked Clause 5 of Schedule 15.2, which requires a number of checks at the time NHH meter readings are obtained. There is one specific check that is not conducted and recorded by Delta, namely the check for phase failure. This is recorded as non-compliance in their audit report.

HHR data is collected by EMS, EDMI, and AMS.

3.2 Gathering and Storing HHR Raw Meter Data

EMS, EDMI, and AMS gather and store HHR raw meter data. Their audit reports are attached as appendices.

3.3 Gathering and Storing NHH Raw Meter Data

3.3.1 Derivation of Meter Readings (Clauses 3(1), 3(2) & 5 of Schedule 15.2)

For manually collected readings, the meter register value is collected and entered into a hand-held device. This reading enters Simply Energy's system, on behalf of OPHL, and is appropriately labelled to denote that it is a meter reading collected and validated by a meter reader.

Simply Energy converts this file to NHH “meter readings”, which are provided in a secure format to EMS.

Meter readings from CS files for ICPs switched in, are provided to EMS as “actual” readings to be used in the reconciliation process. This is considered appropriate because all switch readings are required to be validated meter readings or permanent estimates.

Delta and Datacol obtain non half hour meter register values as required and they have processes in place to identify and report on missing seals, tampering, damage and unsafe situations. Delta does not have established processes for the identification and reporting of phase failure on CT metered installations. This is recorded as non-compliance.

Delta intends to add a Code to the hand held devices for the recording of phase failure and they will obtain the necessary information in order to provide training and guidelines to the field personnel.

Delta Non-compliance	Description				
With: Clause 5 (c) of schedule 15.2 From/to: Entire audit period	Check for phase failure not conducted and recorded by Delta Indicative impact: Unknown Audit history: None Procedures: Need improvement				
Actions taken to resolve the issue	Completion date	Remedial action Status			
We will be working with Delta to find out when they plan to implement this change.	12 January 2017	Identified			
Preventative actions taken to ensure no further issues will occur	Completion date				

3.3.2 Interrogate Meters Once (Clauses 7(1) & (2) of Schedule 15.2)

A validated meter reading must be obtained in respect of every meter register for every non half hour metered ICP for which the participant is responsible, at least once during the period of supply to the ICP by the reconciliation participant once the ICP has been with the reconciliation participant for a period greater than three months.

One ICP (0047118600PC807), was supplied from 10/11/2015 to 17/01/2016 and did not receive an actual read during the period of supply. All other ICPs supplied during the audit period received at least one actual read during the period of supply. This is recorded as non-compliance.

Non-compliance	Description		
<p>With: Clauses 7(1) and 7(2) of schedule 15.2</p> <p>From/to: January 2016</p>	<p>One ICP not read during the period of supply. The ICP was supplied for 68 days, and no actual read was obtained during that time.</p> <p>Indicative impact: None</p> <p>Audit history: None</p> <p>Procedures: In place</p>		
Actions taken to resolve the issue		Completion date	Remedial action Status
<p>This ICP was switched in error. Due to the agreement that exists between Traders on switching vacant site Opunake was not able to remove themselves from this ICP. The Registry shows Advanced Meter Y but no reads were ever provided by the MEP. When the ICP switched away we were aware that the site was vacant so the switch away read provided was exact same as the switch in read, so there is no impact here in receiving no actual read.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

3.3.3 NHH Meters Interrogated Annually (Clauses 8(1) & (2) of Schedule 15.2)

At least once every 12 months, a validated meter reading must be obtained for every meter register for non half hour metered ICPs, at which OPHL supplies continuously for each 12-month period, unless exceptional circumstances prevent such an interrogation.

OPHL's September 2016 report showed 99% of ICPs were read in the 12-month period. 2 ICPs (one on CST0331, and one on WTU0331) did not have any validated meter readings within the 12-month period.

As recorded in the Simply Energy audit report the process to contact customers starts at the three month point and Simply Energy could demonstrate that three attempts were made using two different methods of communication. Exceptional circumstances were demonstrated in all cases. Compliance is achieved.

3.3.4 NHH Meters 90% Read Rate (Clauses 9(1) & (2) of Schedule 15.2)

This clause requires that a validated meter reading be obtained at least once every four months for 90% of ICPs per NSP, unless exceptional circumstances prevent such an interrogation.

OPHL provided a copy of their September 2016 meter reading report to the market administrator. 100% of ICPs active for the previous four months has received an actual read during that period.

Compliance is confirmed.

4. Calculation of Supporting Information

4.1 Calculation of ICP Days (Clause 15.6 of Part 15)

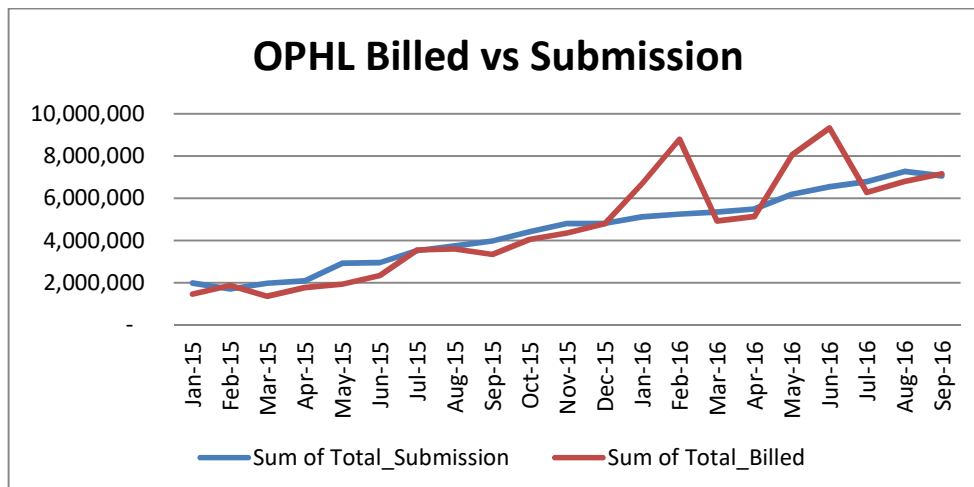
HHR and NHH ICP days are calculated by EMS and compliance is confirmed in their audit report.

4.2 Electricity Supplied Information Provision to the Reconciliation Manager (Clauses 15.7 & 15.8 of Part 15)

The process for calculating and submitting HHR electricity supplied information was reviewed during the audit of Simply Energy and compliance was confirmed. OPHL provided data showing a comparison between submitted and electricity supplied volumes for the period January 2015 to September 2016. The total billed figure is higher than the total submitted figure by 9.5% for the year ended September 2016. I have inserted a table below to illustrate the differences.

A billing system issue resulted in over reporting of billed consumption for reports created from August to October 2016. This issue caused high as billed reporting in January, February, May and June 2016. Simply Energy confirmed that the issue has now been corrected, and the high billed consumption will wash out with future revisions.

Excluding these high months, the total billed figure for the year ended September 2016 is 5.8% lower than the total submitted.



As was recorded in the last audit the electricity supplied files are incorrect. Excluding the known issue relating to over reporting of billed consumption, the difference between billed and submitted consumption is larger than expected. This is recorded as non-compliance.

Non-compliance	Description		
<p>With: Clause 15.7 of part 15</p> <p>From/to: Entire audit period</p>	<p>Electricity supplied files were incorrect for submissions between August and October 2016. Excluding these known issues, electricity supplied is generally much lower than the billed submissions.</p> <p>Indicative impact: Low</p> <p>Audit history: Three times previously</p> <p>Procedures: Need improvement</p>		
Actions taken to resolve the issue		Completion date	Remedial action Status
This issue is still under investigation. We will report to the EA when we understand the impacts of the AV-120 reports.		31/01/2017	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

4.3 HHR Aggregates Information Provision to the Reconciliation Manager (Clause 15.8 of Part 15)

EMS carry this out on OPHL’s behalf.

The GR090 (HHR ICPs missing) reports for OPHL for August 2016 and September 2016 were checked. There were two ICPs missing from the aggregates for September 2016 and one ICP missing from the Registry for August 2016. All were timing differences, due to Registry updates completed late or around the end of the month.

Late trader updates are recorded as non-compliance in Section 2.9.2.

The HHR Aggregates files are prepared at ICP level based on submission information. This has previously been recorded as compliant and this is the information expected by the reconciliation manager. It has recently been found that clause 15.8 states that the aggregates file should contain electricity supplied information rather than submission information and electricity supplied information is defined as shown below:

- electricity supplied** means, for any particular period, the information relating to the quantities of **electricity** supplied by **retailers** across **points of connection to consumers**, sourced directly from the **retailer’s** financial records, including quantities—
- (a) that are metered or unmetered; and
 - (b) supplied through normal **customer** supply and billing arrangements; and
 - (c) supplied under sponsorship arrangements; and
 - (d) supplied under any other arrangement

This differs from the Reconciliation Manager Functional Specification. In Section 3 of the Reconciliation Manager Functional Specification, HHR Aggregates information is described as: “...*HHR submission information that is aggregated per ICP for the whole month (not half-hourly)*”, which suggests an intention that this information should be sourced from submission information not electricity supplied information, which is covered by clause 15.7.

Type of information that is submission information	Description	Source	Classification in this document
information	electricity supplied information.		supplied
Monthly half-hour ICP aggregates	This is equivalent to the HHR submission information that is aggregated per ICP for the whole month (not half-hourly).	Purchasers (excluding direct consumers)	Monthly half-hour ICP aggregates

Data from the aggregates file is used to support other reporting by the Reconciliation Manager and will be of little value if it is based on Electricity Supplied data rather than submission data. Electricity Supplied data has a one month offset and invoicing is not required to occur within any specific timeframes.

Whilst the Code clearly states this file should be derived from financial records, I recommend Simply Energy liaises with other participants to consider recommending a Code change which will allow for the aggregates files used in the industry to remain unchanged.

Non-compliance	Description		
With: Clause 15.8 of part 15 From/to: N/A	HHR aggregates file does not contain electricity supplied information. Indicative impact: None Audit history: None Procedures: In place if Code is changed		
Actions taken to resolve the issue		Completion date	Remedial action Status
Simply Energy will be working with other Traders to propose a change to correct this inaccuracy in the Code.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

5. Provision of Submission Information for Reconciliation

5.1 Submission Computation

5.1.1 Daylight Saving Adjustment (Clause 15.36 of Part 15)

EMS carry this out on OPHL's behalf please refer to their audit report. Compliance was confirmed.

5.1.2 Permanence of Meter Readings for Reconciliation (Clause 4 of Schedule 15.2)

This clause requires that volume information created using estimated readings must be replaced at the earliest opportunity by volume information created using validated meter readings or permanent estimates. This clause also requires that all estimated readings are replaced by permanent estimates or validated readings by R14. As shown in Section 5.2.4, not all estimated readings are replaced at R14, due to missing start reads and the incorrect identification of HE as FE when shape files are not available. This is recorded as non-compliance.

Non-compliance	Description	
With: Clause 4 of schedule 15.2 From/to: Entire audit period	Not all estimates replaced at R14. Indicative impact: None Audit history: Once Procedures: Need improvement	
Actions taken to resolve the issue	Completion date	Remedial action Status
As per the Simply Energy audit we are working with EMS to resolve this issue in their NHH Data Administration system.		Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	

5.1.3 Creation of Submission Information (Clause 2 of Schedule 15.3 & Clauses 15.5 & 15.12 of Part 15)

HHR and NHH Submission information is prepared by EMS in accordance with these clauses.

The NHH submission system and processes were evaluated in detail at EMS. Several issues were found with the system and with processes. Madras had a design flaw, where consumption for the first day for any new ICP was based on a forward default estimate, even when a start read was available. This resulted in over-submission for that day, which was not removed during the revision process. This matter is now resolved, but Madras still has some design flaws and there are also some process related issues leading to inaccurate consumption information. The issues are as follows:

- Some ICPs do not have a start read provided by Simply Energy, so the period between the ICP start date and the first reading date is estimated based on the first read to read period. This consumption remains as FE even at the 14 month point.
- Madras does not differentiate between meter readings for continuous ICPs and meter readings for newly acquired ICPs, meaning that all meter readings are made effective at the end of the day. This results in the shape file being applied from the second day of ownership for new ICPs. The total consumption is correct but the apportionment between months is incorrect.
- If an ICP starts on a given date, and there are readings in Madras prior to that date (presumably entered in error, although this could not be determined), then Madras uses those readings to calculate HE for the Active period. Madras should ignore all readings prior to the start date for ICPs.
- If there is a reading on the last day of the previous month (for a continuous ICP) and the last day of the current month, Madras should calculate "Actual" consumption, without any HE calculations.
- It appears that changes to the aggregation factors are not being routinely made within Madras, and when changes are made retrospectively, the original row is not "zeroed".

Some other submission related errors were also identified, as follows:

- AMI data from FCLM is recorded incorrectly for some ICPs for some months. AMI data is collected by EDMI as an agent to FCLM; this data is then provided to FCLM and is allocated to channels within the AMBIT module. There was some incorrect "mapping" set up manually in AMBIT.

This is recorded as non-compliance.

Non-compliance	Description		
With: Clause 15.5(1) & 15.12 of part 15 & clause 2 of schedule 15.3 From/to: Entire audit period	Some errors in submission information. Indicative impact: Medium Audit history: Once Procedures: Need improvement		
Actions taken to resolve the issue		Completion date	Remedial action Status
Most of these issues are also covered in the Simply Energy audit and in a meeting held with the Electricity Authority. The missing start read has been investigated and where the meter read date is before the ICP start date there is actually no impact of this as the ICP start date signifies exactly when to start reconciling from.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Further validation is being done and we are hoping to release an enhancement in process on Start reads to ICP start dates to eliminate the mis-matches. This validation will also ensure when an ICP ends there is a mapping end read.		31 January 2017	

5.1.4 Historical Estimate Process (Clauses 4 & 5 of Schedule 15.3)

Historic Estimates are conducted by EMS and as recorded in Section 5.1.3, they are not conducted accurately. This is recorded as non-compliance.

Non-compliance	Description		
With: Clauses 4 & 5 of schedule 15.3 From/to: Entire audit period	Incorrect HE calculations. Indicative impact: Low Audit history: None Procedures: Need improvement		
Actions taken to resolve the issue		Completion date	Remedial action Status
Simply Energy is currently working with EMS to resolve this issue.		28 February 2017	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

5.1.5 Forward Estimate Process (Clause 6 & 10(3) of Schedule 15.3)

Forward estimates are conducted by EMS for OPHL.

EMS's forward standard estimate process is based on a "straight line" methodology, and where no historical information is available a "forward default" estimate of 20 units per day is used. The process for forward standard estimate calculation was checked and confirmed accuracy.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within 15% and within 100,000kWh.

The table below shows that this target was not met for August 2015 for two balancing areas. The difference was caused by a combination of an increase in new NHH ICPs and an issue importing smart reads at the beginning of September 2015. This resulted in a low default forward estimate being applied for the initial allocation, which was washed out in subsequent allocations.

Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total Balancing Areas
May 2015	0	0	0	0	25
Jun 2015	0	0	0	-	27
Jul 2015	0	0	0	-	37
Aug 2015	0	1	2	-	43
Sep 2015	0	0	0	-	47
Oct 2015	0	0	0	-	49
Nov 2015	0	0	0	-	51
Dec 2015	0	0	0	-	53
Jan 2016	0	0	-	-	57
Feb 2016	0	0	-	-	65

This is recorded as non-compliance.

Non-compliance	Description		
With: Clause 6 & 10(3) of Schedule 15.3 From/to: August 2015	The accuracy of the initial submission, in comparison to each subsequent revision is not within 15% and within 100,000kWh. Indicative impact: Low Audit history: None Procedures: Need improvement		
Actions taken to resolve the issue		Completion date	Remedial action Status
The issue of no smart reads processed was an internal issue and we believe was an isolated incident as it has only occurred once in the audit period.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

The total variation between revisions at an aggregate level is shown below.

Total variation between revisions

Month	Revision 1	Revision 3	Revision 7	Revision 14
May 2015	-3.49%	-11.02%	-12.29%	-12.31%
Jun 2015	-0.24%	-17.43%	-18.50%	-
Jul 2015	-9.79%	-17.67%	-20.45%	-
Aug 2015	-17.38%	-24.79%	-26.14%	-
Sep 2015	-3.19%	-12.39%	-14.34%	-
Oct 2015	-0.37%	-6.24%	-8.66%	-
Nov 2015	-2.27%	-4.10%	-6.29%	-
Dec 2015	-0.52%	-4.12%	-4.67%	-
Jan 2016	-0.94%	-3.32%	-	-
Feb 2016	-2.67%	-4.74%	-	-

5.1.6 Compulsory Meter Reading after Profile Change (Clause 7 of Schedule 15.3)

In the event of a profile change, OPHL supplies EMS with a validated meter reading or a permanent estimate on the day that the change is effective.

5.2 Submission Format and Timing

5.2.1 Market Administrator Meter Reading Reports (Clauses 8 & 9 of Schedule 15.2)

These reports have been provided to the market administrator by the 20th business day following the end of each month.

5.2.2 Reporting Resolution (Clause 9 of Schedule 15.2)

EMS has achieved compliance with this clause.

5.2.3 Provision of Submission Information to the RM (Clause 8 of Schedule 15.3)

EMS has achieved compliance with this clause.

5.2.4 Historical Estimate Reporting to RM (Clause 10 of Schedule 15.3)

The quantity of historical estimates is contained in the submission file and is not a separate report.

The proportion of HE in the revision files was checked for nine separate months, and the table below shows that compliance has not been achieved in all instances. This proportion of HE at an aggregate level, as shown in the "proportion of HE at an aggregate level" table is declining over time. As stated in the Simply Energy audit report, the low proportion of HE is caused by missing start reads and incorrect labelling of HE as FE by EMS in some circumstances.

Quantity of NSPs where revision targets were not met

Month	Revision 3 80% Not Met	Revision 7 90% Not Met	Revision 14 100% Not Met	Total
May 2015	17	7	15	51
Jun 2015	10	13	54	55
Jul 2015	20	23	67	67
Aug 2015	26	26	78	78
Sep 2015	14	19	64	87
Oct 2015	16	21	67	90
Nov 2015	13	14	92	92

Month	Revision 3 80% Not Met	Revision 7 90% Not Met	Revision 14 100% Not Met	Total
Dec 2015	10	11	94	94
Jan 2016	20	80	-	99
Feb 2016	10	107	-	108

The table below shows that OPHL's percentage of HE at a summary level for some NSPs is not above the required targets as indicated in the highlighted cells below.

Proportion of HE at an aggregate level

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
May 2015	71.9%	90.1%	90.1%
Jun 2015	86.9%	92.3%	56.1%
Jul 2015	87.6%	89.5%	71.4%
Aug 2015	86.0%	89.1%	65.3%
Sep 2015	91.4%	91.3%	80.0%
Oct 2015	92.7%	92.5%	78.5%
Nov 2015	93.6%	94.4%	68.3%
Dec 2015	94.9%	96.5%	67.8%
Jan 2016	91.7%	71.7%	
Feb 2016	93.8%	58.9%	

This is recorded as non-compliance

Non-compliance	Description		
With: Clause 10 of schedule 15.3 From/to: entire audit period	HE targets not met for some NSPs for some revisions. Indicative impact: Low Audit history: Twice previously Procedures: Need improvement		
Actions taken to resolve the issue	Completion date	Remedial action Status	
Simply Energy is currently working with EMS to resolve this issue as it is a system related flaw. The Electricity Authority is already aware of the issue.		Investigating	
Preventative actions taken to ensure no further issues will occur	Completion date		

6. Conclusions

OPHL's HHR compliance is reliant on the compliance of Simply Energy and EMS, as agents to OPHL. NHH compliance is reliant on the compliance of Simply Energy, Datacol, Delta, and EMS as agents to OPHL.

This audit found 15 non-compliances and makes three recommendations. This is an increase from the ten non-compliances found in the last audit, and several of the non-compliances have been raised in previous audits.

Simply Energy is working to resolve the issues relating to incorrect submission information in consultation with the Electricity Authority. Simply Energy have indicated that resolving these issues within the wash up cycle is a high priority.

These matters are detailed in the tables below.

Table of Non-compliance

Subject	Section	Clause	Non-compliance	Indicative Impact	Audit History	Procedures	Remedial Action
Provision of Complete and Accurate Information	1.9	15.2 of part 15	Inaccurate information used for submission.	None	Three times	Need Improvement	Investigating
Losing Trader Response to Switch Request	2.1.2	3 of Schedule 11.3	An incorrect AN response code was provided for 0007117408RNF25. AD (advanced metering) applied, but AA (accept and acknowledge) was used.	None	None	Need Improvement	Cleared
Gaining Trader Changes to Switch Read	2.1.5	6 of schedule 11.3	Two late RR files for transfer switches, both for ICP 0000183037TPFB4.	None	Once	In place	Identified
Gaining Trader Changes to Switch Read	2.2.3	12 of schedule 11.3	One late RR file for a switch move.	None	None	In place	Identified
Losing Trader Response and Provision of Final Information	2.3.3	16 of Schedule 11.3	Three late CS files for half hour switches	None	Once	In place	Identified
Changes to Registry Information	2.9.2	10 of schedule 11.1	21 late ICP status changes, and 121 late trader information changes.	None	Three times previously	In place	Identified

Subject	Section	Clause	Non-compliance	Indicative Impact	Audit History	Procedures	Remedial Action
Interrogate Meters Once	3.3.2	7(1) and 7(2) of schedule 15.2	One ICP was not read during the period of supply.	None	None	In place	Identified
Electricity Supplied	4.2	15.7 of part 15	Electricity supplied reporting inaccurate.	Low	Three times previously	Need improvement	Investigating
HHR Aggregates	4.3	15.8 of part 15	HHR aggregates file does not contain electricity supplied information.	None	None	In place if Code is changed	Identified
Permanence of Meter Readings for Reconciliation	5.1.2	4 of schedule 15.2	Not all estimates replaced at R14.	None	Once	Need improvement	Investigating
Creation of Submission Information	5.1.3	15.5(1) & 15.12 of part 15 & 2 of schedule 15.3	Some errors in submission information.	Low	Once	Need improvement	Identified
Historical Estimate Process	5.1.4	4 & 5 of schedule 15.3	Incorrect HE calculations.	Low	None	Need improvement	Investigating
Forward Estimate Process	5.1.5	6 & 10(3) of Schedule 15.3	The accuracy of the initial submission, in comparison to each subsequent revision is not within 15% and within 100,000kWh.	Low	None	Need improvement	Identified
Historical Estimates	5.2.4	10 of schedule 15.3	HE targets not met for some NSPs.	Low	Twice previously	Need improvement	Investigating

Subject	Section	Clause	Delta Non-compliance	Indicative Impact	Audit History	Procedures	Remedial Action
Phase failure	3.3.1	5 (c) of schedule 15.2 Check	Check for phase failure not conducted and recorded by Delta	Unknown	None	Need Improvement	Identified

Table of Recommendations

Subject	Section	Clause	Recommendation	Remedial action
Embedded generation capacity	1.8.5	10.13 of part 10	Liaise with relevant network and MEP to confirm and update the generation capacity for ICP 1001131304LC8ED.	Cleared
Registry Data Discrepancies	2.9.7	11 of schedule 11.1	Liaise with relevant MEP to confirm the correct number of meter channels for ICP .0002623240WFD23.	Identified
Changes to Unmetered Load	2.11.2	9(1)(f) & (g) of schedule 11.1	Liaise with relevant Distributor to confirm if UML exists for ICP 0000536652NR7E6.	Cleared

Signed by:



Tara Gannon

Veritek Limited

Electricity Authority Approved Auditor

Signed by:

Opunake Hydro Ltd

7. Audit Summary for Electricity Authority Website

As per clause 11(2) of schedule 15.1 of the Electricity Industry Participation Code, the Authority is required to publish a summary of each audit report.

Date of audit report:	12/01/17
Participant involved:	Opunake Hydro Ltd
Auditor involved:	Tara Gannon – Veritek Ltd
Scope of the audit:	Clause 15.38(1) Functions requiring certification: (a) - Maintaining Registry information and performing customer and embedded generator switching (b) – Gathering and storing raw meter data (c) – Creating and managing HHR & NHH volume information (d) – Calculation of ICP days and electricity supplied (e) – Provision of submission information for reconciliation.
Outcome of the audit:	Not compliant

8. OPHL Response