

**ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT**

For



Simply Energy Limited

Prepared by: Steve Woods and Tara Gannon

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EXECUTIVE SUMMARY

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

This report records 20 non-compliances. eight of these relate to the registry and switching areas. There are no issues with a medium or high impact on settlement or other parties.

Most of the submission related non-compliances from the previous audit have been resolved and the remaining ones are considered minor.

The main points from this audit are as follows:

- Electricity supplied files were incorrect for some months and revisions were not conducted in all cases
- There are some ICPs with more than one customer, resulting in that customer not being able to switch
- AMI event logs are not being routinely monitored
- a small number of errors were present in the HHR aggregates files
- Some historic estimates are incorrectly labelled.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of 38, which results in an indicative audit frequency of 12 months. Considering this result along with the proposed solutions to the matters raised, I believe 12 months is an appropriate recommendation.

The matters raised are shown in the table below:

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Provision of accurate information	2.1	15.2	Electricity supplied files not revised.	Moderate	Low	2	Identified
Meter certification	2.10	10.33(2)	ICP 0007175577RNDBA was certified more than five business days after the energisation date.	Moderate	Low	2	Disputed
Registry changes	3.3	10 of schedule 11.1	66 status updates were not processed within five business days of the event on the Registry.	Moderate	Low	2	Identified
Registry population	3.5	9 of schedule 11.1	25 status updates were not processed within five business	Moderate	Low	2	Identified

			days of the event on the Registry. One status update did not record the correct energisation date				
Active status	3.8	17 of schedule 11.1	In some cases, there is more than one customer per ICP.	Weak	Low	3	Identified
MEP changes	3.11	10.22(1)(a)(i)	Backdated MEP changes, and MEP changes requested from incorrect dates.	Moderate	Low	2	Investigating
Switching	4.2	3 of schedule 11.3	An incorrect AN response code was provided for one ICP with AMI metering. AA was applied instead of AD.	Strong	Low	1	Identified
	4.8	10(1) of schedule 11.3	An incorrect AN response code was provided for one ICP with AMI metering. AA was applied instead of AD.	Strong	Low	1	Identified
	4.10	11 of schedule 11.3	One CS file did not contain the correct last actual read date. Six late CS files for move in switches.	Moderate	Low	2	Identified
	4.11	12 of schedule 11.3	One late RR file for ICP 0242001170WF431.	Strong	Low	2	Identified
Phase failure checks	6.6	5 of schedule 15.2	Checks for phase failure not conducted and recorded for meters read by Datacol.	Weak	Low	3	Identified
NHH correction	8.1	19(1) of schedule 15.2	One meter reading correction not conducted accurately.	Strong	Low	1	Identified
Event logs	9.6	17 Schedule 15.2	Event logs not being routinely managed for all AMI installations.	Weak	Low	3	Identified
ICP days	11.2	15.6 of part 15	Some HHR ICP days errors.	Moderate	Low	2	Identified
Electricity supplied	11.3	15.7 of part 15	Some electricity supplied errors.	Moderate	Low	2	Identified
HHR	11.4	15.8 of part	Aggregates file	Strong	Low	1	Identified

aggregates		15	contains submission information. Some errors in the aggregates files.				
Creation of submission information	12.2	15.5 of part 15	One late submission file sent to RM. One ICP submitted against the incorrect code.	Strong	Low	1	Identified
Permanence of readings	12.8	4 of schedule 15.2	Not all estimates replaced by permanent estimates at R14.	Moderate	Low	2	Identified
Historic estimates	12.10	3 of schedule 15.3	Some historic estimates labelled as forward estimates.	Moderate	Low	2	Identified
Proportion of HE	13.3	10 of schedule 15.3	HE targets not met for some NSPs for some revisions.	Moderate	Low	2	Identified
Future Risk Rating						38	
Indicative Audit Frequency						12 months	

Future risk rating	0	1-3	4-15	16-40	41-55	55+
Indicative audit frequency	36 months	24 months	18 months	12 months	6 months	3 months

RECOMMENDATIONS

Subject	Section	Recommendation	Description

ISSUES

Subject	Section	Recommendation	Description

1. ADMINISTRATIVE

1.1. Exemptions from Obligations to Comply With Code (Section 11)

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

Section 11 of the Electricity Industry Act provides for the Electricity Authority to exempt any participant from compliance with all or any of the clauses.

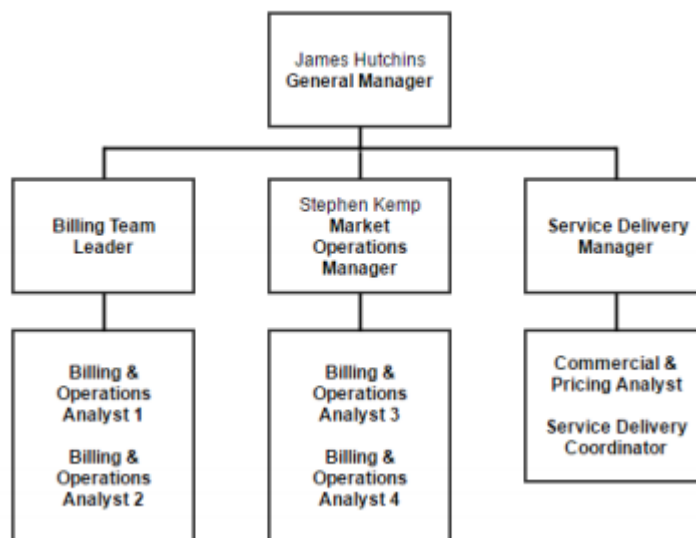
Audit observation

I checked the Authority's website to identify any relevant exemptions.

Audit commentary

Simply Energy does not have any exemptions in place.

1.2. Structure of Organisation



1.3. Persons involved in this audit

Personnel assisting in this audit were:

Name	Title
Stephen Kemp	Operations Manager
Brendon Blacklaws	Operations Analyst

1.4. Use of Agents (Clause 15.34)

Code reference

Clause 15.34

Code related audit information

A reconciliation participant who uses an agent

- *remains responsible for the contractors fulfillment of the participants Code obligations*
- *cannot assert that it is not responsible or liable for the obligation due to something the agent has or has not done*

Audit observation

This area was examined by interview to confirm Simply Energy understands their obligations.

Audit commentary

Simply Energy engages EMS, EDMI, AMS, Datacol and Delta as agents. The results of their audits are included in this report. Simply Energy understands their obligations in relation to this clause.

1.5. Hardware and Software

Meter reading data is imported into the AXOS DataHub. Validated readings are transferred to the AXOS billing engine for billing and as billed reporting, and to EMS' Madras system for reconciliation. The systems for the collection and management of submission information are described in the agents' audit reports.

SalesForce is used for the management of ICP and customer information.

Backup is cloud based, and password protection is in place to prevent unauthorised access to data.

1.6. Breaches or Breach Allegations

Simply Energy has had four breach allegation/s recorded by the Electricity Authority during the audit period:

Ref	Breach Description	Clause	Date	Outcome
1605SIMP 1	Simply Energy submitted incorrect submission information.	Part 15 clause 15.2 Part 15 clause 15.4	29/06/ 16	Closed. Decline to pursue with warning.
1606SIMP 1	Simply submitted an invoice dispute to correct an over submission of 200,000 kWh over four months for 14 month revisions.	Part 15 clause 15.2	23/08/ 16	Closed. Decline to pursue without warning.
1608SIMP 1	Simply submitted incorrect submission information to the reconciliation manager.	Part 15 clause 15.2 (1)	28/10/ 16	Closed. Early closure.
1609SIMP 1	Several breaches identified during Simply Energy's RP audit.	15.2 and 15.12	15/12/ 16	Closed. Decline to pursue without warning.

1.7. ICP Data

Simply Energy provided list file for each of their participant codes as at May 2017 and the information is summarised by metering category and status in the tables below.

SIMP

Metering Category	2017	2016	2015	2014
1	1102	589	493	346
2	157	78	64	68
3	39	21	17	33
4	21	10	6	15
5	5	5	2	2
9	21	0	0	0
Blank	39	63	25	29

SELX

Metering Category	2017
1	13
2	0
3	0
4	0
5	0
9	0
Blank	0

SIMP

Status	Number of ICPs (2017)	Number of ICPs (2016)	Number of ICPs (2015)
Active (2,0)	1,081	766	607
Inactive - new connection in progress (1,12)	0	1	4
Inactive – vacant (1,4)	14	6	8
Inactive – AMI remote disconnection (1,7)	0	0	0
Inactive – de-energised due to meter disconnected (1,9)	3	1	0
Inactive – at pole fuse(1,8)	1	0	0
Inactive – de-energised at meter box fuse (1,10)	0	0	0
Inactive – at meter box switch (1,11)	0	0	0
Inactive – ready for decommissioning (1,6)	12	13	7
Inactive – reconciled elsewhere (1,5)	1	1	1
Decommissioned (3)	272	158	135

SELX

Status	Number of ICPs (2017)
Active (2,0)	13
Inactive - new connection in progress (1,12)	0
Inactive – vacant (1,4)	0
Inactive – AMI remote disconnection (1,7)	0
Inactive – de-energised due to meter disconnected (1,9)	0
Inactive – at pole fuse(1,8)	0
Inactive – de-energised at meter box fuse (1,10)	0
Inactive – at meter box switch (1,11)	0
Inactive – ready for decommissioning (1,6)	0
Inactive – reconciled elsewhere (1,5)	0

Decommissioned (3)	0
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1.8. Authorisation Received

A letter of authorization was not required or sought.

1.9. Scope of Audit

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of **Simply Energy Ltd (Simply Energy)**, 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 version 7.1.

Simply Energy has the participant codes of SIMP and SELX. Simply Energy also acts as an agent for other Reconciliation Participants.

Some or part of the functions Simply Energy is certified for are conducted by agents, as shown in the table below. The functions conducted by Simply Energy were audited at their premises in Wellington on 10 and 11 July 2017, and the functions performed by EMS were checked at EMS' offices on the 10 July 2017.

The table below shows the tasks under clause 15.38 of part 15 for which Simply Energy requires certification.

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
(a) - Maintaining registry information and performing customer and embedded generator switching	EMS for part of clause 11 of schedule 11.1 only (registry discrepancies)	
(b) – Gathering and storing raw meter data	AMS – HHR Datacol – NHH Delta - NHH EDMI – HHR EMS – HHR	AMS ARC Innovations Metrix The Lines Company (FCLM) SMCO WASN
(c)(iii) - Creation and management of HHR & NHH volume information	AMS EDMI EMS	
(d) – Calculation of ICP days	EMS	
(da) - delivery of electricity supplied information under clause 15.7		

(db) delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8		
(e) – Provision of submission information for reconciliation	EMS	

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

ARC Innovations, AMS, FCLM and Metrix provide NHH AMI register reads as MEPs, not as agents to Simply Energy. They are subject to their own audit regime.

In some situations where embedded network NHH ICPs “switch” to Simply Energy, the ICP status is immediately changed to “inactive” with a reason of “reconciled elsewhere”. The volume for these ICPs then forms part of the residual volume that is allocated to the “SB” ICP that Simply Energy is the trader for. The Authority has confirmed that this practice is compliant.

1.10. Summary of previous audit

Simply Energy provided a copy of the last audit, conducted in August 2016 by Steve Woods of Veritek Limited. The status of the issues identified in that audit are recorded below:

Table of Non-Compliance

Subject	Previous Report Section	Clause	Non-compliance	Status
Meter certification	1.11.5	10.33(2) of Part 10	Metering installation energised and certification not conducted within 5 business days.	Still existing. Refer to section 2.10 .
Provision of accurate information	1.12	15.2 of Part 15 & 11.2 of Part 11	Incorrect information is not always corrected.	Still existing in relation to electricity supplied.
Switching	2.1.4	5 of schedule 11.3	3 late CS files for SIMP.	Cleared. No late transfer CS files were identified. Refer to section 4.3 .

Subject	Previous Report Section	Clause	Non-compliance	Status
	2.1.5	5 of schedule 11.3	1 late RR file for SELS.	Cleared. No late RR files were identified for transfer switches. Refer to section 4.4.
	2.2.3	11 of schedule 11.3	11 late CS files.	Still existing. Refer to section 4.10.
	2.2.4	12 of schedule 11.3	3 late RR files.	Still existing. Refer to section 4.11.
Registry notifications	2.8.2	9(2) of schedule 11.1	Registry was updated later than 5 business days for 164 ICPs (48%).	Still existing. Refer to section 3.5.
	2.8.3	10 of schedule 11.1	Registry was updated later than 5 business days for 25 of 55 ICPs.	Still existing. Refer to section 3.3.
Registry discrepancies	2.8.9	11 of schedule 11.1	Some incorrect aggregation factors used in the submission process.	Cleared.
Active status	2.8.12	17 of schedule 11.1	2 incorrect Active dates.	Still existing. Refer to section 3.5.
Unmetered load	2.10.1	9(1)(f) & (g) of Schedule 11.1	Incorrect unmetered load details for 2 ICPs.	Cleared. Unmetered load details are correct. Refer to section 3.7.
AMI event logs	4.2.5	17(4)(f) of schedule 15.2	Event information not reviewed.	Still existing.
ICP days	5.2	15.6 of part 15	ICP days incorrect.	Still existing.
Electricity supplied	5.3	15.7 of part 15	Electricity supplied submissions incorrect.	Still existing.

Subject	Previous Report Section	Clause	Non-compliance	Status
HHR aggregates	5.4	15.8 of part 15	Errors in the HHR aggregates files.	Still existing.
Permanence of meter readings	6.1.2	4 of schedule 15.2	Not all estimates replaced at R14.	Still existing.
Creation of submission information	6.1.3	15.5(1) & 15.12 of part 15 & clause 2 of schedule 15.3	Some errors in submission information.	Still existing.
HE calculations	6.1.4	4 & 5 of schedule 15.3	Incorrect HE calculations.	Cleared.
FE process	6.1.5	6 of schedule 15.3	Accuracy thresholds not met for some revisions.	Still existing.
Aggregation of submission information	6.2.3	Clause 8 of schedule 15.3	Aggregation factors not always correct.	Cleared.
HE targets	6.2.4	10 of schedule 15.3	HE targets not met for some NSPs for some revisions.	Still existing.
Delta NHH Data Collection				
Subject	Previous Report Section	Clause	Non-compliance	Status
Phase failure	2.3	5 (c) of schedule 15.2	Check for phase failure not conducted and recorded	Cleared. Delta now checks for phase failure and reports findings to Simply Energy. Refer to section 6.6 .

Table of Recommendations

Subject	Section	Clause	Recommendation for Improvement	Remedial Action
Creation of submission information	6.1.3	15.5(1) & 15.12 of part 15 & clause 2 of schedule 15.3	Check for over submission due to “zeroing” not occurring.	Cleared

2. OPERATIONAL INFRASTRUCTURE

2.1. Relevant information (Clause 10.6, 11.2, 15.2)

Code reference

Clause 10.6, 11.2, 15.2

Code related audit information

A participant must take all practicable steps to ensure that information that the participant is required to provide to any person under Part 15 is:

- a) complete and accurate*
- b) not misleading or deceptive*
- c) not likely to mislead or deceive.*

If the participant becomes aware that in providing information under this Part, the participant has not complied with that obligation, the participant must, as soon as practicable, provide such further information as is necessary to ensure that the participant does comply.

Audit observation

The process to find and correct incorrect information was examined and observed. The list file was examined to confirm that all information was correct and not misleading. The registry validation process was examined in detail in relation to the achievement of this requirement.

Audit commentary

At the beginning of each month data is checked from Salesforce to the registry, for reasonableness and consistency. This includes:

- a check that inactive sites are genuinely inactive
- a check that vacant sites are still read
- investigate and update any ICPs with a “don’t know” ANZSIC code
- unmetered load is reviewed; trader unmetered load details and the unmetered flag are checked for consistency, to identify ICPs where there are unmetered load discrepancies
- ICPs with installation type B are reviewed, but ICPs with installation type L and generation capacity populated are not reviewed.

The Salesforce dashboard is monitored daily. Automated workflow processes are in place to help ensure files are sent to the registry on time. Any meter changes and read changes are identified and checked. Advanced meters which have switched in on an estimate reading are checked against AMI data within two weeks of switch in, to determine whether a read change is required. The read change process is discussed further in sections 4.5 and 4.11.

The Salesforce dashboard is used to identify data inconsistencies between the registry, Salesforce and information sent to EMS’ Madras system prior to business day four and 13 submissions. The checks are completed for the SIMP and SELX codes and include:

- unexpected GXP profiles
- status differences
- start or end date differences
- invalid profiles
- ICPs with an alternative retailer and no end date in Salesforce

- ICPs with SELX which are end dated
- missing workflows, where data has not been sent to Madras.

I saw evidence that discrepancies found during these checks are investigated and steps are taken to resolve the issue. The workflow system allows notes to be recorded, so that review of anomalies can be completed efficiently, and previous action can be identified easily.

The analysis of the list files for each code returned the following findings:

SIMP

Item No.	Issue	2017	Comments
1	Status mismatch between registry and Simply Energy	-	No status mismatch was identified during the audit.
2	Active with no MEP	6	6 ICPs are active and metered, with no MEP. In all cases SIMP's MEP nomination had been accepted, but the MEP had not updated the registry.
3	Incorrect submission flag	-	All ICPs appear to have submission types consistent with their profile and metering.
4	Blank ANZSIC codes	-	11 active ICPs have a blank ANZSIC code, all are embedded network residual load ICPs, and this is acceptable.
5	ANZSIC "T999" not stated	-	No active ICPs had a not stated ANZSIC code applied.
6	ANZSIC "T994" don't know	-	No active ICPs had a don't know ANZSIC code applied.
7	Category 9 but Active with MEP and UML "N"	-	All category 9 meters have an inactive status, or unmetered load installed.
8	ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	All ICPs with distributor unmetered load populated, also have retailer unmetered load populated.
9	ICPs with unmetered load flag Y but load is recorded as zero	-	All unmetered ICPs have unmetered kWh recorded apart from SB ICPs, which correctly have unmetered kWh of zero recorded.
10	ICPs with incorrect shared unmetered load	-	No ICPs have incorrect shared unmetered load.
11	ICPs with Distributed Generation indicated but no DG profile	-	ICPs with distributed generation indicated have a DG profile. There are three discrepancies where the distributor has recorded some distributed generation details, but Simply Energy has confirmed that distributed generation is not present. Simply Energy is working with the distributors to have these details updated.

SELX

Item No.	Issue	2017	Comments
1	Status mismatch between registry and Simply Energy	-	No status mismatch was identified during the audit.
2	Active with no MEP	-	All active ICPs have an MEP.
3	Incorrect submission flag	-	All ICPs appear to have submission types consistent with their profile and metering.
4	Blank ANZSIC codes	-	All active ICPs had an ANZSIC code applied.
5	ANZSIC "T999" not stated	-	No active ICPs had a not stated ANZSIC code applied.
6	ANZSIC "T994" don't know	-	No active ICPs had a don't know ANZSIC code applied.
7	Category 9 but Active with MEP and UML "N"	-	No category 9 meters
8	ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	No ICPs have distributed unmetered load populated.
9	ICPs with unmetered load flag Y but load is recorded as zero	-	No ICPs have unmetered flag = Y.
10	ICPs with incorrect shared unmetered load	-	No ICPs have incorrect shared unmetered load.
11	ICPs with Distributed Generation indicated but no DG profile	-	There is no evidence of distributed generation.

With regard to part 15, the only area where all practicable steps were not taken to provide accurate information is with electricity supplied files, where some errors are now outside the 14-month window as recorded in Section 11.3.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: Clause 15.2 From: 01-May-15 To: 31-Aug-15	Electricity supplied files not revised. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 3
Audit risk rating	Rationale for audit risk rating

Low	The controls are recorded as moderate because there are still some improvements to make. There is no impact on settlement or other participants therefore the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
A system reporting issue for two months resulted in values incorrectly reported. When the issue was discovered two of the months impacted were the 14 month revisions which were not able to be resolved. All other months impacted have been washed up through the Revision process.		Identified
Preventative actions taken to ensure no further issues will occur		Completion date
Build validation checks to confirm that the Billing system is reporting what we expect it to report. We currently run a 7 month comparison with the Reconciliation submissions to identify discrepancies between Billed and Reported.		31 August 2017

2.2. Provision of information (Clause 15.35)

Code reference

Clause 15.35

Code related audit information

If an obligation exists to provide information in accordance with Part 15, a participant must deliver that information to the required person within the timeframe specified in the Code, or, in the absence of any such timeframe, within any timeframe notified by the Authority. Such information must be delivered in the format determined from time to time by the Authority.

Audit observation

Processes to provide information were reviewed and observed throughout the audit.

Audit commentary

No late information was identified. Compliance is confirmed.

Audit outcome

Compliant

2.3. Data transmission (Clause 20 Schedule 15.2)

Code reference

Clause 20 Schedule 15.2

Code related audit information

Transmissions and transfers of data related to metering information between reconciliation participants or their agents, for the purposes of the Code, must be carried out electronically using systems that ensure the security and integrity of the data transmitted and received.

Audit observation

NHH readings are provided by AMS, FCLM, Metrix, Smartco, Datacol and Delta.

Meter reading information is provided via SFTP. I observed the SFTP folders, and traced a typical sample of 30 readings (five for each provider) from the source files to AXOS DataHub.

EMS provides all HHR meter readings via SFTP. I reviewed HHR data in AXOS and confirmed that it matched the source files for sample of 10 volumes.

Audit commentary

AMI read data from MEPS is transmitted to Simply Energy via SFTP, which ensures the security and integrity of the data.

The sample of 30 NHH readings and ten HHR volumes traced from the source files to AXOS DataHub matched.

Audit outcome

Compliant

2.4. Audit trails (Clause 21 Schedule 15.2)

Code reference

Clause 21 Schedule 15.2

Code related audit information

Each reconciliation participant must ensure that a complete audit trail exists for all data gathering, validation, and processing functions of the reconciliation participant.

The audit trail must include details of information:

- *provided to and received from the registry*
- *provided to and received from the reconciliation manager*
- *provided and received from other reconciliation participants and their agents.*

The audit trail must cover all archived data in accordance with clause 18.

The logs of communications and processing activities must form part of the audit trail, including if automated processes are in operation.

Logs must be printed and filed as hard copy or maintained as data files in a secure form, along with other archived information.

The logs must include (at a minimum) the following:

- *an activity identifier (clause 21(4)(a))*
- *the date and time of the activity (clause 21(4)(b))*
- *the operator identifier (clause 21(4)(c)).*

Audit observation

A complete audit trail was checked for all data gathering, validation and processing functions. I reviewed audit trails for a small sample of events. Large samples were not necessary because audit trail fields are expected to be the same for every transaction of the same type.

Audit commentary

The logs for the following activities were reviewed.

- **Meter readings:** a compliant audit trail is recorded within AXOS DataHub.
- **Registry notifications:** a compliant audit trail is recorded within the registry.
- **Switching files:** a compliant audit trail is recorded within the registry.
- **Reconciliation reports:** a compliant audit trail is recorded within the allocation portal.

Audit outcome

Compliant

2.5. Retailer responsibility for electricity conveyed - participant obligations (Clause 10.4)

Code reference

Clause 10.4

Code related audit information

If a participant must obtain a consumer's consent, approval, or authorisation, the participant must ensure it:

- *extends to the full term of the arrangement*
- *covers any participants who may need to rely on that consent.*

Audit observation

I reviewed Simply Energy's current terms and conditions.

Audit commentary

Simply Energy's current terms and conditions with their customers includes consent to access for authorised parties for the duration of the contract.

Audit outcome

Compliant

2.6. Retailer responsibility for electricity conveyed - access to metering installations (Clause 10.7(2),(4),(5) and (6))

Code reference

Clause 10.7(2),(4),(5) and (6)

Code related audit information

The responsible reconciliation participant must, if requested, arrange access for the metering installation to the following parties:

- *the Authority*
- *an ATH*
- *an auditor*

- an MEP
- a gaining metering equipment provider.

The trader must use its best endeavours to provide access:

- in accordance with any agreements in place
- in a manner and timeframe which is appropriate in the circumstances.

If the trader has a consumer, the trader must obtain authorisation from the customer for access to the metering installation, otherwise it must arrange access to the metering installation.

The reconciliation participant must provide any necessary facilities, codes, keys or other means to enable the party to obtain access to the metering installation by the most practicable means.

Audit observation

I reviewed Simply Energy's current terms and conditions, and discussed compliance with these clauses.

Audit commentary

Simply Energy's contract with their customers includes consent to access for authorised parties for the duration of the contract. Simply Energy confirmed that they have been able to arrange access for other parties when requested.

Audit outcome

Compliant

2.7. Physical location of metering installations (Clause 10.35(1)&(2))

Code reference

Clause 10.35(1)&(2)

Code related audit information

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:

- if practical in the circumstances, ensure that the metering installation is located at a point of connection; or*
- 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.*

Audit observation

The registry list files for SIMP and SELX were reviewed to confirm whether metered ICPs had an MEP recorded.

Loss compensation processes were discussed.

Audit commentary

Review of the registry list files identified six active metered ICPs, where no meter details were recorded and no MEP was assigned. In all cases, an MEP had been nominated by Simply Energy, and had accepted that nomination. The MEP has since updated metering details for one of the affected ICPs, but the others remain blank. It is the MEPs responsibility to load metering to the registry.

Loss compensation is not required for any Simply Energy ICP.

Audit outcome

Compliant

2.8. Trader contracts to permit assignment by the Authority (Clause 11.15B)

Code reference

Clause 11.15B

Code related audit information

A trader must at all times ensure that the terms of each contract between a customer and a 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 under paragraph (a) or (b) or (f) or (h) of clause 14.41 (clause 11.15B(1)(a)); and*
- *the terms of the assigned contract to be amended on such an assignment to—*
- *the standard terms that the recipient trader would normally have offered to the customer immediately before the event of default occurred (clause 11.15B(1)(b)(i)); or*
- *such other terms that are more advantageous to the customer than the standard terms, as the recipient trader and the Authority agree (clause 11.15B(1)(b)(ii); and*
- *the terms of the assigned contract to be amended on such an assignment to include a minimum term in respect of which the customer must pay an amount for cancelling the contract before the expiry of the minimum term (clause 11.15B(1)(c)); and*
- *the trader to provide information about the customer to the Authority and for the Authority to provide the information to another trader if required under Schedule 11.5 (clause 11.15B(1)(d)); and*
- *the trader to assign the rights and obligations of the trader to another trader (clause 11.15B(1)(e)).*

The terms specified in sub-clause (1) must be expressed to be for the benefit of the Authority for the purposes of the Contracts (Privacy) Act 1982, and not be able to be amended without the consent of the Authority (clause 11.15B(2)).

Audit observation

I reviewed Simply Energy's current terms and conditions.

Audit commentary

Simply Energy's terms and conditions contain the appropriate clauses to achieve compliance with this requirement.

Audit outcome

Compliant

2.9. Electrical connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

A reconciliation participant must only request electrical connection of a point of connection if they:

- *accept responsibility for the ICP and the obligations under Parts 10 and 11, and, under Part 15; and*
- *have an arrangement with an MEP to provide metering at the point of connection under Part 15.*

Audit observation

Event detail reports for the audit period were reviewed, which confirmed that Simply Energy had not completed any new connections for SELX during the audit period.

The new connection process was examined for Simply Energy's SIMP code.

Audit commentary

Simply Energy is notified that a new connection is required by the customer, or an embedded network. The notification is normally via email. Simply Energy adds the ICP to a workflow and raises a job for the new connection to be completed. The workflow is monitored to ensure that the job is completed and Simply Energy's system and the registry are updated.

Simply Energy's new connection process requires an MEP to be selected, and the MEP nomination is processed at the same time the job to complete the new connection is raised. Some inconsistencies were found in the effective dates for MEP nominations, this is recorded as non-compliance in section 3.11.

The new connection job template states that certification is required, and requests a load bank be taken if the site is not connected. Staff monitor this and follow up certification if not received.

Connections with unmetered load are relatively rare. Two new connections for unmetered load were completed during the audit period. One related to reconnection of a mobile unmetered load, the other was residual load for an embedded network. Both were processed correctly.

Audit outcome

Compliant

2.10. Metering certification (Clause 10.33(2))

Code reference

Clause 10.33(2)

Code related audit information

A reconciliation participant may energise or authorise the energisation of a connection only if the reconciliation participant has accepted responsibility for the point of connection if one or more certified metering installations are in place.

Audit observation

Event detail reports for the audit period were reviewed, to identify new connections during the audit period. No new connections were completed for SELX. 151 new connections were identified for SIMP.

Audit commentary

All newly connected ICPs which are not confirmed to have unmetered load, have current metering in place.

Analysis of the list file and event detail report found that one HHR ICP was certified more than five business days after the energisation date. Certification is an MEP responsibility, but their delay has caused Simply Energy to be non-compliant.

ICP	MEP	Energisation date	Certification date	Days elapsed
0007175577RNDBA	AMCI	21/07/2016	11/08/2016	21

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.10 With: Clause 10.33(2) From: 21-Jul-16 To: 11-Aug-16	ICP 0007175577RNDBA was certified more than five business days after the energisation date. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Certification is an MEP responsibility. Simply Energy has processes in place to ensure meters are certified before the ICP becomes active, only one late certification was identified during the audit period.		
Actions taken to resolve the issue		Completion date	Remedial action status
We don't believe on this ICP there was a mis-match as when the site was livened the main switch was turned off. The meter was not actually livened till 11 August, which was the date we claimed ICP and Certification completed. Distributor has not queried this date.			Disputed
Preventative actions taken to ensure no further issues will occur		Completion date	
Due to their being only one occurrence and there doesn't seem to have been an error made then we see no reason for any further action.			

2.11. Arrangements for line function services (Clause 11.16)

Code reference

Clause 11.16

Code related audit information

Before notifying the registry of any information in accordance with clause 11.7(2) or clause 11.18(4), a trader must ensure that it, or its customer, has made any necessary arrangements for the provision of line function services in relation to the relevant ICP.

Before notifying the registry of any information in accordance with clause 11.7(2) or clause 11.18(4), a trader must have entered into an arrangement with an MEP for each metering installation at the ICP.

Audit observation

A registry list file with history for the audit period was reviewed to identify all the networks Simply Energy traded on during the audit period. Arrangements for line function services with these networks were discussed.

Audit commentary

Simply Energy confirmed there are arrangements in place with all networks they currently trade on.

Audit outcome

Compliant

2.12. Arrangements for metering equipment provision (Clause 10.36)

Code reference

Clause 10.36

Code related audit information

A reconciliation participant must ensure it has an arrangement with the relevant MEP prior to accepting responsibility for an installation.

Audit observation

A registry list file with history for the audit period was reviewed to identify all MEPs for Simply Energy ICPs during the audit period. Arrangements for MEP services with these MEPs were discussed.

Audit commentary

Simply Energy confirmed there are arrangements in place with all MEPs for Simply Energy ICPs.

Audit outcome

Compliant

3. MAINTAINING REGISTRY INFORMATION

3.1. Obtaining ICP identifiers (Clause 11.3)

Code reference

Clause 11.3

Code related audit information

The following participants must, before assuming responsibility for certain points of connection on a local network or embedded network, obtain an ICP identifier for the point of connection:

- a) a trader who has agreed to purchase electricity from an embedded generator or sell electricity to a consumer*
- b) an embedded generator who sells electricity directly to the clearing manager*
- c) a direct purchaser connected to a local network or an embedded network*
- d) an embedded network owner in relation to a point of connection on an embedded network that is settled by differencing*
- e) a network owner in relation to a shared unmetered load point of connection to the network owner's network*
- f) a network owner in relation to a point of connection between the network owner's network and an embedded network.*

ICP identifiers must be obtained for points of connection at which any of the following occur:

- a consumer purchases electricity from a trader 11.3(3)(a)*
- a trader purchases electricity from an embedded generator 11.3(3)(b)*
- a direct purchaser purchases electricity from the clearing manager 11.3(3)(c)*
- an embedded generator sells electricity directly to the clearing manager 11.3(3)(d)*
- a network is settled by differencing 11.3(3)(e)*
- there is a distributor status ICP on the parent network point of connection of an embedded network or at the point of connection of shared unmetered load 11.3(3)(f).*

Audit observation

The new connections process was examined in detail to confirm compliance with the requirement to obtain ICP identifiers for points of connection to local or embedded networks.

Audit commentary

This requirement is well understood and managed by Simply Energy. The process is detailed in Section 2.9.

Audit outcome

Compliant

3.2. Providing registry information (Clause 11.7(2))

Code reference

Clause 11.7(2)

Code related audit information

Each trader must provide information to the registry about each ICP at which it trades electricity in accordance with Schedule 11.1.

Audit observation

The new connection process was examined in detail in section 2.9. Timeliness of new connections is discussed in section 3.5.

The process to update the registry was reviewed for a diverse sample of 16 new connections.

Audit commentary

I walked through the registry update process for a sample of 16 new connections, including HHR, NHH and unmetered load.

Audit outcome

Compliant

3.3. Changes to registry information (Clause 10 Schedule 11.1)

Code reference

Clause 10 Schedule 11.1

Code related audit information

If information provided by a trader to the registry about an ICP changes, the trader must notify the registry of the change no later than five business days after the change.

Audit observation

The new connection process is discussed in section 3.5, the reconnection process is discussed in section 3.8, and the disconnection process is discussed in section 3.9.

In this section, I have examined the event detail report for the audit period to determine the overall performance. I used the examined sample of the fewer of the ten ICPs with the latest status updates, or all ICPs with late status updates, for each type of status update.

Audit commentary

SELX

There were no status updates during the audit period for SELX.

SIMP

The table below shows that the registry was not updated within five business days for 40 of 96 ICPs where a status change has been made during the audit period.

Event	Year	Total ICPs	ICPs Notified Within 5 Days	ICPs Notified Greater Than 5 Days	Average Notification Days	Percentage Compliant
Changes to active - reconnections	2014	65	46	19	8.6	71%
	2015	158	145	13	2.6	92%
	2016	95	30	65	30.27	32%
	2017	70	41	29	7	59%
Change to de-	2014	3	1	2	5.3	33%

Event	Year	Total ICPs	ICPs Notified Within 5 Days	ICPs Notified Greater Than 5 Days	Average Notification Days	Percentage Compliant
energised vacant (1,4)	2015	1	1	0	0	100%
	2016	8	8	0	1.4	100%
	2017	10	9	1	3	90%
Change to de-energised - reconciled elsewhere (1,5)	2014	10	0	10	38.6	0%
	2015	12	5	7	25.5	42%
	2017	2	0	2	437	0%
Change to de-energised ready for decommissioning (1,6)	2014	3	1	2	5	33%
	2015	16	4	12	107	25%
	2016	21	7	14	31	33%
	2017	7	4	3	83	57%
Change to de-energised at pole (1,8)	2017	1	1	0	2	100%
Change to de-energised at meter (1,9)	2016	2	0	2	7	0%
	2017	2	1	1	74	50%
Change to de-energised NC in progress (1,12)	2016	1	0	1	30	0%
	2017	4	1	3	24	25%

Active

A sample of the ten latest ICP status updates were examined. The late updates occurred for several reasons:

- three cases relate to late receipt of paperwork
- two cases relate to backdated or withdrawn switches
- two cases relate to ICPs switching in as inactive, and discovered to be active once meter readings were received
- three cases were processed late by Simply Energy.

Inactive - vacant

One ICP was updated to inactive vacant within eight working days. There was no obvious reason for the delay, and it appears to have been identified and corrected as part of the registry validation checks.

Inactive – reconciled elsewhere

Two ICPs were updated to inactive reconciled elsewhere late. These were updated to reconciled elsewhere and corrected back to active on the same day.

Inactive - ready for decommissioning

There were three late status updates to inactive - ready for decommissioning. In all cases the delay was caused by late notification from other parties that the meter had been removed.

Inactive – disconnected at meter

One ICP was updated 147 days late. The site was found to be disconnected during a site visit, and paperwork provided by Wells confirmed the disconnection date.

Inactive - new connection

Three ICPs were updated late, in all cases there were delays in receiving paperwork and processing the paperwork.

The late update of the registry is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description	
Audit Ref: 3.3 With: Clause 10 of schedule 11.1 From: 01-Jul-16 To: 30-Jun-17	66 status updates were not processed within five business days of the event on the Registry. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	Most status updates were processed on time. Most of the delays were minor, and I saw evidence that Simply Energy's data review processes were identifying status mismatch for prompt correction.	
Actions taken to resolve the issue	Completion date	Remedial action status
SIMP no longer uses the inactive – reconciled elsewhere process so this eliminates one previous issue we had. The Inactive status is reviewed on all new switches once per week to detect any new sites that need to be updated. Our last ICP that had a status delay was December 2016, we believe the validation put in place in 2016 should catch the majority of any further issues going forward.	December 2016	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
We believe we have the correct controls in place to detect these historical issues.		

3.4. Trader responsibility for an ICP (Clause 11.18)

Code reference

Clause 11.18

Code related audit information

A trader becomes responsible for an ICP when the trader is recorded in the registry as being responsible for the ICP.

A trader ceases to be responsible for an ICP if:

- *another trader is recorded in the registry as accepting responsibility for the ICP (clause 11.18(2)(a)); or*
- *the ICP is decommissioned in accordance with clause 20 of Schedule 11.1 (clause 11.18(2)(b)).*
- *if an ICP is to be decommissioned, the trader who is responsible for the ICP must (clause 11.18(3)):*
 - o *arrange for a final interrogation to take place prior to or upon meter removal (clause 11.18(3)(a)); and*
 - o *advise the MEP responsible for the metering installation of the decommissioning (clause 11.18(3)(b)).*

A trader who is responsible for an ICP (excluding UML) must ensure that an MEP is recorded in the registry for that ICP (clause 11.18(4)).

A trader must not trade at an ICP (excluding UML) unless an MEP is recorded in the registry for that ICP (clause 11.18(5)).

Audit observation

The new connection process was discussed and the list file, as at May 2017, was examined to confirm that all active metered ICPs have an MEP recorded. This analysis found six active ICPs with no MEP or meter details recorded in the registry. All the affected ICPs were checked.

The process for the decommissioning of ICPs was examined. A sample of ten decommissioned ICPs was checked using the typical case method of sampling to prove the process and confirm controls are in place.

Audit commentary

Review of the registry list files identified six active metered ICPs, where no meter details were recorded and no MEP was assigned. In all cases, an MEP had been nominated by Simply Energy, and had accepted that nomination. The MEP has since updated metering details for one of the affected ICPs, but the others remain blank. It is the MEPs responsibility to load metering to the registry. Compliance is confirmed.

ICPs that are vacant and active, or inactive, are still maintained in AXOS and Madras.

When an ICP is to be decommissioned, an attempt is made to read the meter at the time of removal and if this is not possible then the last actual meter reading is used. This last actual reading is normally the

one taken at the time of de-energisation. Simply Energy also advise the MEP responsible that a site is to be decommissioned. A sample of ten ICPs was examined to confirm an attempt to read the meter was made at the time of removal, and the MEP was notified.

Audit outcome

Compliant

3.5. Provision of information to the registry (Clause 9 Schedule 11.1)

Code reference

Clause 9 Schedule 11.1

Code related audit information

Each trader must provide the following information to the registry for each ICP for which it is recorded in the registry as having responsibility:

- a) the participant identifier of the trader, as approved by the Authority (clause 9(1)(a))*
- b) the profile code for each profile at that ICP, as approved by the market administrator (clause 9(1)(b))*
- c) the metering equipment provider for each category 1 metering or higher (clause 9(1)(c))*
- d) the type of submission information the trader will provide to the RM for the ICP (clause 9(1)(ea))*
- e) if a settlement type of UNM is assigned to that ICP, either:*
 - the code ENG if the load is profiled through an engineering profile in accordance with profile class 2.1 (clause 9(1)(f)(i)); or*
 - in all other cases, the daily average kWh of unmetered load at the ICP (clause 9(1)(f)(ii)).*
 - the type and capacity of any unmetered load at each ICP (clause 9(1)(g))*
 - the status of the ICP, as defined in clauses 12 to 20 (clause 9(1)(j))*
 - except if the ICP exists for the purposes of reconciling an embedded network or the ICP has distributor status, the trader must provide the relevant business classification code applicable to the customer (clause 9(1)(k)).*

The trader must provide information specified in (a) to (j) above within five business days of trading (clause 9(2)).

The trader must provide information specified in 9(1)(k) no later than 20 business days of trading (clause 9(3))

Audit observation

I have examined the event detail report for the audit period to determine the overall performance. The ten latest status updates were reviewed.

The new connection process was examined. I checked all ICPs with a variance between the active date and the initial energisation date, and a sample of ten ICPs with a variance between the active date and meter certification date.

Timeliness of registry updates is discussed in section 3.3.

Audit commentary

There have not been any new connections during the audit period for SELX.

The table below shows that the registry was not updated within five business days for 26 of 151 ICPs where a new connection has been made during the audit period for SIMP.

Event	Year	Total ICPs	ICPs Notified Within 5 Days	ICPs Notified Greater Than 5 Days	Average Notification Days	Percentage Compliant
Changes to active-new connections	2014	35	14	21	21.4	40%
	2015	104	78	26	6.9	75%
	2016	37	15	22	30.8	41%
	2017	151	126	25	5	83%

The ten latest status updates were reviewed. Most were late due to backdated network updates, which were required before Simply Energy could update the status. Two updates were late due to MEP changes or late update of metering information, and one was due to a delay in Simply Energy processing the new connection.

There were some differences between the energisation date recorded by Simply Energy and the initial energisation date recorded by the distributor.

	New Connections	Of those populated Active vs. IED Matched	Different
Distributor Initial Energisation Date	151	144 (95%)	6

All six discrepancies were investigated. I found that in five cases, the date recorded by Simply Energy was correct, and in one case the date recorded by Simply Energy and the distributor was incorrect.

ICP	Simply Energy energisation date	Distributor initial energisation date	Findings
0000040883WE0B5	1/12/2016	23/11/2016	Simply Energy date is correct, distributor date is incorrect.
0007175404RND23	15/07/2016	24/06/2016	Simply Energy date is correct, distributor date is incorrect.
0000003015RJDD2	8/12/2016	12/12/2016	Simply Energy date is correct, distributor date is incorrect.
0007175405RN166	25/07/2016	24/06/2016	Both are incorrect. Certification date is 27/07/17, apparently livened 25/07/17 but zero data was received.
1001294082UN843	18/08/2016	1/08/2016	Simply Energy date is correct, distributor date is incorrect.
1001294083UN406	18/08/2016	1/08/2016	Simply Energy date is correct, distributor date is incorrect.

There were some differences between the energisation date recorded by Simply Energy and the meter certification date.

	New Connections	Matched	Different
Meter Certification	151	73 (48%)	79

Metering certification may not be the same day as energisation occurs. A sample of 10 differences were checked, and all related to embedded networks, which always become active on the first day of the month.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 9 of schedule 11.1 From: 01-Jul-16 To: 30-Jun-17	25 status updates were not processed within five business days of the event on the Registry. One status update did not record the correct energisation date. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Most status updates were processed on time, and the majority of exceptions occurred early in the audit period. Most of the delays were minor and for valid reasons. I saw evidence that Simply Energy's data review processes were identifying status mismatches for prompt correction.		
Actions taken to resolve the issue		Completion date	Remedial action status
As per auditor comment we believe we have the correct validation in place to detect these now.		July 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
No further action necessary.			

3.6. ANZSIC codes (Clause 9 (1(k) of Schedule 11.1)

Code reference

Clause 9 (1(k) of Schedule 11.1

Code related audit information

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

Audit observation

The process to capture and manage ANZSIC codes was examined. A registry list file was reviewed to check ANZSIC codes.

Audit commentary

No missing or unknown ANZSIC codes were identified for SELX.

For SIMP, all active ICPs have an ANZSIC code recorded, apart from ten ICPs with reconciliation type SB and profile DFP which have a blank ANZSIC code.

Processes are in place to review ANZSIC codes on switch in.

Audit outcome

Compliant

3.7. Changes to unmetered load (Clause 9(1)(f) of Schedule 11.1)

Code reference

Clause 9(1)(f) of Schedule 11.1

Code related audit information

If a settlement type of UNM is assigned to that ICP, the trader must populate:

the code ENG - if the load is profiled through an engineering profile in accordance with profile class 2.1 (clause 9(1)(f)(i)); or

the daily average kWh of unmetered load at the ICP - in all other cases (clause 9(1)(f)(ii)).

Audit observation

The process to manage unmetered load was examined. The list file as at May 2017 was examined to identify any ICPs where:

- Unmetered load is identified by the Distributor but none is recorded by Simply Energy
- Simply Energy's unmetered load figure doesn't match with the Distributor's figure (where it's possible to calculate this if the Distributor is using the recommended format) and the variance is greater than 1.0kWh per day. 1.0 kWh per day was chosen as a sample only; this does not indicate compliance is achieved if an error is found that is less than 1.0 kWh per day.

Audit commentary

For ICPs with unmetered load, the daily unmetered load details are converted to meter readings by Simply Energy and then sent to EMS to be processed by Madras. I confirmed the accuracy of the calculation during the audit.

Analysis of the list files did not find any ICPs where the distributor had unmetered load recorded but the retailer did not. Unmetered loads recorded on the registry were checked for all unmetered ICPs, and found to be correct.

The SIMP code had daily unmetered load populated for three SB ICPs, it is expected that SB ICPs should have zero recorded on the registry. The ICP details were corrected on the registry during the audit, and there is no impact on registry submissions.

Audit outcome

Compliant

3.8. Management of “active” status (Clause 17 Schedule 11.1)

Code reference

Clause 17 Schedule 11.1

Code related audit information

The ICP status of “active” is managed by the relevant trader and indicates that:

- the associated electrical installations are energised (clause 17(1)(a))
- the trader must provide information related to the ICP in accordance with Part 15, to the reconciliation manager for the purpose of compiling reconciliation information (clause 17(1)(b)).

Before an ICP is given the “active” status, the trader must ensure that:

- the ICP has only one customer, embedded generator, or direct purchaser (clause 17(2)(a))
- the electricity consumed is quantified by a metering installation or a method of calculation approved by the Authority (clause 17(2)(b)).

Audit observation

An event detail report for the audit period was reviewed, to identify all changes to active during the audit period.

The process for the management of ICP reconnection and new connections was examined. The event detail report for the audit period was analysed and the findings in relation to the timeliness of updates to registry are recorded in section 3.3 and 3.5.

Audit commentary

No status updates occurred for SELX during the audit period.

Status is updated to active when a new connection is completed, or an ICP is reconnected on switching in.

Simply Energy’s system does allow more than one customer per ICP. This is raised as non-compliance below. I saw an example of an ICP with seven customers. Where there are multiple customers for an ICP, they are typically billed either for a register on the meter, or consumption is split between the customers based on an agreed share of the consumption.

Simply Energy’s system does not allow an ICP to be set up without both a meter and Metering Equipment Provider.

Non-compliance is recorded in section 3.5 for one incorrect energisation date, and late updates to active for new connections.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.8 With: Clause 17 of schedule 11.1 From: 30-Jun-16 To: 01-Jul-17	In some cases, there is more than one customer per ICP. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3

Audit risk rating	Rationale for audit risk rating		
Low	This sometimes occurs where there are multiple tenants within the same building. The impact on customers is minor because they cannot switch, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
The ICP with seven customers has since been disbanded and these seven customers all have their own ICPs.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Simply Energy has processes in place to stop new connections that have more than one customer.			

3.9. Management of “inactive” status (Clause 19 Schedule 11.1)

Code reference

Clause 19 Schedule 11.1

Code related audit information

The ICP status of “inactive” must be managed by the relevant trader and indicates that:

- electricity cannot flow at that ICP (clause 19(a)); or
- submission information related to the ICP is not required by the reconciliation manager for the purpose of compiling reconciliation information (clause 19(b)).

Audit observation

An event detail report for the audit period was reviewed, to identify all changes to inactive during the audit period.

The process for the management of ICP disconnection was examined. The event detail report for the audit period was analysed and the findings in relation to the timeliness of updates to registry is recorded in Section 3.3.

Audit commentary

No status updates occurred for SELX during the audit period.

Simply Energy has used the following inactive statuses during the audit period:

- change to de-energised vacant (1,4)
- change to de-energised- reconciled elsewhere (1,5)
- change to de-energised ready for decommissioning (1,6)
- change to de-energised at pole (1,8)
- change to de-energised at meter (1,9)

- change to de-energised NC in progress (1,12).

Compliance is confirmed for the correct use of statuses. Late status updates are recorded as non-compliance in Section 3.3.

Audit outcome

Compliant

3.10. ICPs at new or ready status for 24 months (Clause 15 Schedule 11.1)

Code reference

Clause 15 Schedule 11.1

Code related audit information

If an ICP has had the status of "New" or "Ready" for 24 calendar months or more, the distributor must ask the trader whether it should continue to have that status, and must decommission the ICP if the trader advises the ICP should not continue to have that status.

Audit observation

Whilst this is a Distributor's code obligation, I investigated whether any queries had been received from Distributors in relation to ICPs at the "New" or "Ready" status for more than 24 months and what process is in place to manage and respond to such requests.

Audit commentary

Review of a list of ICPs at new and ready status confirmed that no ICPs have been at either of these statuses for more than 24 months. Simply Energy monitors the ICP commission workflow to ensure all ICPs have active cases and are progressing.

Audit outcome

Compliant

3.11. Change of MEP (Clause 10.22(1)(a)(i))

Code reference

Clause 10.22(1)(a)(i)

Code related audit information

If the MEP for an ICP which is not also an NSP changes, the trader must notify the registry of the gaining MEP in accordance with Part 11.

Audit observation

The process to manage a change of MEP on an existing ICP was examined.

An event detail report for the audit period was reviewed, and identified 225 MEP changes for SIMP during the audit period. There were no MEP changes during the audit period for SELX.

The nomination date was compared to the metering event effective date to identify any ICPs that were not nominated within five business days.

Audit commentary

When an MEP change is required, Simply Energy nominates the MEP on the registry and logs a job for meter replacement at the same time.

Analysis found the MEP was not always nominated within five business days of the event date. I investigated the 13 backdated requests, and found:

- in one case, the switch in date was applied instead of the date the meter was to change
- in six cases, the date was entered incorrectly, or we could not determine why the nomination was backdated
- in three cases, the wrong MEP was nominated initially, and later corrected
- in two cases, there was confusion or miscommunication around liveness dates
- in one case, late information was received from another party, resulting in a backdated nomination.

Non-compliance	Description		
Audit Ref: 3.11 With: Clause 10.22(1)(a)(i) From: 30-Jun-16 To: 01-Jul-17	Backdated MEP changes and MEP changes requested from incorrect dates. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	A small proportion of MEP nominations were processed late. The nominations were all accepted by the MEPs. There is a minor impact on other participants therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Simply Energy is looking at reviewing its processes when sending work orders for meter changes to resolve the incorrect dates being nominated.		31 October 2017	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

Audit outcome

Non-compliant

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

I note that the switch breach reporting is in the process of being updated by Jade to align with the current code. Therefore, the switch breach report has been used to indicate non-compliance, but due to inaccuracies it is not always possible to give a definitive number of the volume of late files.

4.1. Inform registry of switch request for ICPs - standard switch (Clause 2 Schedule 11.3)

Code reference

Clause 2 Schedule 11.3

Code related audit information

The standard switch process applies where a trader and a customer or embedded generator enters into an arrangement in which the trader commences trading electricity with the customer or embedded generator at a non-half hour or unmetered ICP at which another trader supplies electricity, or the trader assumes responsibility for such an ICP.

If the uninvited direct sale agreement applies to an arrangement described above, the gaining trader must identify the period within which the customer or embedded generator may cancel the arrangement in accordance with section 36M of the Fair Trading Act 1986. The arrangement is deemed to come into effect on the day after the expiry of that period.

A gaining trader must advise the registry of a switch no later than two business days after the arrangement comes into effect and include in its advice to the registry that the switch type is TR and 1 or more profile codes associated with that ICP.

Audit observation

The switch gain process was examined to determine when Simply Energy deem all conditions to be met. A sample of five ICPs using the typical sampling methodology were checked to confirm that these were notified to the registry within two business days.

Audit commentary

Simply Energy's processes are compliant with the requirements of the Section 36M of the Fair Trading Act 1986. The withdrawal process is used if the customer changes their mind. Customers are advised of their responsibilities in relation to this matter.

The event detail report was examined in relation to Simply Energy as the gaining trader for a sample of five NHH standard switches for SIMP, and five NHH standard switches for SELX. The registry was informed via the NT file within two business days of all conditions in relation to the agreement being met for all ICPs.

Audit outcome

Compliant

4.2. Losing trader response to switch request and event dates - standard switch (Clauses 3 and 4 Schedule 11.3)

Code reference

Clauses 3 and 4 Schedule 11.3

Code related audit information

Within three business days after receipt of notification of a switch from the registry, the losing trader must establish a proposed event date. The event date must be no more than 10 business days after the date of receipt of such notification, and in any 12 month period, at least 50% of the event dates must be no more than five business days after the date of notification. The losing trader must then:

- *provide acknowledgement of the switch request by (clause 3(a) of Schedule 11.3):*
- *providing the proposed event date to the registry and a valid switch response code (clause 3(a)(i) and (ii) of Schedule 11.3); or*
- *providing a request for withdrawal of the switch in accordance with clause 17 (clause 3(c) of Schedule 11.3).*

When establishing an event date for clause 4, the losing trader must disregard every event date established by the losing trader for a customer who has been with the losing trader for less than two calendar months (clause 4(2) of Schedule 11.3).

Audit observation

An event detail report for the audit period was reviewed to identify AN files issued by Simply Energy during the audit period. A sample of three ANs (or all if less than three were available) with each acknowledgement code were reviewed to determine whether the codes had been correctly applied.

The switch breach history report for the audit period was reviewed, and showed no late AN files.

The event detail report was analysed to assess compliance with the requirement to set event dates.

Audit commentary

No AN files were provided by SELX. No late AN files for transfer switches were identified on the switch breach history report for SIMP.

The event detail report found no event dates for transfer switches for SIMP set greater than 10 days. 92% of event dates were set within five business days of the NT notification.

The content of a sample of nine AN files for SIMP was reviewed. I identified one standard switch (ICP 0005002079RNCE3) where an incorrect AN response code was applied. The ICP had an advanced meter, but AA was applied instead of AD.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.2 With: Clause 3 of schedule 11.3 From: 05-Aug-16 To: 05-Aug-16	An incorrect AN response code was provided for one ICP with AMI metering. AA was applied instead of AD. Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	There was only one error. Other participants normally confirm AMI metering is in place for the affected ICPs through other registry fields.		
Actions taken to resolve the issue		Completion date	Remedial action status
Simply Energy believes due to the low amount of errors that no further action is required.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Simply Energy will monitor the use of codes and if there are further occurrences we will review our processes.		30/11/2017	

4.3. Losing trader must provide final information - standard switch (Clause 5 Schedule 11.3)

Code reference

Clause 5 Schedule 11.3

Code related audit information

If the losing trader provides information to the registry in accordance with clause 3(a) of Schedule 11.3 with the required information, no later than five business days after the event date, the losing trader must complete the switch by:

- *providing event date to the registry (clause 5(a)); and*
- *provide to the gaining trader a switch event meter reading as at the event date, for each meter or data storage device that is recorded on the registry with accumulator of C and a settlement indicator of Y (clause 5(b)); and*
- *if a switch event meter reading is not a validated reading, provide the date of the last meter reading (clause 5(c)).*

Audit observation

An event detail report for the audit period was reviewed, to identify CS files issued by Simply Energy during the audit period.

No CS files were issued by SELX. 250 CS files in total were issued by SIMP during the audit period, of those 42 were standard switches. A sample of five standard switch CS files were reviewed to determine whether the data provided was complete and accurate. The sample included meters with estimated and actual readings.

The switch breach history report for the audit period was reviewed to identify late CS files.

Audit commentary

No CS files were provided by SELX.

No late CS files for transfer switches were identified on the switch breach history report.

The accuracy of the content of CS files was confirmed by checking a sample of records in Simply Energy's database. The content checked included:

- correct identification of meter readings and correct date of meter readings
- accuracy of meter readings
- accuracy of register content; and
- accuracy of average daily consumption (this is re-estimated monthly based on the latest actual readings).

CS content was accurate for all CS files reviewed.

Audit outcome

Compliant

4.4. Retailers must use same reading - standard switch (Clause 6(1) and 6A Schedule 11.3)

Code reference

Clause 6(1) and 6A Schedule 11.3

Code related audit information

The losing trader and the gaining trader must both use the same switch event meter reading as determined by the following procedure:

- *if the switch event meter reading provided by the losing trader differs by less than 200 kWh from a value established by the gaining trader, the gaining trader must use the losing trader's validated meter reading or permanent estimate (clause 6(a)); or*
- *the gaining trader may dispute the switch meter reading if the validated meter reading or permanent estimate provided by the losing trader differs by 200 kWh or more (clause 6(b)).*

If the gaining trader disputes a switch meter reading because the switch event meter reading provided by the losing trader differs by 200 kWh or more, the gaining trader must, within four calendar months of the actual event date, provide to the losing trader a changed switch event meter reading supported by two validated meter readings.

- *the losing trader can choose not to accept the reading, however must advise the gaining trader no later than five business days after receiving the switch event meter reading from the gaining trader (clause 6A(a)); or*
- *if the losing trader notifies its acceptance or does not provide any response, the losing trader must use the switch event meter reading supplied by the gaining trader (clause 6A(b)).*

Audit observation

The process for the management of read requests was examined.

The event detail report was analysed to identify all read change requests and acknowledgements during the audit period.

The switch breach history report for the audit period was reviewed, and no late read change requests or acknowledgements were identified for transfer switches.

A combined sample of ten read change requests from the event detail report was selected using the diverse sample methodology. The sample included both transfer and gaining trader read requests, files exchanged with different traders, and a mix of acceptances and rejections.

All read change rejections, and a sample of five read change acceptances were selected from the event detail report using the diverse sample methodology. The sample covered both transfer and gaining trader read requests, and files exchanged with different traders.

Audit commentary

No read change requests were sent or received for SELX.

When a high or low read is identified through the read validation process for a new switch in, the ICP is investigated to determine whether a read change is required.

No late read change requests or acknowledgements were identified for transfer switches.

No data accuracy issues were identified for transfer read change requests or acknowledgements. Simply Energy did not reject any read change requests for transfer switches.

Audit outcome

Compliant

4.5. Non-half hour switch event meter reading - standard switch (Clause 6(2) and (3) Schedule 11.3)

Code reference

Clause 6(2) and (3) Schedule 11.3

Code related audit information

If the losing trader trades electricity from a non-half hour meter, with a switch event meter reading that is not from an AMI certified meter flagged Y on the registry: and

- *the gaining trader will trade electricity from a meter with a half hour submission type in the registry (clause 6(2)(b));*
- *the gaining trader within five business days after receiving final information from the registry, may provide the losing trader with a switch event meter reading from that meter. The losing trader must use that switch event meter reading.*

Audit observation

The process for the management of read requests was examined. The event detail report and switch breach report were analysed. A sample of five ICPs (or all if less than five ICPs were available) were checked for each of the following scenarios were selected using the typical sample methodology from the event detail report. The sample covered both transfer and gaining trader read requests, and a variety of other participants.

- other retailer's request accepted by Simply Energy
- other retailer's request rejected by Simply Energy.

The switch breach history report for the audit period was reviewed to identify late read change acknowledgement files.

Audit commentary

No read change requests or responses were sent or received for SELX.

No late read change requests or acknowledgements were identified for transfer switches.

No data accuracy issues were identified for transfer read change requests or acknowledgements. Simply Energy did not reject any read change requests for transfer switches.

Audit outcome

Compliant

4.6. Disputes - standard switch (Clause 7 Schedule 11.3)

Code reference

Clause 7 Schedule 11.3

Code related audit information

A losing trader or gaining trader may notify the other that it disputes a switch event meter reading, notified under clauses 1 to 6. Such a dispute must be resolved in accordance with clause 15.29 (with all necessary amendments).

Audit observation

Confirm with Simply Energy whether any disputes have needed to be resolved in accordance with this clause.

Audit commentary

Simply Energy confirms that no disputes have needed to be resolved in accordance with this clause.

Audit outcome

Not applicable

4.7. Gaining trader informs registry of switch request - switch move (Clause 9 Schedule 11.3)

Code reference

Clause 9 Schedule 11.3

Code related audit information

The switch move process applies where a gaining trader has an arrangement with a customer or embedded generator to trade electricity at an ICP using non half-hour metering or an unmetered ICP, or to assume responsibility for such an ICP, and no other trader has an agreement to trade electricity at that ICP, this is referred to as a switch move and the following provisions apply:

If the "uninvited direct sale agreement" applies, the gaining trader must identify the period within which the customer or embedded generator may cancel the arrangement in accordance with section 36M of the Fair Trading Act 1986. The arrangement is deemed to come into effect on the day after the expiry of that period.

In the event of a switch move, the gaining trader must advise the registry of a switch and the proposed event date no later than two business days after the arrangement comes into effect.

In its advice to the registry the gaining trader must include:

- *a proposed event date (clause 9(2)(a)); and*
- *that the switch type is "MI" (clause 9(2)(b)); and*

- one or more profile codes of a profile at the ICP (clause 9(2)(c)).

Audit observation

The switch gain process was examined to determine when Simply Energy deem all conditions to be met. A sample of five ICPs using the typical sampling methodology were checked to confirm that these were notified to the registry within two business days.

Audit commentary

No move in switches were completed for the SELX code.

Simply Energy's processes are compliant with the requirements of the Section 36M of the Fair Trading Act 1986. The withdrawal process is used if the customer changes their mind. Customers are advised of their responsibilities in relation to this matter.

The event detail report was examined in relation to Simply Energy as the gaining trader for a sample of five move in switches, all of which were backdated. The registry was informed via the NT file within two business days of all conditions in relation to the agreement being met for all ICPs. The backdated move in dates were at the customers' request.

Audit outcome

Compliant

4.8. Losing trader provides information - switch move (Clause 10(1) Schedule 11.3)

Code reference

Clause 10(1) Schedule 11.3

Code related audit information

10(1) Within five business days after receipt of notification of the switch move from the registry, if the losing trader accepts the event date proposed by the gaining trader, the losing trader must complete the switch by providing to the registry:

- *confirmation of the switch event date; and*
- *a valid switch response code; and*
- *final information as required under clause 1; or*
- *10(1)(b) If the losing trader does not accept the event date proposed by the gaining trader, the losing trader must acknowledge the switch request. Determine an event date that is not earlier than the gaining traders proposed date and that date can be no later than 10 business days after the date of the notification. Alternatively, the losing trader may provide a request for a withdrawal of the switch in accordance with clause 17.*

Audit observation

An event detail report for the audit period was reviewed to identify AN files issued by Simply Energy during the audit period. A sample of three ANs (or all if less than three were available) with each acknowledgement code were reviewed to determine whether the codes had been correctly applied.

The switch breach history report for the audit period was reviewed, and showed no late AN files.

Audit commentary

No AN or CS files were provided by SELX.

No late AN files for transfer switches were identified on the switch breach history report.

The content of a sample of AN files was reviewed. I identified one move in switch (ICP 0000013101KPD12) where an incorrect AN response code was applied. The ICP had an advanced meter, but AA was applied instead of AD.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.8 With: Clause 10(1) of schedule 11.3 From: 01-Dec-16 To: 01-Dec-16	An incorrect AN response code was provided for one ICP with AMI metering. AA was applied instead of AD. Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	There was only one error. Other participants normally confirm AMI metering is in place for the affected ICPs through other registry fields.		
Actions taken to resolve the issue		Completion date	Remedial action status
Simply Energy believes due to the low amount of errors that no further action is required.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Simply Energy will monitor the use of codes and if there are further occurrences we will review our processes.		30 November 2017	

4.9. Losing trader determines a different date - switch move (Clause 10(2) Schedule 11.3 (2))

Code reference

Clause 10(2) Schedule 11.3 (2)

Code related audit information

If the losing trader determines a different date, the losing trader must also complete the switch by providing to the registry as described in sub-clause (1)(a):

- the event date proposed by the losing trader; and
- a valid switch response code; and
- final information as required under clause 1.

Audit observation

The event detail report was analysed to assess compliance with the requirement to meet the setting of event dates requirement.

Audit commentary

No AN or CS files were provided by SELX.

Review of the event detail report for SIMP showed no ICPs where the switch event date was more than 10 days after the date the request was received.

Audit outcome

Compliant

4.10. Losing trader must provide final information - switch move (Clause 11 Schedule 11.3)

Code reference

Clause 11 Schedule 11.3

Code related audit information

If the losing trader has provided information to the registry in accordance with clause 10(a), within three business days after the later of the actual event date or date of receipt of the switch request, the losing trader must:

- *provide the event date (clause 11(a)); and*
- *provide the switch event meter reading as at the event date for each meter or data storage device noted on the registry (clause 11(b)); and*
- *if switch event meter reading is not a validated meter reading, provide the date of the last reading of the meter or storage device (clause 11(c)).*

Audit observation

An event detail report for the audit period was reviewed to identify CS files issued by Simply Energy during the audit period. A sample of five CS files were reviewed to determine whether the codes the data provided was complete and accurate. The sample included meters with estimated and actual readings.

The switch breach history report for the audit period was reviewed, and showed seven late CS files for move in switches.

Audit commentary

Review of the event detail reports for the audit period confirmed no CS files were provided by SELX.

The accuracy of the content of CS files was confirmed by checking a sample of records in Simply Energy's database. The content checked included:

- correct identification of meter readings and correct date of meter readings
- accuracy of meter readings
- accuracy of register content; and
- accuracy of average daily consumption (this is re-estimated monthly based on the latest actual readings).

One CS file contained an incorrect last actual read date. I confirmed that ICP 0000001148KPA47 switched out on an actual read dated 27/03/2017, but the last actual read date in the CS file was recorded as 22/02/2017. This is recorded as non-compliance below. All other CS content reviewed was correct.

The switch breach history report showed seven switch move CS files sent more than two business days after the event date. 199 switch move CS files in total were issued during the audit period. All late files were reviewed:

- one was not genuinely late
- three related to backdated switches
- two related to a switch with multiple withdrawals
- one was delayed while Simply Energy attempted to obtain an actual read.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.10 With: Clause 11 of schedule 11.3 From: 10-Apr-17 To: 10-Apr-17	One CS file did not contain the correct last actual read date. Six late CS files for move in switches Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	All other CS file content reviewed for all switch types was found to be correct. The site had switched on an actual read, which was marked as actual in the file. Incorrect read dates can have a minor impact on other traders when investigating meter readings. There were a small number of late files and the files were delayed for genuine reasons. There is a minor impact on other traders therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Simply Energy uses its CRM system to note the last actual read date, we believe this error to be a one-off as all other ICPs switched in the period were accurate.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Simply Energy to perform three monthly checks on ensuring it is using the Last Actual Read Date correctly.		30/11/2017	

4.11. Gaining trader changes to switch meter reading - switch move (Clause 12 Schedule 11.3)

Code reference

Clause 12 Schedule 11.3

Code related audit information

The gaining trader may use the switch event meter reading supplied by the losing trader or may, at its own cost, obtain its own switch event meter reading. If the gaining trader elects to use this new switch event meter reading, the gaining trader must notify the losing trader of the switch event meter reading and the actual event date to which it refers as follows:

- *if the switch meter reading established by the gaining trader differs by less than 200 kWh from that provided by the losing trader, both traders must use the switch event meter reading provided by the gaining trader (clause 12(2)(a)); or*
- *if the switch event meter reading provided by the losing trader differs by 200 kWh or more from a value established by the gaining trader, the gaining trader may dispute the switch meter reading. In this case, the gaining trader, within 4 calendar months of the actual event date, must provide to the losing trader a changed validated meter reading or a permanent estimate supported by 2 validated meter readings and the losing trader must either (clause 12(2)(b) and clause 12(3)):*
 - *notify the gaining trader if it does not accept the switch event meter reading and the losing trader and the gaining trader must resolve the dispute in accordance with the disputes procedure in clause 15.29 (with all necessary amendments) (clause 12(3)(a)); or*
 - *if the losing trader notifies its acceptance or does not provide any response, the losing trader must use the switch event meter reading supplied by the gaining trader (clause 12(3)(b)).*

12(2A) If the losing trader trades electricity from a non-half hour meter, with a switch event meter reading that is not from an AMI certified meter flagged Y on the registry,

- *the gaining trader will trade electricity from a meter with a half hour submission type in the registry (clause 12(2A)(b));*
- *the gaining trader no later than 5 business days after receiving final information from the registry, may provide the losing trader with a switch event meter reading from that meter. The losing trader must use that switch event meter reading (clause 12(2B)).*

Audit observation

The process for the management of read requests was examined.

The event detail report and switch breach report were analysed to identify all read change requests and acknowledgements during the audit period.

A combined sample of ten read change requests from the event detail report was selected using the diverse sample methodology. The sample included both transfer and gaining trader read requests, files exchanged with different traders, and a mix of acceptances and rejections.

All read change rejections, and a sample of five read change acceptances were selected from the event detail report using the diverse sample methodology. The sample covered both transfer and gaining trader read requests, and files exchanged with different traders.

The switch breach history report for the audit period was reviewed, and showed one late RR file for a move in switch.

Audit commentary

No read change requests were sent or received for SELX.

The switch breach history report showed one late RR file for a move in switch. The read change was requested as soon as Simply Energy received two actual readings for the ICP.

No data accuracy issues were identified for transfer read change requests or acknowledgements. Simply Energy only rejected one read change request for a switch move, and that was at the request of the retailer who issued it.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.11 With: Clause 12 of schedule 11.3 From: 02-Feb-17 To: 02-Feb-17	One late RR file for ICP 0242001170WF431. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The read renegotiation request was accepted by the other retailer. There was no impact on settlement or other parties.		
Actions taken to resolve the issue		Completion date	Remedial action status
In the one example of a read change request being older than months this site had an issue in obtaining reads. As there was just the one ICP with issue we do not believe there is any action to be taken here.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Ensure all manual read sites have reads within 4 months to eliminate these issues.			

4.12. Gaining trader informs registry of switch request - gaining trader switch (Clause 14 Schedule 11.3)

Code reference

Clause 14 Schedule 11.3

Code related audit information

The gaining trader switch process applies where a trader and a customer or embedded generator enters into an arrangement in which the trader commences trading electricity with the customer or embedded generator to trade electricity through or assume responsibility for:

- a half hour metering installation that is not a category 1 or 2 metering installation, that has an ICP with a submission type half hour on the registry and an AMI flag of “N”; or
- a half hour metering installation that has a submission flag of half hour and an AMI flag of “N” and is traded by the losing trader as non-half hour; or

- a non-half hour metering installation at an ICP with the losing trader trades through a half hour metering installation with an AMI flag of “N”.

If the uninvited direct sale agreement applies to an arrangement described above, the gaining trader must identify the period within which the customer or embedded generator may cancel the arrangement in accordance with section 36M of the Fair Trading Act 1986. The arrangement is deemed to come into effect on the day after the expiry of that period.

A gaining trader must advise the registry of the switch and expected event date no later than 3 business days after the arrangement comes into effect.

14(2) The gaining trader must include in its advice to the registry:

- a) a proposed event date; and*
- b) that the switch type is HH.*

14(3) The proposed event date must be a date that is after the date on which the gaining trader advises the registry, unless clause 14(4) applies.

14(4) The proposed event date is a date before the date on which the gaining trader advised the registry, if:

14(4)(a) – the proposed event date is in the same month as the date on which the gaining trader advised the registry; or

14(4)(b) – the proposed event date is no more than 90 days before the date on which the gaining trader advises the registry and this date is agreed between the losing and gaining traders.

Audit observation

The event detail report and switch breach report were analysed to identify all switch files sent during the audit period.

The HH switch process was examined and a sample of five ICPs using the typical sampling methodology were checked to confirm that these were notified to the registry within two business days.

Audit commentary

No gaining trader switches were completed by SELX.

Simply Energy issued 10 requests for HH switches, and received 14 requests for HH switches.

The registry was informed via the NT file within two business days of all conditions in relation to the agreement being met for all ICPs. Compliance is confirmed.

Audit outcome

Compliant

4.13. Losing trader provision of information - gaining trader switch (Clause 15 Schedule 11.3)

Code reference

Clause 15 Schedule 11.3

Code related audit information

Within three business days after the losing trader is informed about the switch by the registry, the losing trader must:

15(a) - provide to the registry a valid switch response code as approved by the Authority; or

15(b) - provide a request for withdrawal of the switch in accordance with clause 17.

Audit observation

An event detail report for the audit period was reviewed to identify AN files issued by Simply Energy during the audit period. A sample of three ANs for HH switches (or all if less than three were available) with each acknowledgement code were reviewed to determine whether the codes had been correctly applied.

The switch breach history report for the audit period was reviewed, and showed no late HH AN files.

Audit commentary

No gaining trader switches were completed by SELX.

The content of a sample of five AN files was reviewed. All switch response codes provided were correct.

Audit outcome

Compliant

4.14. Gaining trader to notify registry - gaining trader switch (Clause 16 Schedule 11.3)

Code reference

Clause 16 Schedule 11.3

Code related audit information

The gaining trader must complete the switch no later than three business days, after receiving the valid switch response code, by advising the registry of the event date.

If the ICP is being de-energised or if metering equipment is being removed, the gaining trader must either-

16(a)- give the losing trader or MEP for the ICP an opportunity to interrogate the metering installation immediately before the ICP is de-energised or the metering equipment is removed; or

16(b)- carry out an interrogation and, no later than five business days after the metering installation is de-energised or removed, advise the losing trader of the results and metering component numbers for each data channel in the metering installation.

Audit observation

The event detail report and switch breach report were analysed to identify all switch files sent during the audit period.

A sample of five HH switch CS files were reviewed to determine whether the data provided was complete and accurate.

The switch breach history report for the audit period was reviewed, and showed one late CS file for a HH switch.

Audit commentary

No HH switches were completed by SELX.

The switch breach history report for the audit period was reviewed, and showed one late CS file for a HH switch for ICP 0000103170TREEB for SIMP. The alleged breach was not genuine, the CS file was sent within two days of receiving the switch response code.

The accuracy of the content of CS files was confirmed by checking a sample of five CS records in Simply Energy's database. The content checked included ICP numbers and event dates.

Audit outcome

Compliant

4.15. Withdrawal of switch requests (Clauses 17 and 18 Schedule 11.3)

Code reference

Clauses 17 and 18 Schedule 11.3

Code related audit information

A losing trader or gaining trader may request that a switch request be withdrawn at any time until the expiry of two calendar months after the event date of the switch.

If a trader requests the withdrawal of a switch, the following provisions apply:

- *for each ICP, the trader withdrawing the switch request must provide the registry with (clause 18(c)):*
 - o *the participant identifier of the trader making the withdrawal request (clause 18(c)(i)); and*
 - o *the withdrawal advisory code published by the Authority. (clause 18(c)(ii))*
- *within five business days after receiving a notification from the registry of a switch, the trader receiving the withdrawal must notify the registry that the switch withdrawal request is accepted or rejected. A switch withdrawal request must not become effective until accepted by the trader who received the withdrawal (clause 18(d))*
- *on receipt of a rejection notification from the registry, in accordance with clause 18(d), a trader may re-submit the switch withdrawal request for an ICP in accordance with clause 18(c). All switch withdrawal requests must be resolved within 10 business days after the date of the initial switch withdrawal request (clause 18(e))*
- *if the trader requests that a switch request be withdrawn, and the resolution of that switch withdrawal request results in the switch proceeding, within 2 business days after receipt of notification from the registry in accordance with clause 22(b), the losing trader must comply with clauses 3,5,10 and 11 (whichever is appropriate) and the gaining trader must comply with clause 16 (clause 18(f)).*

Audit observation

The event detail report was analysed to identify all switch withdrawal and acknowledgement files sent during the audit period.

All withdrawal requests rejected by Simply Energy were reviewed, and a typical sample of five withdrawal requests accepted by Simply Energy were reviewed.

A sample of 20 withdrawal requests issued by Simply Energy were selected using the diverse characteristics method, to cover three (or all if less than that three were available) examples for each reason request used during the period.

The switch breach history report for the audit period was reviewed. No late notifications of withdrawal were identified during the audit period.

Audit commentary

No withdrawal files were sent or received for SELX.

I reviewed all withdrawal requests rejected by Simply Energy, and found all had been rejected for valid reasons. Accepted and rejected withdrawals had been processed as expected.

I reviewed 20 withdrawal requests, and checked the reason codes. I found valid codes were used in all cases.

No late notifications of withdrawal were identified on the switch breach report.

Audit outcome

Compliant

4.16. Metering information (Clause 21 Schedule 11.3)

Code reference

Clause 21 Schedule 11.3

Code related audit information

For an interrogation or validated meter reading or permanent estimate carried out in accordance with Schedule 11.3:

21(a) - the trader who carries out the interrogation, switch event meter reading must ensure that the interrogation is as accurate as possible, or that the switch event meter reading is fair and reasonable.

21(b) and (c) - the cost of every interrogation or switch event meter reading carried out in accordance with clauses 5(b) or 11(b) or (c) must be met by the losing trader. The costs in every other case must be met by the gaining trader.

Audit observation

The meter reading process in relation to meter reads for switching purposes was examined. Examples to confirm this procedure have been examined as part of the sending of final information for switches and read requests made.

Audit commentary

All meter readings used in the switching process are validated meter readings or permanent estimates. Simply Energy's policy regarding the management of meter reading expenses is compliant.

Audit outcome

Compliant

4.17. Switch saving protection (Clause 11.15AA to 11.15AB)

Code reference

Clause 11.15AA to 11.15AB

Code related audit information

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

If a protected trader enters into an arrangement with a customer of another trader (the losing trader), or a trader enters into an arrangement with a customer of a protected 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 the NT to the event date of the switch including by:

11.15AB(4)(a) - making a counter offer to the customer; or

11.15AB(4)(b) - offering an enticement to the customer.

Audit observation

The Electricity Registry switch save protected retailer list was examined to confirm that none of the Simply Energy codes are save protected.

Win-back processes were examined to determine whether they are compliant.

I checked the event detail report for all withdrawn switches from the audit period, to identify any withdrawn switches with a CX code applied prior to the switch completion date in relation to any switch save protected retailers.

Audit commentary

Simply Energy confirmed that they contact customers who are switching out to confirm that the switch request is valid, but do not offer enticements for the customer to remain with Simply Energy.

I checked the event detail report for all withdrawn switches from the audit period. There were two switches that were withdrawn with the code "CX" applied. Both were sent after the switch completion date, and were issued to retailers who are not save protected.

Audit outcome

Compliant

5. MAINTENANCE OF UNMETERED LOAD

5.1. Maintaining shared unmetered load (Clause 11.14)

Code reference

Clause 11.14

Code related audit information

The trader must adhere to the process for maintaining shared unmetered load as outlined in clause 11.14:

11.14(2) - The distributor must notify the traders responsible for the ICPs across which the unmetered load is shared, of the ICP identifiers of the ICPs.

11.14(3) - A trader who receives such a notification from a distributor must notify the distributor if it wishes to add or omit any ICP from the ICPs across which unmetered load is to be shared.

11.14(4) - A distributor who receives such a notification of changes from the trader under (3) must notify the registry and each trader responsible for any of the ICPs across which the unmetered load is shared.

11.14(5) - If a distributor becomes aware of any change to the capacity of a shared unmetered load ICP or if a shared unmetered load ICP is decommissioned, it must notify all traders affected by that change as soon as practicable after that change or decommissioning.

11.14(6) - Each trader who receives such a notification must, as soon as practicable after receiving the notification, adjust the unmetered load information for each ICP in the list for which it is responsible to ensure that the entire shared unmetered load is shared equally across each ICP.

11.14(7) - A trader must take responsibility for shared unmetered load assigned to an ICP for which the trader becomes responsible as a result of a switch in accordance with Part 11.

11.14(8) - A trader must not relinquish responsibility for shared unmetered load assigned to an ICP if there would then be no ICPs left across which that load could be shared.

11.14(9) - A trader can change the status of an ICP across which the unmetered load is shared to inactive status, as referred to in clause 19 of Schedule 11.1. In that case, the trader is not required to notify the distributor of the change. The amount of electricity attributable to that ICP becomes UFE.

Audit observation

A registry list file was reviewed for the audit period to confirm that Simply Energy has not supplied any ICPs with shared unmetered load.

I reviewed processes to identify shared unmetered load.

Audit commentary

Simply Energy does not supply any ICPs with shared unmetered load. Any new unmetered load will be identified through the validation checks described in section 2.1.

Audit outcome

Not applicable

5.2. Unmetered threshold (Clause 10.14 (2)(b))

Code reference

Clause 10.14 (2)(b)

Code related audit information

The reconciliation participant must ensure that unmetered load does not exceed 3,000 kWh per annum, or 6,000 kWh per annum if the load is predictable and of a type approved and published by the Authority.

Audit observation

A registry list file was reviewed to confirm that Simply Energy has not supplied any ICPs with unmetered load over 3000 kWh per annum.

Audit commentary

SELX does not supply any ICPs with unmetered load. Review of the registry list confirmed there was no UNM load over 3000 kWh for SIMP.

Audit outcome

Compliant

5.3. Unmetered threshold exceeded (Clause 10.14 (5))

Code reference

Clause 10.14 (5)

Code related audit information

If the unmetered load limit is exceeded the retailer must:

- *within 20 business days, commence corrective measure to ensure it complies with Part 10*
- *within 20 business days of commencing the corrective measure, complete the corrective measures*
- *no later than 10 business days after it becomes aware of the limit having been exceeded, advise each participant who is or would be expected to be affected of:*
 - o *the date the limit was calculated or estimated to have been exceeded*
 - o *the details of the corrective measures that the MEP proposes to take or is taking to reduce the unmetered load.*

Audit observation

A registry list file was reviewed to confirm that Simply Energy has not supplied any ICPs with unmetered load over 3000 kWh per annum.

Audit commentary

SELX does not supply any ICPs with unmetered load. Review of the registry list confirmed there was no UNM load over 3000 kWh for SIMP.

Simply Energy is aware of the unmetered load threshold and will install metering where an ICP breaches or is likely to breach the threshold.

Audit outcome

Compliant

5.4. Distributed unmetered load (Clause 11 Schedule 15.3, Clause 15.37B)

Code reference

Clause 11 Schedule 15.3, Clause 15.37B

Code related audit information

An up-to-date database must be maintained for each type of distributed unmetered load for which the retailer is responsible. The information in the database must be maintained in a manner that the resulting submission information meets the accuracy requirements of clause 15.2.

A separate audit is required for distributed unmetered load data bases.

The database must satisfy the requirements of Schedule 15.5 with regard to the methodology for deriving submission information.

Audit observation

Processes for distributed unmetered load were discussed.

Audit commentary

Simply Energy does not supply any distributed unmetered load. Compliance is confirmed.

Audit outcome

Not applicable

6. GATHERING RAW METER DATA

6.1. Electricity conveyed & notification by embedded generators(Clause 10.13, Clause 10.24 and 15.13)

Code reference

Clause 10.13, Clause 10.24 and 15.13

Code related audit information

A participant must use the quantity of electricity measured by a metering installation as the raw meter data for the quantity of electricity conveyed through the point of connection.

This does not apply if data is estimated or gifted in the case of embedded generation under clause 15.13.

A trader must, for each energised ICP that is not also an NSP, and for which it is recorded in the registry as being responsible, ensure that:

- *there is one or more metering installations*
- *all electricity conveyed is quantified in accordance with the Code*
- *it does not use subtraction to determine submission information for the purposes of Part 15.*

An embedded generator must give notification to the reconciliation manager for an embedded generating station, if the intention is that the embedded generator will not be receiving payment from the clearing manager or any other person through the point of connection to which the notification relates.

Audit observation

A registry list file was reviewed for the audit period to identify all ICPs with distributed generation. ICP details were checked to confirm consistency.

Audit commentary

SELX does not supply any ICPs with generation capacity.

Review of the registry list for SIMP identified 21 active ICPs which had generation capacity recorded on the registry. Of those, three ICPs were identified to have inconsistencies in the data recorded on the registry, described below:

ICP	Comments
0000518204NR36D	Simply Energy have confirmed with the customer that the ICP is not generating, and the meter does not have any injection/export registers. They have asked the distributor to update the registry.
9999999991CL570	The distributor has recorded generation capacity in error. Simply Energy will ask the distributor to update the registry.
9999999992CL9B0	The distributor has recorded generation capacity in error. Simply Energy will ask the distributor to update the registry.

Compliance is confirmed for Simply Energy.

Audit outcome

Compliant

6.2. Responsibility for metering at GIP(Clause 10.26 (6), (7) and (8))

Code reference

Clause 10.26 (6), (7) and (8)

Code related audit information

For each proposed metering installation or change to a metering installation that is a connection to the grid, the participant, must:

- provide to the grid owner a copy of the metering installation design (before ordering the equipment)
- provide at least three months for the grid owner to review and comment on the design
- respond within three business days of receipt to any request from the grid owner for additional details or changes to the design
- ensure any reasonable changes from the grid owner are carried out.

The participant responsible for the metering installation must:

- advise the reconciliation manager of the certification expiry date not later than 10 business days after certification of the metering installation
- become the MEP or contract with a person to be the MEP
- advise the reconciliation manager of the MEP identifier no later than 20 days after entering into a contract or assuming responsibility to be the MEP.

Audit observation

A registry list file was reviewed for the audit period to confirm that Simply Energy has not supplied any GIPs.

Audit commentary

Examination of the list file found that Simply Energy has not supplied any GIPs.

Audit outcome

Not applicable

6.3. Certification of control devices(Clause 33 Schedule 10.7 and clause 2(2) Schedule 15.3)

Code reference

Clause 33 Schedule 10.7 and clause 2(2) Schedule 15.3

Code related audit information

The reconciliation participant must advise the metering equipment provider if a control device is used to control load or switch meter registers.

The reconciliation participant must ensure the control device is certified prior to using it for reconciliation purposes.

Audit observation

A registry list file was reviewed to identify all ICPs with profiles reliant on control devices. Meter certification details for all affected ICPs were checked against the registry to determine whether the control device is certified.

Audit commentary

Examination of the list file found that Simply Energy has four ICPs using control devices. One has a certified control device and three of these do not have a certified control device on the registry, because the control device is internal to the meter. All four of the ICPs have current meter certification.

Audit outcome

Compliant

6.4. Reporting of defective metering installations (Clause 10.43(2) and (3))

Code reference

Clause 10.43(2) and (3)

Code related audit information

If a participant becomes aware of an event or circumstance that lead it to believe a metering installation could be inaccurate, defective, or not fit for purpose they must:

- *advise the MEP*
- *include in the advice all relevant details.*

Audit observation

Processes relating to defective metering were examined. No examples of defective metering were identified during the audit.

Audit commentary

Defective meters are typically identified through the meter reading validation process, or from information provided by the meter read provider.

Upon identifying a possible defective meter, Simply Energy raises a field services job to investigate. No defective meters were identified during the audit period, so it was not possible to review examples of this process.

Audit outcome

Compliant

6.5. Collection of information by certified reconciliation participant (Clause 2 Schedule 15.2)

Code reference

Clause 2 Schedule 15.2

Code related audit information

Only a certified reconciliation participant may collect raw meter data, unless only the MEP can interrogate the meter, or the MEP has an arrangement which prevents the reconciliation participant from electronically interrogating the meter:

2(2) - The reconciliation participant must collect raw meter data used to determine volume information from the services interface or the metering installation or from the MEP.

2(3) - The reconciliation participant must ensure the interrogation cycle is such that it does not exceed the maximum interrogation cycle on the registry.

2(4) - The reconciliation participant must interrogate the meter at least once every maximum interrogation cycle.

2(5) - When electronically interrogating the meter the participant must:

- a) ensure the system is to within +/- 5 seconds of NZST or NZDST
- b) compare the meter time to the system time
- c) determine the time error of the metering installation
- d) if the error is less than the maximum permitted error, correct the meter's clock
- e) if the time error is greater than the maximum permitted error then:
 - i) correct the metering installation's clock
 - ii) compare the metering installation's time with the system time
 - iii) correct any affected raw meter data.
- f) download the event log.

2(6) – The interrogation systems must record:

- the time
- the date
- the extent of any change made to the meter clock.

Audit observation

NHH readings are provided by AMS, FCLM, Metrix, Smartco, Datacol and Delta. I traced a typical sample of 30 readings (five for each provider) from the source files to AXOS DataHub.

EMS provides all HHR meter readings via SFTP. I reviewed HHR data in AXOS and confirmed that it matched the source files for sample of 10 volumes.

Audit commentary

Information used to determine volume information is provided to Simply Energy by MEPs and agents. This function is examined as part of their respective audits.

The sample of 30 NHH readings and ten HHR volumes traced from the source files to AXOS DataHub matched.

Audit outcome

Compliant

6.6. Derivation of meter readings (Clause 3(1), 3(2) and 5 Schedule 15.2)

Code reference

Clause 3(1), 3(2) and 5 Schedule 15.2

Code related audit information

All meter readings must in accordance with the participants certified processes and procedures and using its certified facilities be sourced directly from raw meter data and, if appropriate, be derived and calculated from financial records.

All validated meter readings must be derived from meter readings.

A meter reading provided by a consumer may be used as a validated meter reading only if another set of validated meter readings not provided by the consumer are used during the validation process.

During the manual interrogation of each NHH metering installation the reconciliation participant must:

- a) obtain the meter register
- b) ensure seals are present and intact
- c) check for phase failure (if supported by the meter)
- d) check for signs of tampering and damage

e) *check for electrically unsafe situations*

if the relevant parts of the metering installation are visible and it is safe to do so.

Audit observation

I traced a typical sample of 30 readings (five for each provider) from the source files to AXOS DataHub to confirm that readings appropriately labelled, and validated readings are derived from meter readings.

Data collection processes for Datacol and Delta were reviewed during their agent audits. I reviewed examples of reports sent to Simply Energy by Datacol and Delta.

Processes for customer reads were reviewed.

Audit commentary

Review of a typical sample of 30 readings confirmed they are appropriately labelled, and validated readings are derived from meter readings.

Delta and Datacol conduct checks of meter and register numbers, and meter condition at the time they take readings. Delta and Datacol provide condition information and meter reader notes to Simply Energy. I reviewed examples of this reporting during the audit, and noted that most related to corrections to address information. No broken seals, tampering events or electrically unsafe situations have been reported to Simply Energy in the audit period.

During their last audit, Datacol did not have processes in place to identify and report phase failure. This is recorded as non-compliance below. Delta's latest audit confirms that they do conduct checks for phase failure. No phase failure events have been reported to Simply Energy to date.

Audit outcome

Non-compliant

Non-compliance	Description	
Audit Ref: 6.6 With: Clause 5 of schedule 15.2 From: 01-Jul-16 To: 30-Jun-17	Checks for phase failure not conducted and recorded for meters read by Datacol. Potential impact: Low Actual impact: Unknown Audit history: None Controls: Weak Breach risk rating: 3	
Audit risk rating	Rationale for audit risk rating	
Low	Phase failure is often not indicated on non-AMI meters. It is expected there would be a relatively small number of meters read by Datacol where phase failure is present or visible. There could be a minor impact on settlement so the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
Simply Energy is working with Datacol to come to a satisfactory outcome.		
Preventative actions taken to ensure no further issues will occur		Completion date
		Identified

The plan to replace all Legacy meters with Advanced Meter will resolve in time this issue.		
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6.7. NHH meter reading application (Clause 6 Schedule 15.2)

Code reference

Clause 6 Schedule 15.2

Code related audit information

For NHH switch event meter reads, for the gaining trader the reading applies from 0000 hours on the day of the relevant event date and for the losing trader at 2400 hours at the end of the day before the relevant event date.

In all other cases, All NHH readings apply from 0000hrs on the day after the last meter interrogation up to and including 2400hrs on the day of the meter interrogation.

Audit observation

The process of the application of meter readings was examined.

Audit commentary

AMI readings provided by Metrix, Smartco and AMS are all timestamped 23.59.59. Reads received from FCLM are timestamped with the time they were taken.

Reads received from Datacol are not timestamped but are date stamped, and Delta reads are timestamped with the time they were taken.

All reads received are applied as at 2400 hours on the day they were taken, with the exception of opening reads. Application of reads was reviewed as part of the historic estimate checks, discussed in section 12.11.

Audit outcome

Compliant

6.8. Interrogate meters once (Clause 7(1) and (2) Schedule 15.2)

Code reference

Clause 7(1) and (2) Schedule 15.2

Code related audit information

Each reconciliation participant must ensure that a validated meter reading is 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, and used to create volume information.

This may be a validated meter reading at the time the ICP is switched to, or from, the reconciliation participant.

If exceptional circumstances prevent a reconciliation participant from obtaining the validated meter reading, the reconciliation participant is not required to comply with clause 7(1).

Audit observation

The process to manage missed reads was examined.

Simply Energy provided a list of ICPs not read during the period of supply for the audit period, which contained four ICPs. All were reviewed to determine whether reasonable endeavours were used to attain reads, and if exceptional circumstances existed.

Audit commentary

When a customer is switching out, staff check whether the ICP has an actual read and if possible try to obtain one.

Simply Energy has internal KPIs for meter reading. NHH ICPs which have not been read for more than 80 and 120 days, and AMI meter that have not been read for more than 35 days are reviewed by the service team fortnightly. I saw evidence of this review, including comments on action taken and investigation results for the affected ICPs.

ICPs not read during the period of supply were reviewed. Extraordinary circumstances existed in all cases. Two of the customers were supplied by Simply Energy for less than 23 days, the other two related to businesses which were closed for almost the entire time the customer was supplied.

Audit outcome

Compliant

6.9. NHH meters interrogated annually (Clause 8(1) and (2) Schedule 15.2)

Code reference

Clause 8(1) and (2) Schedule 15.2

Code related audit information

At least once every 12 months, each reconciliation participant must obtain a validated meter reading for every meter register for non-half hour metered ICPs, at which the reconciliation participant trades continuously for each 12 month period.

If exceptional circumstances prevent a reconciliation participant from obtaining the validated meter reading, the reconciliation participant is not required to comply with clause 8(1).

Audit observation

The meter reading process was examined. A 12 month meter read frequency report for the period ended April 2017 was provided.

Audit commentary

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
April 2017	85	9	39	93%

As discussed in section 6.8, there are processes in place to monitor read attainment, and attempt to resolve issues preventing read attainment.

I reviewed ten ICPs not read in the previous 12 months determine whether exceptional circumstances exist, and if Simply Energy had used their best endeavours to obtain readings. In one case, exceptional circumstances existed and Simply Energy used their best endeavours to resolve these issues. In the other nine cases, Simply Energy used best endeavours to attempt to obtain readings.

Audit outcome

Compliant

6.10. NHH meters 90% read rate (Clause 9(1) and (2) Schedule 15.2)

Code reference

Clause 9(1) and (2) Schedule 15.2

Code related audit information

In relation to each NSP, each reconciliation participant must ensure that for each NHH ICP at which the reconciliation participant trades continuously for each 4 months, for which consumption information is required to be reported into the reconciliation process. A validated meter reading is obtained at least once every four months for 90% of the non-half hour ICPs.

A report is to be sent to the market administrator providing the percentage, in relation to each NSP, for which consumption information has been collected no later than 20 business days after the end of each month.

If exceptional circumstances prevent a reconciliation participant from obtaining the validated meter reading, the reconciliation participant is not required to comply with clause 9(1).

Audit observation

The meter reading process was examined. A four month meter read frequency report for the period ended April 2017 was provided.

Audit commentary

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
April 2017	111	6	39	95%

As discussed in section 6.8, there are processes in place to monitor read attainment, and attempt to resolve issues preventing read attainment.

I reviewed ten ICPs not read in the previous 12 months determine whether exceptional circumstances exist, and if Simply Energy had used their best endeavours to obtain readings. In all cases, Simply Energy used best endeavours to attempt to obtain readings.

Audit outcome

Compliant

6.11. NHH meter interrogation log (Clause 10 Schedule 15.2)

Code reference

Clause 10 Schedule 15.2

Code related audit information

The following information must be logged as the result of each interrogation of the NHH metering:

10(a) - the means to establish the identity of the individual meter reader

10(b) - the ICP identifier of the ICP, and the meter and register identification

10(c) - the method being used for the interrogation and the device ID of equipment being used for interrogation of the meter.

10(d) - the date and time of the meter interrogation.

Audit observation

NHH readings are provided by AMS, FCLM, Metrix, Smartco, Datacol and Delta. The data collection processes were reviewed as part of their MEP and agent audits.

A sample of five readings each for provider were traced from the source reading files to Mercury's systems including review of the content of the files provided.

Audit commentary

Compliance with this clause has been demonstrated by the agents and MEPs, and is discussed in their audit reports.

Audit outcome

Compliant

6.12. HHR data collection (Clause 11(1) Schedule 15.2)

Code reference

Clause 11(1) Schedule 15.2

Code related audit information

Raw meter data from all electronically interrogated metering installations must be obtained via the services access interface.

This may be carried out by a portable device or remotely.

Audit observation

HHR data is collected by EMS. I reviewed HHR data in AXOS and confirmed that it matched the source files for sample of 10 volumes.

Audit commentary

This clause requires that data from all half hour metering must be obtained by electronic interrogation of meters or data loggers. The clause also allows manual data collection to occur. These processes were reviewed as part of the MEP and agent audits.

The volumes recorded in AXOS DataHub matched the source files.

Audit outcome

Compliant

6.13. HHR interrogation data requirement (Clause 11(2) Schedule 15.2)

Code reference

Clause 11(2) Schedule 15.2

Code related audit information

The following information is collected during each interrogation:

11(2)(a) - the unique identifier of the data storage device

11(2)(b) - the time from the data storage device at the commencement of the download unless the time is within specification and the interrogation log automatically records the time of interrogation

11(2)(c) - the metering information, which represents the quantity of electricity conveyed at the point of connection, including the date and time stamp or index marker for each half hour period. This may be limited to the metering information accumulated since the last interrogation

11(2)(d) - the event log, which may be limited to the events information accumulated since the last interrogation

11(2)(e) - an interrogation log generated by the interrogation software to record details of all interrogations.

The interrogation log must be examined by the reconciliation participant responsible for collecting the data and appropriate action must be taken if problems are apparent or an automated software function flags exceptions.

Audit observation

A walkthrough of the HHR data collection function was performed to confirm compliance.

MEPs and their agents are responsible for meeting the meter interrogation log requirements, and this is reviewed as part of their own audits.

Audit commentary

Data interrogation requirements were reviewed in EMS' audit.

Audit outcome

Compliant

6.14. HHR interrogation log requirements (Clause 11(3) Schedule 15.2)

Code reference

Clause 11(3) Schedule 15.2

Code related audit information

The interrogation log forms part of the interrogation audit trail and, as a minimum, must contain the following information:

11(3)(a) - the date of interrogation

11(3)(b) - the time of commencement of interrogation

11(3)(c) - the operator identification (if available)

11(3)(d) - the unique identifier of the meter or data storage device

11(3)(e) - the clock errors outside the range specified in Table 1 of clause 2

11(3)(f) - the method of interrogation

11(3)(g) - the identifier of the reading device used for interrogation (if applicable).

Audit observation

A walkthrough of the HHR data collection function was performed to confirm compliance.

Agents and MEPs are responsible for meeting the meter interrogation log requirements, and this is reviewed as part of their own audits.

Audit commentary

Data interrogation log requirements were reviewed in EMS' audit. Compliance is confirmed.

Audit outcome

Compliant

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

The trading period duration, normally 30 minutes, must be within $\pm 0.1\%$ (± 2 seconds).

Audit observation

All HHR data is provided by agents. Their reports were checked in relation to compliance with this clause.

Audit commentary

The agents' audit reports confirm compliance with this clause.

Audit outcome

Compliant

7.2. Archiving and storage of raw meter data (Clause 18 Schedule 15.2)

Code reference

Clause 18 Schedule 15.2

Code related audit information

A reconciliation participant who is responsible for interrogating a metering installation must archive all raw meter data and any changes to the raw meter data for at least 48 months, in accordance with clause 8(6) of Schedule 10.6.

Procedures must be in place to ensure that raw meter data cannot be accessed by unauthorised personnel.

Meter readings cannot be modified without an audit trail being created.

Audit observation

Processes to archive and store raw meter data were reviewed in the agents reports. I checked that meter readings cannot be modified without an audit trail.

Audit commentary

All agents have met compliance with these clauses.

When this data reaches Simply Energy's systems, the level of security is also robust and unauthorised personnel cannot access raw meter data.

Compliance with clause 18(3) of schedule 15.2 was examined, which requires that "...meter readings cannot be modified without an audit trail being created." Readings cannot be modified without an audit trail being created.

Audit outcome

Compliant

7.3. Non metering information collected / archived (Clause 21(5) Schedule 15.2)

Code reference

Clause 21(5) Schedule 15.2

Code related audit information

All relevant non-metering information, such as external control equipment operation logs, used in the determination of profile data must be collected, and archived in accordance with clause 18.

Audit observation

Simply Energy does not deal with any non-metering information.

Audit commentary

Simply Energy does not deal with any non-metering information.

Audit outcome

Not applicable

8. CREATING AND MANAGING (INCLUDING VALIDATING, ESTIMATING, STORING, CORRECTING AND ARCHIVING) VOLUME INFORMATION

8.1. Correction of NHH meter readings (Clause 19(1) Schedule 15.2)

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

If errors are detected during validation of non-half hour meter readings, one of the following must be undertaken:

19(1)(a) - confirmation of the original meter reading by carrying out another meter reading

19(1)(b) - replacement of the original meter reading by another meter reading (even if the replacement meter reading may be at a different date)

19(1)(c) - if the original meter reading cannot be confirmed or replaced by a meter reading from another interrogation, then an estimated reading is substituted and the estimated reading is marked as an estimate and it is subsequently replaced in accordance with clause 4(2).

Audit observation

I conducted a walkthrough of this process to confirm compliance and I checked one example.

Audit commentary

Most examples were where switch meter read changes had occurred and I followed the process from reverse and rebill through to Madras which confirmed compliance.

One unusual scenario was also checked. ICP 0007138525RN482 switched in with an ARC AMI meter, but data was not being provided. Manual reading was conducted but the resulting consumption information appeared to show the meter was not advancing. Some months later ARC did provide an AMI read which resulted in a correction. The consumption information was correct, but it was applied to the period between the last manual read (which must have been incorrect) and the current read, not to the period from the beginning of the ICP to the current read. This matter still needs resolution to apportion approx. 7,000 kWh over a three month period rather than a one month period.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 8.1 With: Clause 19(1) of schedule 15.2 From: 13-Mar-17 To: 29-May-17	One meter reading correction not conducted accurately. Potential impact: Medium Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating

Low	The controls are recorded as strong because the processes are sound and this is an unusual scenario.	
	The consumption information is correct but is apportioned incorrectly leading to a minor impact on settlement. The audit risk rating is considered low.	
	Actions taken to resolve the issue	Completion date
	The volumes are now apportioned correctly so that the large increase is not all in one month.	10/09/2017
	Preventative actions taken to ensure no further issues will occur	Completion date
	No further action is required in this area.	
		Identified

8.2. Correction of HHR metering information (Clause 19(2) Schedule 15.2)

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

If errors are detected during validation of half hour metering information the correction must be as follows:

19(2)(a) - if a check meter or data storage device is installed at the metering installation, data from this source may be substituted

19(2)(b) - in the absence of any check meter or data storage device, data may be substituted from another period if the total of all substituted intervals matches the total consumption recorded on the meter, if available, and the pattern of consumption is considered materially similar to the period in error.

Audit observation

I checked the agent's audit report (EMS) with regard to the process and I also checked whether there were any examples during the audit period.

Audit commentary

EMS's processes are compliant; however there were no examples of HHR correction for Simply Energy during the audit period. I checked variances between aggregates files at an ICP level for January 2017 but all of the differences were due to replacement of estimates with actuals, none were corrections.

Audit outcome

Compliant

8.3. Error and loss compensation arrangements (Clause 19(3) Schedule 15.2)

Code reference

Clause 19(3) Schedule 15.2

Code related audit information

If error compensation and loss compensation are carried out as part of the process of determining accurate data, the compensation process must be documented and must comply with audit trail requirements.

Audit observation

I asked Simply Energy and EMS if any error or loss compensation arrangements were in place.

Audit commentary

Both parties confirmed that no error or loss compensation arrangements are in place.

Audit outcome

Not applicable

8.4. Correction of HHR and NHH raw meter data (Clause 22(1) and (2) Schedule 15.2)

Code reference

Clause 22(1) and (2) Schedule 15.2

Code related audit information

In correcting a meter reading in accordance with clause 19, the raw meter data must not be overwritten. If the raw meter data and the meter readings are the same, an automatic secure backup of the affected data must be made and archived by the processing or data correction application.

If data is corrected or altered, a journal must be generated and archived with the raw meter data file. The journal must contain the following:

22(2)(a) - the date of the correction or alteration

22(2)(b) - the time of the correction or alteration

22(2)(c) - the operator identifier of the reconciliation participant

22(2)(d) - the half-hour metering data or the non-half hour metering data corrected or altered, and the total difference in volume of such corrected or altered data

22(2)(e) - the technique used to arrive at the corrected data

22(2)(f) - the reason for the correction or alteration.

Audit observation

Corrections are discussed in sections 8.1 and 8.2. Raw data is retained by the agents and MEPs and is not edited in any way by any process. Audit trails are discussed in section 2.3.

Raw meter data retention for MEPs was reviewed as part of their MEP audits.

Audit commentary

There were no examples of corrections to raw meter data.

Audit outcome

Compliant

9. ESTIMATING AND VALIDATING VOLUME INFORMATION

9.1. Identification of readings (Clause 3(3) Schedule 15.2)

Code reference

Clause 3(3) Schedule 15.2

Code related audit information

All estimated readings and permanent estimates must be clearly identified as an estimate at source and in any exchange of metering data or volume information between participants.

Audit observation

Provision of estimated reads to other participants during switching was reviewed in sections 4.3, 4.4, 4.10 and 4.11.

Simply Energy does not have a process to make estimates permanent.

Audit commentary

Estimated readings are clearly identified as required by this clause.

Audit outcome

Compliant

9.2. Derivation of volume information (Clause 3(4) Schedule 15.2)

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

Volume information must be directly derived, in accordance with Schedule 15.2, from:

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

A sample of submission data was reviewed in section 12, to confirm that volume was based on readings as required.

Audit commentary

Review of submission data confirmed that it is based on readings as required by this clause.

Audit outcome

Compliant

9.3. Meter data used to derive volume information (Clause 3(5) Schedule 15.2)

Code reference

Clause 3(5) Schedule 15.2

Code related audit information

All meter data that is used for derive volume information must not be rounded or truncated from the stored data from the metering installation.

Audit observation

A sample of submission data was reviewed in section 12, to confirm that data is not rounded or truncated.

Audit commentary

Data provided by the MEPs and agents is not rounded or truncated.

Audit outcome

Compliant

9.4. Half hour estimates (Clause 15 Schedule 15.2)

Code reference

Clause 15 Schedule 15.2

Code related audit information

If a reconciliation participant is unable to interrogate an electronically interrogated metering installation before the deadline for providing submission information, the submission to the reconciliation manager must be the reconciliation participant's best estimate of the quantity of electricity that was purchased or sold in each trading period during any applicable consumption period for that metering installation.

The reconciliation participant must use reasonable endeavours to ensure that estimated submission information is within the percentage specified by the Authority.

Audit observation

I checked the differences between revisions in the January 2017 HHR aggregates file to identify potential corrections or estimates. I then checked the supporting information for each change.

Audit commentary

Six ICPs had variances and they were all due to estimates being replaced by actual data. EMS's agent report confirms that the estimation process meets the reasonable endeavours threshold.

Audit outcome

Compliant

9.5. NHH metering information data validation (Clause 16 Schedule 15.2)

Code reference

Clause 16 Schedule 15.2

Code related audit information

Each validity check of non-half hour meter readings and estimated readings must include the following:

16(2)(a) - confirmation that the meter reading or estimated reading relates to the correct ICP, meter, and register

16(2)(b) - checks for invalid dates and times

16(2)(c) - confirmation that the meter reading or estimated reading lies within an acceptable range compared with the expected pattern, previous pattern, or trend

16(2)(d) - confirmation that there is no obvious corruption of the data, including unexpected 0 values.

Audit observation

I reviewed and observed the NHH data validation process, including checking a sample of data validations.

Audit commentary

Simply Energy's NHH validation steps include the following:

- confirmation that the reading relates to the correct ICP, meter and register
- checks for invalid dates and times
- checks for "negative" consumption
- checks for data corruption
- high consumption
- zero consumption
- check that consumption matches historic levels.

In addition to these checks, agents conduct a localised "high/low" validation, as described in their audit reports.

Audit outcome

Compliant

9.6. Electronic meter readings and estimated readings (Clause 17 Schedule 15.2)

Code reference

Clause 17 Schedule 15.2

Code related audit information

Each validity check of electronically interrogated meter readings and estimate readings must be at a frequency that will allow a further interrogation of the data storage device before the data is overwritten within the data storage device and before this data can be used for any purpose under the Code.

Each validity check of a meter reading obtained by electronic interrogation or an estimated reading must include:

17(4)(a) - checks for missing data

17(4)(b) - checks for invalid dates and times

17(4)(c) - checks of unexpected 0 values

17(4)(d) - comparison with expected or previous flow patterns

17(4)(e) - comparisons of meter readings with data on any data storage device registers that are available

17(4)(f) - a review of meter and data storage device event list. Any event that could have affected the integrity of metering data must be investigated.

Audit observation

I checked the validation steps by conducting a walk-through of the process. I observed the AMI event logs where they were available.

Audit commentary

HHR data validation is conducted by EMS and compliance is confirmed in their report.

AMI data collection is conducted by MEPs and Simply Energy’s responsibility is to validate and check event information. Validation of AMI data is the same process described in Section 9.5. AMI event information is provided by AMS, MTRX, WASN, FCLM, SMCO and ARCM. Event information is being adequately managed for MTRX, WASN and FCLM installations but not for AMS. SMCO and ARCM are not providing event logs.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 9.6 With: Clause 17 Schedule 15.2 From: 01-Aug-16 To: 30-Jun-17	Event logs not being routinely managed for all AMI installations. Potential impact: Medium 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 there is little monitoring of the receipt or content of event logs. The other validations in place are comprehensive and are likely to identify any consumption related issues, therefore the potential impact on settlement is recorded as minor and the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Simply Energy will continue requesting Event Logs from Smartco and Arc.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Simply Energy is looking at automating the Event Logs but as each MEP has different formats then this is currently a work in progress.		31 March 2018.	

10. PROVISION OF METERING INFORMATION TO THE PRICING MANAGER IN ACCORDANCE WITH SUBPART 4 OF PART 13 (CLAUSE 15.38(1)(F))

10.1. Generators to provide HHR metering information (Clause 13.136)

Code reference

Clause 13.136

Code related audit information

The generator (and/or embedded generator) must provide to the pricing manager and the grid owner connected to the local network in which the embedded generator is located, half hour metering information in accordance with clause 13.138 in relation to generating plant that is subject to a dispatch instruction:

- *that injects electricity directly into a local network; or*
- *if the meter configuration is such that the electricity flows into a local network without first passing through a grid injection point or grid exit point metering installation.*

Audit observation

Simply Energy does not have responsibilities for the provision of information to the grid owner.

Audit commentary

Simply Energy does not have responsibilities for the provision of information to the grid owner.

Audit outcome

Not applicable

10.2. Unoffered & intermittent generation provision of metering information (Clause 13.137)

Code reference

Clause 13.137

Code related audit information

Each generator must provide the pricing manager and the relevant grid owner half-hour metering information for:

- *any unoffered generation from a generating station with a point of connection to the grid 13.137(1)(a)*
- *any electricity supplied from an intermittent generating station with a point of connection to the grid 13.137(1)(b).*

The generator must provide the pricing manager and the relevant grid owner with the half-hour metering information required under this clause in accordance with the requirements of Part 15 for the collection of that generator's volume information (clause 13.137(2)).

If such half-hour metering information is not available, the generator must provide the pricing manager and the relevant grid owner a reasonable estimate of such data (clause 13.137(3)).

Audit observation

Simply Energy does not have responsibilities for the provision of information to the grid owner.

Audit commentary

Simply Energy does not have responsibilities for the provision of information to the grid owner.

Audit outcome

Not applicable

10.3. Loss adjustment of HHR metering information (Clause 13.138)

Code reference

Clause 13.138

Code related audit information

The generator must provide the information required by clauses 13.136 and 13.137,

13.138(1)(a)- adjusted for losses (if any) relative to the grid injection point or, for embedded generators the grid exit point, at which it offered the electricity

13.138(1)(b)- in the manner and form that the pricing manager stipulates

13.138(1)(c)- by 0500 hours on a trading day for each trading period of the previous trading day.

The generator must provide the half-hour metering information required under this clause in accordance with the requirements of Part 15 for the collection of the generator's volume information.

Audit observation

Simply Energy does not have responsibilities for the provision of information to the grid owner.

Audit commentary

Simply Energy does not have responsibilities for the provision of information to the grid owner.

Audit outcome

Not applicable

10.4. Notification of the provision of HHR metering information (Clause 13.140)

Code reference

Clause 13.140

Code related audit information

If the generator provides half-hourly metering information to the pricing manager or a grid owner under clauses 13.136 to 13.138, or 13.138A, it must also, by 0500 hours of that day, advise the relevant grid owner.

Audit observation

Simply Energy does not have responsibilities for the provision of information to the grid owner.

Audit commentary

Simply Energy does not have responsibilities for the provision of information to the grid owner.

Audit outcome

Not applicable

11. PROVISION OF SUBMISSION INFORMATION FOR RECONCILIATION

11.1. Buying and selling notifications (Clause 15.3)

Code reference

Clause 15.3

Code related audit information

Unless an embedded generator has given a notification in respect of the point of connection under clause 15.3, a trader must notify the reconciliation manager if it is to commence or cease trading electricity at a point of connection using a profile with a profile code other than HHR, RPS, UML, EG1, or PV1 at least five business days before commencing or ceasing trader.

The notification must comply with any procedures or requirements specified by the reconciliation manager.

Audit observation

A registry list was reviewed for the audit period to confirm which profiles were used and whether trading notifications were provided.

Audit commentary

Some non –standard profiles are used by Simply Energy and trading notifications have been provided.

Audit outcome

Compliant

11.2. Calculation of ICP days (Clause 15.6)

Code reference

Clause 15.6

Code related audit information

Each retailer and direct purchaser (excluding direct consumers) must deliver a report to the reconciliation manager detailing the number of ICP days for each NSP for each submission file of submission information in respect of:

15.6(1)(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period

15.6(1)(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.

The ICP days information must be calculated using the data contained in the retailer or direct purchaser's reconciliation system when it aggregates volume information for ICPs into submission information.

Audit observation

The process for the calculation of ICP days was examined by checking HHR and NHH variances for the period October 2015 to January 2017, and investigating any large discrepancies.

Audit commentary

ICP days calculations are conducted by EMS for SIMP and SELX. The tables below show variances for HHR and NHH for SIMP. There were no variances for any revisions for SELX for the period February 2017 to June 2017 for HHR or NHH.

SIMP NHH

Month	R1	R3	R7	R14
October 2015	3.1%	2.6%	2.5%	2.0%
November 2015	3.3%	2.7%	2.8%	2.3%
December 2015	2.9%	-1.4%	0.9%	2.1%
June 2016	1.4%	-0.4%	1.6%	-
July 2016	0.3%	1.6%	1.7%	
Sept 2016	1.6%	1.5%	1.6%	-
Nov 2016	1.4%	1.4%	-	-
January 2017	1.5%	1.3%	-	-

SIMP HHR

Month	R1	R3	R7	R14
October 2015	-5.8%	-7.8%	-7.8%	-3.9%
November 2015	-7.8%	-7.8%	-7.8%	-3.9%
December 2015	-6.7%	-7.1%	-7.1%	-3.6%
June 2016	-7.6%	-5.1%	-5.1%	-
July 2016	-4.0%	-3.0%	-3.0%	
Sept 2016	-2.6%	0.0%	0.0%	-
Nov 2016	0.0%	-1.3%	-	-
January 2017	2.6%	0.0%	-	-

During the previous audit, I identified several ICP days issues, as follows:

- ICP days were incorrectly submitted for SIMP generation ICPs
- Madras did not have correct end dates for all ICPs
- the ICP days revision process did not appear to be correcting all changes.

The issues identified during this audit are as follows:

- HHR ICP days were incorrectly submitted for SIMP generation only ICPs
- HHR ICP days were submitted against the incorrect GXP within the ROBERTSBUELG balancing area
- one ICP at ISL0661 had one less ICP days than it should have for November 2015.

The NHH ICP days issues from last year appear to be resolved. There is now validation in place to ensure Madras has correct start and end dates and the revision processes appear to be functioning as expected. No NHH errors were identified and the variances for recent months are much smaller.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 11.2 With: Clause 15.6 of part 15 From: 01-Nov-15 To: 31-Jan-17	Some HHR ICP days errors. 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 there are still some minor improvements to make. The discrepancies were minor and the only impact resulting from ICP days discrepancies is potential scaling. The audit risk rating is considered low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Simply Energy will work with its HHR Data Administrator to correct the Generation only ICP Days issues.		31 August 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

11.3. Electricity supplied information provision to the reconciliation manager (Clause 15.7)

Code reference

Clause 15.7

Code related audit information

A retailer must deliver to the reconciliation manager its total monthly quantity of electricity supplied for each NSP, aggregated by invoice month, for which it has provided submission information to the reconciliation manager, including revised submission information for that period as non-loss adjusted values in respect of:

15.7(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period

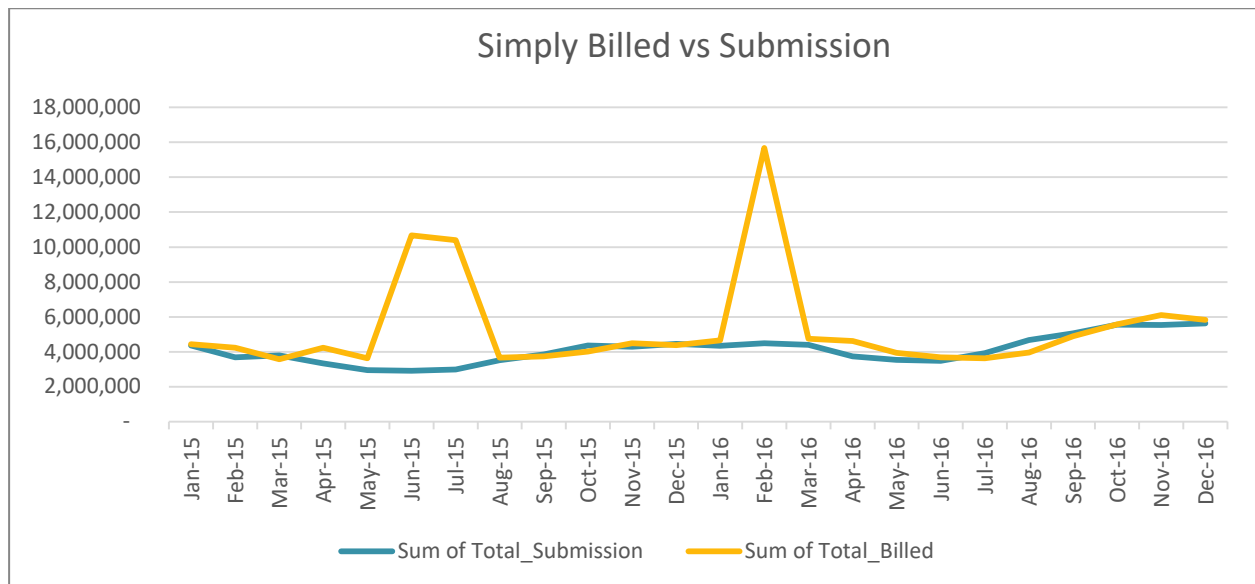
15.7(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.

Audit observation

The process for the calculation of as billed volumes was examined by reviewing the GR130 reports for January 2015 onwards to confirm whether the relationship between billed and submitted data appears reasonable.

Audit commentary

The graph below shows an error in the electricity supplied file for SIMP. This was caused by an error in the reporting, where some values were tripled. Revisions will resolve the 2016 errors but not the 2015 errors.



The SELX comparison did not identify any discrepancies.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 11.3 With: Clause 15.7 of part 15 From: 01-May-15 To: 31-Mar-16	Some electricity supplied errors. 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 there are still some improvements to make, including the frequency of running the checks. There is no impact on settlement or other participants therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have recently put in place validation that detects now any issues in the AV-120 reports themselves. This is along with the normal checks between AV-120 and RM Submissions. These are monthly checks prior to submission.		23 August 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

11.4. HHR aggregates information provision to the reconciliation manager (Clause 15.8)

Code reference

Clause 15.8

Code related audit information

A retailer or direct purchaser (excluding direct consumers) must deliver to the reconciliation manager its total monthly quantity of electricity supplied for each half hourly metered ICP for which it has provided submission information to the reconciliation manager, including:

15.8(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period

15.8(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.

Audit observation

I checked variances between revisions for the aggregates file and I checked the ICPMISS report to identify any potential errors. All variances were evaluated. During the EMS audit, I checked HHR data in source files against totals in the aggregates file to confirm the process for file creation.

Audit commentary

EMS’s GMMS system is designed to prepare a HHR Aggregates file at ICP level based on submission information.

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 the Authority regarding a Code change which will allow for the aggregates files used in the industry to remain unchanged.

The check of source data against totals in the aggregates file did not find any discrepancies.

Some discrepancies were found by checking the ICPMISS files. ICP 0007176228RN78E was submitted under the SIMP code from August to October 2016 but it was always with SELS not SIMP. ICP 9999999991CL570 did not have a record in the aggregates file from December 16 to February 17. The installation had zero consumption so there was no impact, but it should still have had zeros submitted. EMS did not set the site up because a load test was not completed; however the installation was certified on 19/12/16, so it should have been set up in order to monitor the load.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 11.4</p> <p>With: Clause 15.8 of part 15</p> <p>From: 01-Aug-16</p> <p>To: 28-Feb-17</p>	<p>Aggregates file contains submission information.</p> <p>Some errors in the aggregates files</p> <p>Potential impact: Medium</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>The controls are recorded as strong because they have been recently improved to include reporting from EMS to check against Simply Energy records to ensure the aggregates file is accurate.</p> <p>There is no impact on settlement because the aggregates file is only used for reporting, therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Recent enhancements in the validation between Lis file and HHR Aggregates file will detect ICPs submitted on the wrong code. This has been in place for two months now.</p> <p>We have also talked to our HHR Data Administration around the issue of not submitting volumes on brand new sites.</p>		<p>31 July 2017</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur		Completion date	

12. SUBMISSION COMPUTATION

12.1. Daylight saving adjustment (Clause 15.36)

Code reference

Clause 15.36

Code related audit information

The reconciliation participant must provide submission information to the reconciliation manager that is adjusted for NZDT using one of the techniques set out in clause 15.36(3) specified by the Authority.

Audit observation

Daylight saving adjustment is conducted by EMS in a compliant manner.

Audit commentary

Daylight saving adjustment is conducted by EMS in a compliant manner.

Audit outcome

Compliant

12.2. Creation of submission information (Clause 15.4)

Code reference

Clause 15.4

Code related audit information

By 1600 hours on the 4th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all NSPs for which the reconciliation participant is recorded in the registry as having traded electricity during the consumption period immediately before that reconciliation period (in accordance with Schedule 15.3).

By 1600 hours on the 13th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all points of connection for which the reconciliation participant is recorded in the registry as having traded electricity during any consumption period being reconciled in accordance with clauses 15.27 and 15.28, and in respect of which it has obtained revised submission information (in accordance with Schedule 15.3).

Audit observation

This clause relates to the timeliness of files and whether they include all ICPs. I checked Simply Energy's reporting to confirm whether all NHH ICPs were included and I checked the ICPMISS reports for the audit period to confirm the completeness of HHR files.

I checked the EMS report to identify any late files

Audit commentary

There was one late submission file in November 2016. The HHR vols file for SIMP contained submission information for ICP 0007176228RN78E and it should have been submitted in the SELS file.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.2 With: Clause 15.5 of part 15 From: 01-Aug-16 To: 30-Nov-16	One late submission file sent to RM. One ICP submitted against the incorrect code. Potential impact: Medium 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 because they have been recently improved to include reporting from EMS to check against Simply Energy records to ensure HHR files are accurate. Madras is checked against Sales Force at a meter level for all revisions to ensure the correct information is present. There is a minor impact on settlement; therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Recent enhancements in the validation between Lis file and HHR Aggregates file will detect ICPs submitted on the wrong code. This has been in place for two months now.		31 July 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

12.3. Allocation of submission information (Clause 15.5)

Code reference

Clause 15.5

Code related audit information

In preparing and submitting submission information, the reconciliation participant must allocate volume information for each ICP to the NSP indicated by the data held by the registry for the relevant consumption period at the time the reconciliation participant assembles the submission information. Volume information must be derived in accordance with Schedule 15.2.

However, if, in relation to a point of connection at which the reconciliation participant trades electricity, a notification given by an embedded generator under clause 15.13 for an embedded generating station is in force, the reconciliation participant is not required to comply with the above in relation to electricity generated by the embedded generating station.

Audit observation

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry, and registry validation includes all relevant fields were reviewed.

The process to ensure that AV080 submissions are accurate was discussed and observed. The process for aggregating the AV080 was examined by a walk-through of the controls in place.

The GR170 to AV080 files for three months were compared, to confirm zeroing occurs.

Audit commentary

Controls in this area have been improved since the last audit. The following checks and controls are now in place:

- All updates from Sales Force to Madras must have a meter reading or the “update” will not complete. This is for the start and end of an ICP’s tenure.
- A comparison is conducted between Sales Force and Madras at a meter/register level to ensure the NHH information is correct in Madras.
- A list file is imported each day and loaded to Sales Force. Discrepancies are checked twice per month to ensure aggregation factors, retailer and status are correct.
- Meter changes are included in the list file validation.
- Madras has an exception created if it receives a meter reading but does not have the meter set up.
- HHR aggregates files are sent to Simply Energy to check against their records before submission.

I checked the content of the exception reports to ensure issues were being resolved. I did not identify any issues.

Audit outcome

Compliant

12.4. Grid owner volumes information (Clause 15.9)

Code reference

Clause 15.9

Code related audit information

The participant (if a grid owner) must deliver to the reconciliation manager for each point of connection for all of its GXPs, the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.9(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period (clause 15.9(b)).*

Audit observation

Simply Energy is not a grid owner.

Audit commentary

Simply Energy is not a grid owner.

Audit outcome

Not applicable

12.5. Provision of NSP submission information (Clause 15.10)

Code reference

Clause 15.10

Code related audit information

The participant (if a local or embedded network owner) must provide to the reconciliation manager for each NSP for which the participant has given a notification under clause 25(1) Schedule 11.1 (which relates to the creation, decommissioning, and transfer of NSPs) the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.10(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period (clause 15.10(b)).*

Audit observation

Simply Energy is not an embedded network owner.

Audit commentary

Simply Energy is not an embedded network owner.

Audit outcome

Not applicable

12.6. Grid connected generation (Clause 15.11)

Code reference

Clause 15.11

Code related audit information

The participant (if a grid connected generator) must deliver to the reconciliation manager for each of its points of connection, the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.11(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period. (clause 15.11(b))*

Audit observation

Simply Energy does not have any grid connected generation.

Audit commentary

Simply Energy does not have any grid connected generation.

Audit outcome

Not applicable

12.7. Accuracy of submission information (Clause 15.12)

Code reference

Clause 15.12

Code related audit information

If the reconciliation participant has submitted information and then subsequently obtained more accurate information, the participant must provide the most accurate information available to the reconciliation manager or participant, as the case may be, at the next available opportunity for submission (in accordance with clauses 15.20A, 15.27, and 15.28).

Audit observation

I conducted a walk-through of the process for revisions and I checked some specific changes at an ICP level to confirm revisions were conducted.

Audit commentary

Review of submissions confirmed revisions were submitted as expected. Evidence was observed of revised consumption information where changes were made. Specifically I checked five balancing areas where there were large differences between revisions. The reasons for the differences were identified and were as follows:

- estimates being replaced by actuals
- backdates switches.

No errors were detected.

Audit outcome

Compliant

12.8. Permanence of meter readings for reconciliation (Clause 4 Schedule 15.2)

Code reference

Clause 4 Schedule 15.2

Code related audit information

Only volume information created using validated meter readings, or if such values are unavailable, permanent estimates, has permanence within the reconciliation processes (unless subsequently found to be in error).

Volume information created using estimated readings must be subsequently replaced at the earliest opportunity by the reconciliation participant by volume information that has been created using validated meter readings or permanent estimates by, at the latest, the month 14 revision cycle.

A permanent estimate may be used in place of a validated meter reading, but only if, despite having used reasonable endeavours; the reconciliation participant has been unable to obtain a validated meter reading.

Audit observation

AV080 14 month revisions were reviewed to identify any forward estimate still existing.

Audit commentary

A review of AV080 14 month revisions for September 2015, October 2015 and February 2016 showed forward estimates remained at the time of the 14-month revision. Simply Energy does not have a process for the replacement of estimates with permanent estimates at the 14-month revision. For September 2015, there was 61,059 kWh recorded as FE in the 14-month revision. This was 5% of the total submission for the month. The analysis of some specific ICPs where HE was not 100% showed that most of the issues related to a lack of meter readings. Another minor issue was found with the functionality of Madras. For ICPs with multiple reads during the month (mostly AMI), Madras will calculate the month in two parts. The first part is the first day of the month, which is labelled as "FSE" (forward standard estimate) even though it's calculated from actual readings. The rest of the month is labelled HE. The revision process re-labels the first day as HE.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.8 With: Clause 4 of schedule 15.2 From: 01-Sep-15 To: 29-Feb-16	Not all estimates replaced by permanent estimates at R14. Potential impact: Medium 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 there is room to improve the meter reading process prior to R14 to ensure 100% HE. There is only a minor impact on settlement because when estimates are replaced with actuals there will be a difference; therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Simply Energy has reporting in place to identify the ICPs with no reads. Resolving the sites without reads is a monthly focus, some will be replaced by Advanced Meter Installations.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

12.9. Reconciliation participants to prepare information (Clause 2 Schedule 15.3)

Code reference

Clause 2 Schedule 15.3

Code related audit information

If a reconciliation participant prepares submission information for each NSP for the relevant consumption periods in accordance with the Code, such submission information must comprise the following:

- *half hour volume information for each ICP notified in accordance with clause 11.7(2) for which there is a category 3 or higher metering installation (clause 2(1)(a))*
- *for each ICP about which information is provided under clause 11.7(2) for which there is a category 1 or category 2 metering installation (clause 2(1)(b)):*
 - a) half hour volume information for the ICP; or*
 - b) non-half hour volumes information calculated under clauses 4 to 6 (as applicable).*
 - c) unmetered load quantities for each ICP that has unmetered load associated with it derived from the quantity recorded in the registry against the relevant ICP and the number of days in the period, the distributed unmetered load database, or other sources of relevant information (clause 2(1)(c))*

- to create non half hour submission information a reconciliation participant must only use information that is dependent on a control device if (clause 2(2)):
 - a) the certification of the control device is recorded on the registry; or
 - b) the metering installation in which the control device is location has interim certification
- to create submission information for a point of connection the reconciliation participant must apply to the raw meter data (clause 2(3)):
 - a) for each ICP, the compensation factor that is recorded in the registry (clause 2(3)(a))
 - b) for each NSP the compensation factor that is recorded in the metering installations most recent certification report (clause 2(3)(b)).

Audit observation

The registry list file was reviewed for the audit period to confirm that Simply Energy supplies:

- HHR information
- NHH information (including some with compensation factors)
- Generation information under the PV1 profile
- Unmetered load.

The accuracy of submission information was checked in numerous sections, plus I checked the accuracy of generation and unmetered submissions.

Audit commentary

The accuracy of submission information is discussed in a number of sections and non-compliance is recorded. The additional checks conducted within this section were in relation to compensation factors and unmetered load. Madras now has the capability to deal with changes to compensation factors and this process was confirmed as accurate. Madras does not have the capability to deal with unmetered load, so Simply Energy has “dummy” meters set up for all of these ICPs and they calculate and enter a “read” each month. These “reads” have not been sent for some months, so Madras has calculated FSE based on previous unmetered quantities. The calculation is correct but it is not labelled correctly because it should be HE. This is discussed further in Section 12.10.

In summary, compliance has been achieved in relation to this section because the files contain the relevant information.

Audit outcome

Compliant

12.10. Historical estimates and forward estimates (Clause 3 Schedule 15.3)

Code reference

Clause 3 Schedule 15.3

Code related audit information

For each ICP that has a non-half hour metering installation, volume information derived from validated meter readings, estimated readings, or permanent estimates must be allocated to consumption periods using the following techniques to create historical estimates and forward estimates (clause 3(1)).

Each estimate that is a forward estimate or a historical estimate must clearly be identified as such (clause 3(2)).

If validated meter readings are not available for the purpose of clauses 4 and 5, permanent estimates may be used in place of validated meter readings (clause 3(3)).

Audit observation

I reviewed six AV080 submissions for revisions 1 to 7, to confirm that historic estimates are included and identified.

Permanence of meter readings is reviewed in section 12.8. The methodology to create forward estimates is reviewed in section 12.11.

Audit commentary

As recorded in Sections 12.8 and 12.9, some HE is incorrectly labelled as FE.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.10 With: Clause 3 of schedule 15.3 From: 01-Aug-16 To: 30-Jun-17	Some historic estimates labelled as forward estimates. 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	The controls are recorded as moderate because there could be additional checks in place to identify incorrect scenarios. There is no impact on settlement because the calculation is correct; therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Simply Energy is work with its NHH Data Administrator to use the correct terminology where in the first submission ICPs have read at start and end of the month.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

12.11. Historical estimate process (Clause 4 and 5 Schedule 15.3)

Code reference

Clause 4 and 5 Schedule 15.3

Code related audit information

The methodology outlined in clause 4 of Schedule 15.3 must be used when preparing historic estimates of volume information for each ICP when the relevant seasonal adjustment shape is available.

If a seasonal adjustment shape is not available, the methodology for preparing an historical estimate of volume information for each ICP must be the same as in clause 4, except that the relevant quantities kWhPx must be prorated as determined by the reconciliation participant using its own methodology or

on a flat shape basis using the relevant number of days that are within the consumption period and within the period covered by kWh_{px}.

Audit observation

I concentrated on three scenarios for the analysis, as follows:

1. changes to active during a month
2. switches in during a month
3. continuous ICPs.

The reason for selecting these scenarios is that there were issues with the first two during previous audits.

Audit commentary

All of the issues identified in previous audits have been resolved. The HE scenarios were re-created manually to confirm the accuracy of the calculations.

Audit outcome

Compliant

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

Forward estimates may be used only in respect of any period for which an historical estimate cannot be calculated.

The methodology used for calculating a forward estimate may be determined by the reconciliation participant, only if it ensures that the accuracy is within the percentage of error specified by the Authority.

Audit observation

The process to create forward estimates was reviewed.

Forward estimates were checked for accuracy by analysing the GR170 file for variances between revisions over the audit period.

Audit commentary

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 as accurate.

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 met for all months in the sample for SIMP. Compliance is also met for the SELX code.

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

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Sept 2015	0	0	0	0	66
Oct 2015	0	0	0	0	65
April 2016	0	0	0	-	69
June 2016	0	0	0	-	71
July 2016	0	0	0	-	74
Sept 2016	0	0	0	-	78
Oct 2016	0	0	-	-	81
Nov 2016	0	0	-	-	84

SIMP**Total variation between revisions (revision compared to initial)**

Month	Revision 1	Revision 3	Revision 7	Revision 14
Sept 2015	-3.36%	-6.37%	-6.41%	-5.12%
Oct 2015	-0.29%	-1.74%	-2.17%	-1.08%
April 2016	-3.62%	-4.90%	-1.87%	-
June 2016	-0.10%	-3.19%	-0.17%	-
July 2016	0.00%	1.17%	0.57%	-
Sept 2016	2.22%	0.20%	-1.59%	-
Oct 2016	-2.88%	-3.28%	-	-

Nov 2016	-1.33%	-3.18%	-	-
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Audit outcome

Compliant

12.13. Compulsory meter reading after profile change (Clause 7 Schedule 15.3)

Code reference

Clause 7 Schedule 15.3

Code related audit information

If the reconciliation participant changes the profile associated with a meter, it must, when determining the volume information for that meter and its respective ICP, use a validated meter reading or permanent estimate on the day on which the profile change is to take effect.

The reconciliation participant must use the volume information from that validated meter reading or permanent estimate in calculating the relevant historical estimates of each profile for that meter.

Audit observation

I checked the event detail report to identify any profile changes.

Audit commentary

There were no profile changes made during the audit period; however Simply Energy understands the requirement to ensure these are conducted on an actual reading.

Audit outcome

Compliant

13. SUBMISSION FORMAT AND TIMING

13.1. Provision of submission information to the RM (Clause 8 Schedule 15.3)

Code reference

Clause 8 Schedule 15.3

Code related audit information

Submission information provided to the reconciliation manager must be aggregated to the following level:

- *NSP code (clause 8(a))*
- *reconciliation type (clause 8(b))*
- *profile (clause 8(c))*
- *loss category code (clause 8(d))*
- *flow direction (clause 8(e))*
- *dedicated NSP (clause 8(f))*
- *trading period for half hour metered ICPs and consumption period or day for all other ICPs (clause 8(g)).*

Audit observation

I checked the controls in place regarding aggregation factors and I checked the AV080 files against the GR170 files for five months to ensure there were no problems with “zeroing”.

I also checked the ICPMISS reports to identify incorrect aggregation factors.

Audit commentary

The controls in place confirm the correct aggregation factors are used. The other reports did not identify any issues.

Audit outcome

Compliant

13.2. Reporting resolution (Clause 9 Schedule 15.3)

Code reference

Clause 9 Schedule 15.3

Code related audit information

When reporting submission information, the number of decimal places must be rounded to not more than two decimal places.

If the unrounded digit to the right of the second decimal place is greater than or equal to five, the second digit is rounded up, and if the digit to the right of the second decimal place is less than five, the second digit is unchanged.

Audit observation

Aggregation of the submission files was reviewed and as part of these checks, I verified that the data provided for submission was correctly rounded.

Audit commentary

Submissions are correctly rounded to two decimal places.

Audit outcome

Compliant

13.3. Historical estimate reporting to RM (Clause 10 Schedule 15.3)

Code reference

Clause 10 Schedule 15.3

Code related audit information

By 1600 hours on the 13th business day of each reconciliation period the reconciliation participant must report to the reconciliation manager the proportion of historical estimates per NSP contained within its non-half hour submission information.

The proportion of submission information per NSP that is comprised of historical estimates must (unless exceptional circumstances exist) be:

- *at least 80% for revised data provided at the month 3 revision (clause 10(3)(a))*
- *at least 90% for revised data provided at the month 7 revision (clause 10(3)(b))*
- *100% for revised data provided at the month 14 revision. (clause 10(3)(c)).*

Audit observation

The revision files were examined for eight separate months.

Audit commentary

The revision files were examined for eight separate months, which showed that the targets were not met for some NSPs. The low proportion of HE is caused by lack of meter reads and incorrect labelling of HE as FE by EMS in some circumstances.

SIMP

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Sept 2015	71	75	67	95
Oct 2015	74	76	67	96
April 2016	77	86	-	98
June 2016	78	88	-	99
July 2016	81	90	-	104
Sept 2016	89	95	-	110
Oct 2016	89	-	-	113

Nov 2016	93	-	-	115
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The table below shows the percentage HE at a summary level:

SIMP

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Sept 2015	91.8%	93.3%	95.0%
Oct 2015	91.5%	93.1%	94.6%
April 2016	90.9%	95.6%	-
June 2016	91.4%	95.7%	-
July 2016	92.4%	94.1%	-
Sept 2016	93.7%	95.0%	-
Oct 2016	91.9%	-	-
Nov 2016	91.1%	-	-

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 13.3 With: Clause 10 of schedule 15.3 From: 01-Sep-15 To: 30-Nov-16	HE targets not met for some NSPs for some revisions. Potential impact: Medium 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 there could be some improvement made in the meter reading processes to ensure actual readings are available. There is a minor impact on settlement because the actual data is likely to be different to the estimated data; therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status

Simply Energy has reporting in place to identify the ICPs with no reads. Resolving the sites without reads is a monthly focus, some will be replaced by Advanced Meter Installations.		Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

CONCLUSION

This report records 20 non-compliances. eight of these relate to the registry and switching areas. There are no issues with a medium or high impact on settlement or other parties.

Most of the submission related non-compliances from the previous audit have been resolved and the remaining ones are considered minor.

The main points from this audit are as follows:

- Electricity supplied files were incorrect for some months and revisions were not conducted in all cases.
- there are some ICPs with more than one customer, resulting in that customer not being able to switch
- AMI event logs are not being routinely monitored
- A small number of errors were present in the HHR aggregates files
- Some historic estimates are incorrectly labelled.

PARTICIPANT RESPONSE

Answering the main points from the audit:

The Electricity Supplied reports contained incorrect values for two months. At the time we did not have controls on the reports themselves and only ran two to three month comparisons between the Reconciliation Submission files and AV-120 files. When discovered that the reports were incorrect we were not able to replace the two 14 month revised files.

The ICPs with more than one customer which in 2016 were created have now been separated back to individual ICPs. However there are between six and ten historical ICPs still in this state.

APPENDIX A - TEMPLATE FOR NON-COMPLIANCE, ISSUES AND RECOMMENDATIONS.

NON-COMPLIANCE

Non-compliance	Description		
Audit Ref: With: From: Click here to enter a date. To: Click here to enter a date.	Potential impact: Choose an item. Actual impact: Choose an item. Audit history: Controls: Choose an item. Breach risk rating:		
Audit risk rating	Rationale for audit risk rating		
Choose an item.			
Actions taken to resolve the issue		Completion date	Remedial action status
			Choose an item.
Preventative actions taken to ensure no further issues will occur		Completion date	

RECOMMENDATION

Recommendation	Description	Audited party comment	Remedial action

ISSUE

Issue	Description	Remedial action