

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

For

ELECTRIC KIWI

Prepared by: Ewa Glowacka

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Date audit report completed: 14 February 2018

Audit report due date: 16-Feb-19

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EXECUTIVE SUMMARY

This reconciliation participant audit was performed at the request of Electric Kiwi (ELKI) to support their application for certification, in accordance with clauses 4 of Schedule 15.1 of The Code 2010. The relevant clauses audited are as required by the Guidelines for Reconciliation Participants Audits V 7.1 issued by the Electricity Authority.

The company has been growing very fast. Since the last audit Electric Kiwi gained 14,563 HHR ICPs. The company only accepts installations for which volumes are recorded by remotely read smart meters.

To verify the compliance of switching, registry updates, and the calculation of reconciliation submissions we conducted judgement -based sampling by selecting typical examples of the population or looking at extreme examples of non-compliance within switching transactions.

The audit found ten non-compliances, two of them was cleared.

The main issues identified during this audit are:

- Traders switching on the same read, many RR files sent by Electric Kiwi are rejected

Improvements have been made in the following areas since the last audit:

- Accuracy of information in the registry
- Decreased number of “missing ICPs” in GR-090
- Switching
- Switching on the same read

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. Table 1 of the Guidelines for Reconciliation Participant audit provides some guidance on this matter. The Future Risk Rating score is 11 which results in an indicative audit frequency of 18 months. We agree with the result.

We thank Electric Kiwi’s staff for their full and complete cooperation in this audit. Their response to any request for information or clarification was answered in a timely manner and each time, in depth supporting evidence was provided.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Relevant information	2.1	11.2	Registry discrepancies for some ICPs	Strong	Low	1	Identified
Provision of information	2.2	15.35	NNHVOLS for June'18 was submitted one month late	Strong	Low	1	Cleared
Changes to registry information	3.3	10 of Schedule 11.1	Information related to trader information and ICPs' status was backdated	Strong	Low	1	Identified
Management of "active" status"	3.8	17(1)(a) of Schedule 11.1	Incorrect application of the "active" status" in the registry for some ICPs	Strong	Low	1	Identified
Management of "inactive" status	3.9	19(a) of Schedule 11.1	Incorrect application of the "inactive" status" in the registry for some ICPs	Strong	Low	1	Identified
Retailers must use the same readings	4.4	6(1) of Schedule 11.3	For some switches Electric Kiwi does not use the switch event read provided by the losing trader	Strong	Low	1	Identified
Gaining trader changes to switch meter reading – switch move	4.11	12 of Schedule 11.3	For some switches Electric Kiwi did not use the switch event read provided by the losing trader; 15 RR files sent after 4 months	Strong	Low	1	Identified
HHR aggregates information provision to the reconciliation manager	11.4	15.8	HHRAGGR files do not contain electricity supplied information	Strong	Low	1	Not required. The Code change required a line up with RN file specification. Breach risk rating excluded from total
Creation of submission information	12.2	15.4	NNHVOLS for June'18 was submitted one month late	Strong	Low	1	Cleared

Allocation of submission information	0	15.5	Submissions for some ICPs are not allocated to NSPs assigned in the registry	Weak	Low	3	Identified
Future Risk Rating						11	

Future risk rating	0-1	1-3	4-15	16-40	41-55	56+
Indicative audit frequency	36 months	24 months	18 months	12months	6 months	3 months

RECOMMENDATIONS

Subject	Section	Description	Recommendation
			Nil

ISSUES

Subject	Section	Description	Issue
			Nil

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.

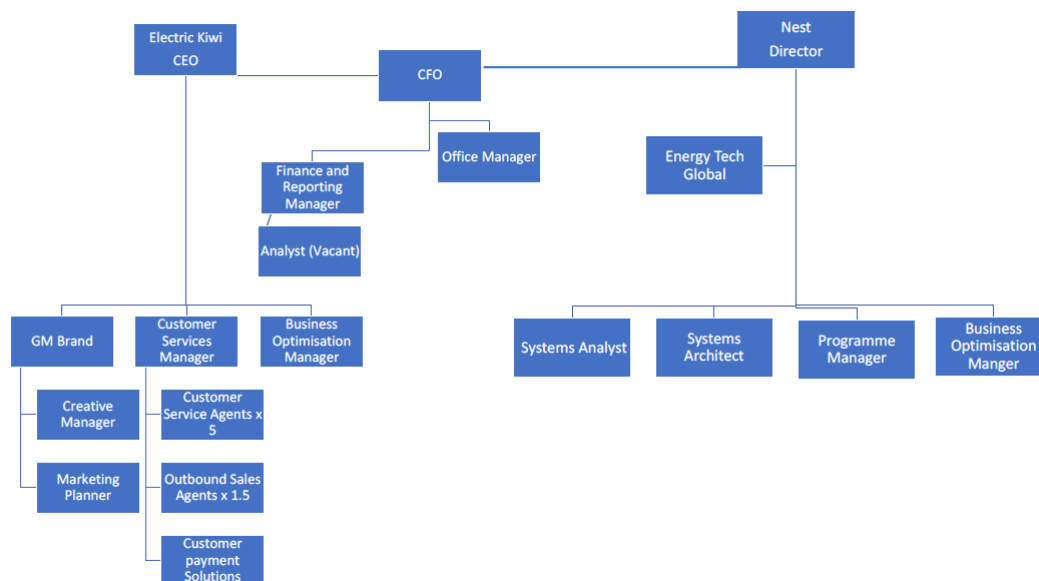
Audit observation

Electric Kiwi does not have any exemptions granted to exempt them from compliance with all or any of the clauses.

Audit commentary

Electric Kiwi did not apply for any exemptions. We checked the Electricity Authority website and confirm that there are no exemptions in place.

1.2. Structure of Organisation



1.3. Persons involved in this audit

Name	Title	Company
Cory Annable	Business Optimisation Manager	Electric Kiwi
Andrew McKenzie	Customer Optimisation Lead	Electric Kiwi
Ewa Glowacka	Electricity Authority Approved Auditor	TEG & Associates

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 contractor’s fulfilment of the participant’s 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

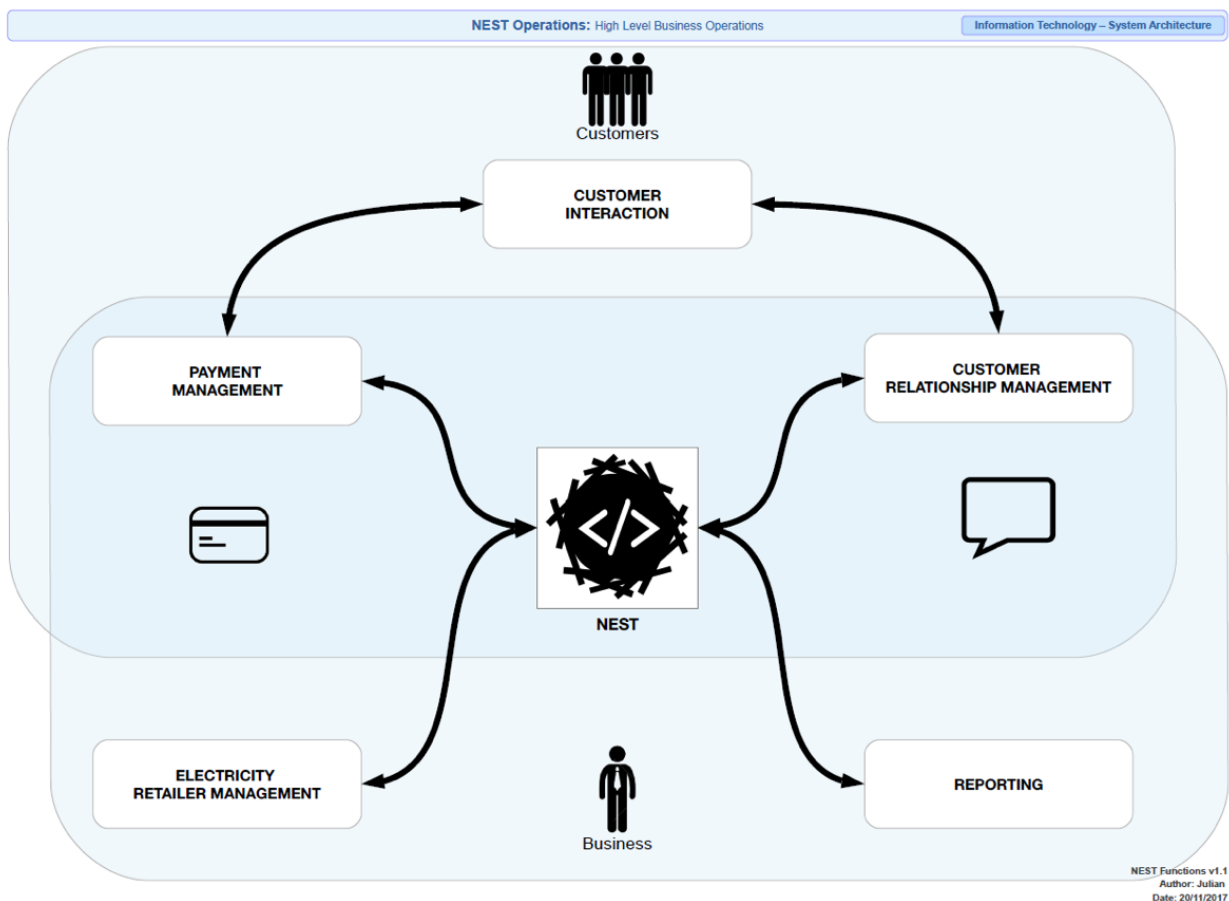
Electric Kiwi does not use any agents to fulfil their obligations to obtain certification.

Audit commentary

Electric Kiwi does not use any agents. All functions are performed by Electric Kiwi’s staff.

1.5. Hardware and Software

Electric Kiwi uses an IT platform called “NEST”, developed in-house, which is used to manage their day to day operations, reconciliation, and billing.



1.6. Breaches or Breach Allegations

No breaches or breach allegations have been recorded since the last audit.

1.7. ICP Data

Metering Category	Number of ICPs (07/01/2019)	Number of ICPs (08/01/2017)	Number of ICPs (31/12/2016)	Number of ICPs (2015)
1	34,115	19,522	6,814	778
2	9	8	4	2
3		0	0	0
4		0	0	0
5		0	0	0
9	14	6	0	0

Status	Number of ICPs (07/01/2019)	Number of ICPs (08/01/2018)	Number of ICPs (31/12/2016)	Number of ICPs (2015)
Active (2,0)	33,858	19,141	6,675	771
Inactive – new connection in progress (1,12)	0	0	0	0
Inactive – electrically disconnected vacant property (1,4)	177	87	16	9
Inactive – electrically disconnected remotely by AMI meter (1,7)	65	289	125	0
Inactive – electrically disconnected at pole fuse (1,8)	1	2	1	0
Inactive – electrically disconnected due to meter disconnected (1,9)	0	0	0	0
Inactive – electrically disconnected at meter box fuse (1,10)	0	1	0	0
Inactive – electrically disconnected at meter box switch (1,11)	0	0	1	0
Inactive – electrically disconnected ready for decommissioning (1,6)	2	2	0	0
Inactive – reconciled elsewhere (1,5)	0	0	0	0
Decommissioned (3)	35	14	2	0

1.8. Authorisation Received

Electric Kiwi provided a letter of authorisation to TEG & Associates permitting the collection of data from other parties for matters directly related to the audit.

1.9. Scope of Audit

This reconciliation participant audit was performed at the request of Electric Kiwi to encompass the Authority's request for annual audits as required by clause 2, of Schedule 15.1, of the Code to assure compliance with the Electricity Industry Participation Code 2010.

The audit was carried out on 14 & 15th January 2019 at Ferry Building, Auckland.

The audit covers the following processes under clause 15.38 of Part 15, performed by Electric Kiwi:

- (1)(a) - Maintaining registry information and performing customer switching
- (1)(b) - Gathering and storing raw meter data
- (1)(c)(i) - Creation and management (including validating, estimating, storing, correcting and archiving) half hour volume information
- (1)(d) - Calculation of ICP days, monthly kWh information of half hour metered ICPs, and electricity supplied
- (1)(e) - Provision of submission information for reconciliation

1.10. Summary of previous audit

The previous audit was conducted in February'18 by Ewa Glowacka of TEG & Associates. The following non-compliances were identified.

Subject	Section	Clause	Non-Compliance	Comment
Relevant information	2.1	11.2	Registry discrepancies for some ICPs	Still exists
Changes to registry information	3.3	10 of Schedule 11.1	Information related to trader information and ICPs' status was backdated	Still exists
ANZSIC codes	3.6	9(1)(k) of Schedule 11.1	Five ICPs had incorrect ANZSIC code assigned	Cleared
Management of "active" status	3.8	17(1)(a) of Schedule 11.1	Incorrect application of the "active" status" in the registry for some ICPs	Still exists
Management of "inactive" status	3.9	19(a) of Schedule 11.1	Incorrect application of the "inactive" status" in the registry for some ICPs	Still exists
Losing trader response to switch request and event dates - standard switch	4.2	3 of Schedule 11.3	One AN file sent late by one day	Cleared
Losing trader must provide final information – standard switch	4.3	5 of Schedule 11.3	344 CS files were submitted late to the registry.	Cleared
Retailers must use the same readings	4.4	6(1) of Schedule 11.3	For some switches Electric Kiwi does not use the switch event read provided by the losing trader	Still exists
Losing trader provides information – switch move	4.10	11 of Schedule 11.3	200 CS files were sent later than 5 BD after notification from the registry.	Cleared
Gaining trader changes to switch meter reading – switch move	4.11	12 of Schedule 11.3	For some switches Electric Kiwi does not use the switch event read provided by the losing trader	Still exists
Withdrawal of switch requests	4.15	17 of Schedule 11.3	23 late NW files and 17 AW files	Cleared

HHR aggregates information provision to the reconciliation manager	11.4	15.8	HHRAGGR files do not contain electricity supplied information	Cleared
Reconciliation participants to prepare information	12.9	2 of Schedule 15.3	Submission volumes for ICP 1000555666PC131 were incorrectly calculated.	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 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

To assess compliance with these clauses we examined the process of validating information in the registry. The LIS file dated 7th January 2019 was examined to identify any inaccuracies. The Event Detail (EDA) file for the period of 01/01/18 to 31/212/18 was examined to determine how quickly Electric Kiwi provide information to the registry and correct information which was identified as inaccurate.

Audit commentary

To meet compliance with above clauses, Electric Kiwi set up daily and weekly monitoring, listed below:

- Exception reporting for various part of the business e.g. metering management (Flight Path) which is monitored daily, weekly, or monthly
- LIS file checker which is run weekly based on the LIS file
- NEST pulls in EDA file daily with audit trail recorded
- Tech team monitors the Live Logs for any exceptions which are reported daily and resolved via Powerhouse prioritisation dashboard
- Billed Vs Supplied is monitored monthly

All exceptions identified are resolved as soon as possible.

Analysis of the LIS file and Metering Installation Information (PR-255) showed that the overall quality of information in the registry has improved since the last audit.

Issue	Quantity	Comments
ICP Status = 002, MEP = blank, UNM Flag = N	0	No evidence of this occurring
ICP Status = 002, Generation Capacity is not blank,	87	All meters are Export/Import
Highest Metering Category >2 with residential ANZSIC code assigned (000000)	0	No evidence of this occurring
ANZSIC code = blank or T994, T994000, T99, T999, T999999, T995, T995000, T997, T997000, T998, T998000	0	No evidence of this occurring

ICP with B or G Inst Type, or non-null Fuel or Gen Capacity that do not have a corresponding Injection Register	3	<p>0000141427EN460 – Eastland confirmed there was no solar and updated the Installation type to ‘L’ on the registry on 6/2</p> <p>1001131445UN31B – solar panel not installed yet, the registry shows the capacity of solar panel, installation type is “L”</p> <p>1001258014UN91B – no solar installed, incorrect network information in the registry, it was corrected by VECT on 08/02</p>
Highest Metering Category greater than 2, Submission Type HHR = No	0	No evidence of this occurring
Highest Metering Category = 9, UNM Flag=N	0	No evidence of this occurring
All active ICPs with Initial Energisation Date populated during a defined period	0	No new connections
All Active ICPs (ICP Status = 2) with Shared ICP List not blank	0	No evidence of this occurring
All ICPs at ICP Status 001,12	0	No new connections
Submission Type HHR = Y, Profile does not contain HH	0	No evidence of this occurring
Submission Type HHR and Submission Type NHH both = Y	0	No evidence of this occurring
All active ICPs where Distributor has indicated UML (UML Load Details not NULL) but Retailer has none (UNM Flag = N)	0	No evidence of this occurring
All active ICPs with load in excess of 6kWh (Daily Unmetered kWh greater than 16.4 daily)	0	No evidence of this occurring
All active ICPs with load between 3-6k kWh (Daily Unmetered kWh between 8.2-16.4 daily)	0	No evidence of this occurring
All active ICPs with Engineered profile (Daily Unmetered kWh = ENG)	0	No evidence of this occurring

Updating the registry’s information will be analysed in **section 3.3**

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2 From: 01-Jan-18 To: 31-Dec-18	Registry discrepancies for some ICPs (status and trader entries) Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong. Electric Kiwi put a number of monitoring tools in place. The company is in the process of synchronising two sets of data. It is more important to have correct information in the registry than “avoiding” backdating to be compliant with other clauses. The audit risk rating is low because the impact on the settlement outcome is minor.		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Post our audit in 2018, we implemented a monthly LIS file checker to compare the LIS file and NEST for any period between R14 and the latest month.</p> <p>In September 2018, we changed the frequency to twice per month so that we would catch discrepancies faster.</p> <p>Because of this checker, there were a higher frequency of backdated changes in September and October 2018. However, the checker now ensures that nearly all discrepancies between NEST and the registry are corrected within the initial reconciliation period.</p>		Sept 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue to perform the above validations twice per month.		Ongoing	

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 to the reconciliation manager were reviewed and assessed throughout this document.

Audit commentary

Compliance with this area was discussed in a number of relevant sections. Compliance was confirmed with regards to timeliness and format of information in accordance with Part 15.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.2 With: 15.35 From: 01-Jun-18 To: 31-Jul-18	NNHVOLS for June'18 was submitted one month late Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as strong. Electric Kiwi has very good process to account for backdated UMLs		
Actions taken to resolve the issue		Completion date	Remedial action status
We were unsure if the unmetered load on this one ICP was correct or if it was a network error, and it took longer than usual to confirm. By the time confirmation was complete, we submitted June's NNHVOLS on 1 Aug.		1 August 2018	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We've changed our process so that in the future we will reconcile in the correct time frame even if we're not sure the UML is correct.		1 February 2019	

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

Electric Kiwi receives HHR data from MEPS - ARCS, AMS, and MTRX daily.

Audit commentary

Data is downloaded automatically from MEPs servers. Once metering data is downloaded from the service providers servers it is uploaded to NEST. Any transfer of data is fully automated. Submission information is submitted using the RM portal.

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 manager*
- *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

We checked the audit trail for all data gathering, validation, and provision to the registry, reconciliation manager, and other participants.

Audit commentary

Electric Kiwi sends and receives data to and from the registry. It is an automated process. Each upload is recorded by the software.

Reconciliation files are uploaded via the RM portal, which records date, time and a participant's login details.

Metering data provided by MEPs is automatically uploaded by NEST. Once the data is uploaded it is moved to an archive directory.

Electric Kiwi communicates with other participants via email e.g. notification of sending RR file. Emails are archived.

NEST has a built-in functionality to record a complete audit trail for all data gathering, and processing data. During the audit we observed that it is easy to follow metering data from the point of downloading from MEPs to reconciliation submissions.

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

Electric Kiwi published their Terms and Conditions on their website. It was reviewed during the audit.

Audit commentary

The document states that the agreement applies from the agreed date and to the date a customer applies to switch to another electricity supplier. The agreement covers any other participants such as MEPs or a distributor.

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

Electric Kiwi published their Terms and Conditions on their website. It was reviewed during the audit.

Audit commentary

Section 15 of the Terms and Conditions covers access to a customer's property. Electric Kiwi will give at least 10 BD notice if they or their representative or the network company need to construct, upgrade, repair, or maintain any equipment. A notice will be provided in writing, text message or email.

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:

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

Audit observation

According to the LIS file dated 07/01/19 Electric Kiwi trades 34,115 category 1 metering installations and 9 category 2 metering installations.

Audit commentary

Category 1 installations are located as physically close to a point of supply as practical. Compliance confirmed based on the characteristics of the installations traded by Electric Kiwi. The company confirmed they do not have any installation to which metering data loss compensation has to be applied.

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 subclause (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

Electric Kiwi published their Terms and Conditions on their website. It was reviewed during the audit.

Audit commentary

Section 11.10 of the Terms and Conditions covers a situation where Electric Kiwi commit a relevant event of default as defined under the Code.

Audit outcome

Compliant

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

- accept responsibility for their obligations in Parts 10, 11 and 15 for the point of connection; and
- have an arrangement with an MEP to provide 1 or more metering installations for the point of connection.

Audit observation

The LIS and EDA files were reviewed.

Audit commentary

No new connections were listed in registry files. According to Electric Kiwi business model new connections are not accepted. Only established installations are traded. This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

2.10. Temporary Electrical Connection of an ICP (Clause 10.33(1))

Code reference

Clause 10.33(1)

Code related audit information

A reconciliation participant may temporarily electrically connect a point of connection, or authorise an MEP to temporarily electrically connect a point of connection, only if:

- *they are recorded in the registry as being responsible for the ICP; and*
- *1 or more certified metering installations are in place at the ICP in accordance with Part 10; and*
- *for an ICP that has not previously been electrically connected, the network owner has given written approval.*

Audit observation

The LIS and EDA files were reviewed.

Audit commentary

According to Electric Kiwi business model new connections are not accepted. Only established installations are traded. This clause is not applicable. Compliance was not assessed.

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

2.11. Electrical Connection of Point of Connection (Clause 10.33A)

Code reference

Clause 10.33A (1)

Code related audit information

A reconciliation participant may electrically connect or authorise the electrical connection of a point of connection only if:

- *they are recorded in the registry as being responsible for the ICP; and*
- *1 or more certified metering installations are in place at the ICP in accordance with Part 10; and*
- *for an ICP that has not previously been electrically connected, the network owner has given written approval.*

Audit observation

Electric Kiwi does not accept new connections. Only established installations are traded. Connection and disconnection processes were examined.

Audit commentary

We found the processes for connection/disconnection compliant. The company provided three examples for connection and three examples for disconnection. We confirm that the process was followed, and it was compliant.

Audit outcome

Compliant

2.12. Arrangements for line function services (Clause 11.16)

Code reference

Clause 11.16

Code related audit information

Before providing the registry manager with 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 providing the registry manager with 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

Electric Kiwi has an arrangement with all relevant networks. Agreements are always in place before any ICP is switched in.

Electric Kiwi have arrangements with the following MEPs: ARCS, AMS, and Metrix.

Audit commentary

Compliance confirmed based on assurances from Electric Kiwi about arrangements with network companies and sighting contracts with MEPs.

Audit outcome

Compliant

2.13. 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

Electric Kiwi has arrangements with AMS, Metrix, Counties Power, and Arc Innovations. The company would not sign the customer up if their MEP was not MTRX, NGCM, ARCS, or COUP.

Audit commentary

Before a customer is signed up, information recorded in the registry is evaluated. Electric Kiwi would not sign the customer up if their MEP was not MTRX, NGCM, ARCS, or COUP.

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

As described in **section 2.9**, Electric Kiwi trades already established connections.

Audit commentary

This clause is not applicable. Compliance not assessed.

Audit outcome

Not applicable

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 manager about each ICP at which it trades electricity in accordance with Schedule 11.1.

Audit observation

The business process for signing up a new customer is to evaluate each ICP. The company checks each ICPs information in the registry before the ICP is accepted.

Audit commentary

We analysed the LIS file and confirm that the company provided all information to the registry for installations at which they trade energy.

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 manager about an ICP changes, the trader must provide written notice to the registry manager of the change no later than 5 business days after the change.

Audit observation

We analysed the EDA file for the period 01/01/2018 to 31/12/2018. We reviewed the timeliness of updates.

Activity	Status code	No of updates	No of updates later than 5BD	Date range of updates [BD]	Comment
Status (2,0)	Active	1,715	260 (15.16%)	Up to 582	It has increased from 10.02% noted in the last audit. The most backdated entry was 269 BD; Late entries are spread across all months. The most backdated entries were recorded in Jan'18, Feb'18, and Sept'18
Status (1,4)	De-energised - vacant	676	31(4.58%)	Up to 233	Last audit 2.85%
Status (1,7)	Electrically disconnected remotely by AMI meter	821	26 (3.16%)	Up to 286	
Status (1,8)	Electrically disconnected at pole fuse	6	2	Up to 110	
Status (1,10)	Electrically disconnected at meter box fuse	3	1	Up to 27	
Status (1,11)	Electrically disconnected at meter box switch	2	0		
Status (1,6)	De-energised – ready for decommissioning	8	2	Up to 608	
Trader		2,898	115 (3.4%)	Up to 604	The last audit noted 6.66%

Audit commentary

We checked if the status “1,8”, “1,10”, and “1,11” is correctly applied. We randomly pick up a few ICPs and Electric Kiwi provided evidence that it was correct.

During the audit we discussed the most backdated entries with Electric Kiwi. Many backdated entries are the result of a “cleaning process” of synchronising the NEST information with the registry information. Since the last audit, Electric Kiwi conducts twice per month reviews of the LIS file checker up to 14 months back.

However, as shown multiple times during the audit, the status in the billing engine is used to determine which ICP volumes are submitted not the status in the registry. Electric Kiwi’s aim is to have the two sets of data as identical as possible.

The company have already built a Flight Path report which does a comparison of NEST’s billing status vs NEST ICP status daily. Any discrepancies are corrected.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.3 With: 10 of Schedule 11.1 From: 01-Jan-18 To: 31-Dec-18	Information related to trader information and ICPs' status was backdated Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong. Most of backdated changes are related to "clean-up" process. Once the process was complete, the number of backdated entries dropped to "acceptable" level caused by a special circumstances. Backdated status changes to the registry have a minor impact on settlement outcomes because Electric Kiwi uses ICP's billing status to determine if volumes should be submitted. Audit Risk Rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Post our audit in 2018, we implemented a monthly LIS file checker to compare the LIS file and NEST for any period between R14 and the latest month. In September 2018, we changed the frequency to twice per month so that we would catch discrepancies faster. Because of this checker, there were a higher frequency of backdated changes in September and October 2018. However, the checker now ensures that nearly all discrepancies between NEST and the registry are corrected within the initial reconciliation period.		Sept 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue to perform the above validations twice per month.		Ongoing	

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 LIS file dated 07/01/2019. was analysed and we confirm that all ICPs have a MEP recorded in the registry.

Audit commentary

Electric Kiwi understands that as soon as they are recorded in the registry as accepting responsibility, that responsibility will only cease when an ICP switches out to another trader.

The review of the LIS file showed that Electric Kiwi has eight ICPs marked as “ready for decommissioning”, There is an issue with 0005529859RNA45 because according to AMS a house was demolished but Orion does not have any knowledge of it.

Audit outcome

Compliant

3.5. Provision of information to the registry manager (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 manager 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 Authority (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 5 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

We checked the LIS file dated 07/01/19 and the EDA file the period 01/01/18 to 31/12/18.

Audit commentary

The analyses of the EDA files showed that Electric Kiwi provided all required information to the registry within the timeframe set out in this clause.

Audit outcome

Compliant

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

We checked the LIS file dated 07/01/19.

Audit commentary

Electric Kiwi mostly supplied energy to residential customers (98.6%). There are only 478 ICPs which are not residential. We queried 10 ICPs and confirm that the ANZSIC code assigned was correct.

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

We checked the LIS file dated 07/01/19.

Audit commentary

Electric Kiwi's policy is not to trade UML. The last audit recorded one UML ICP but, the customer was asked to switch to another trader.

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 be managed by the relevant trader and indicates that:

- the associated electrical installations are electrically connected (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 1 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

The EDA file was analysed

Audit commentary

In **section 3.3** we noted that 15.16% of the ICP status changes to “active” in the registry were backdated by up to 582 BD. The same non-compliance was identified during the last audit. It was discussed during the audit. The comment was that backdated entries are a result of synchronising NEST with the registry. Electric Kiwi’s aim is to meet compliance with clause 11.2 even if it means, in the meantime, to be non-complaint with this clause.

After the last audit the company implemented a process to compare the LIS file with their system twice per month. Electric Kiwi also implemented a Flight Path report which is monitored daily.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.8 With: 19(a) of Schedule 11.1 From: 01-Jan-18 To: 31-Dec-18	Incorrect application of the “active” status in the registry for some ICPs Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong. Most of backdated changes are related to “clean-up” process. Once the process was complete, the number of backdated entries dropped to “acceptable” level caused by a special circumstances. Backdated status changes to the registry have a minor impact on settlement outcomes because Electric Kiwi uses ICP’s billing status to determine if volumes should be submitted. Audit Risk Rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Post our audit in 2018, we implemented a monthly LIS file checker to compare the LIS file and NEST for any period between R14 and the latest month. In September 2018, we changed the frequency to twice per month so that we would catch discrepancies faster. Because of this checker, there were a higher frequency of backdated changes in September and October 2018. However, the checker now ensures that nearly all discrepancies between NEST and the registry are corrected within the initial reconciliation period.		Sept 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue to perform the above validations twice per month.		Ongoing	

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

The LIS and EDA files were analysed to assess compliance. The process for connections and disconnection was reviewed.

Audit commentary

During the audit, we walked through the process of requesting an electrical connection and disconnection of an ICP. All disconnections are done remotely or manually by the MEPs or their contractors.

In **section 2.11** we examined of disconnection/reconnection process and in validity of assigned reason code in **section 3.2** .

During analysis of the EDA file for the period covered by this audit it was noted that for 4.5% of ICPs the status "inactive" in the registry was backdated (**section 3.3**). It was noted that for a small number of ICPs, the status was changed to "active" one day too early. It was identified as a training issue and rectified.

ICP 0251889408LC022 had the incorrect status of "inactive- reconcile elsewhere" assigned for 20/07/18 to 9/08/18, it was meant to be "inactive-vacant".

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.9 With: 19(1)(a) of Schedule 11.1 From: 01-Jan-18 To: 31-Dec-18	Incorrect application of the “inactive” status” in the registry for some ICPs Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong . The same assessment as per section 3.8 . Audit Risk Rating assigned as low because any impact on settlement outcomes is minor		
Actions taken to resolve the issue		Completion date	Remedial action status
Post our audit in 2018, we implemented a monthly LIS file checker to compare the LIS file and NEST for any period between R14 and the latest month. In September 2018, we changed the frequency to twice per month so that we would catch discrepancies faster. Because of this checker, there were a higher frequency of backdated changes in September and October 2018. However, the checker now ensures that nearly all discrepancies between NEST and the registry are corrected within the initial reconciliation period.		Sept 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue to perform the above validations twice per month.		Ongoing	

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

It is a distributor’s code obligation to monitor an ICP which has had the status of “New” or “Ready” for 24 calendar months or more. It is expected that a trader be able to respond to such queries from distributors. Electric Kiwi does not sign up new connections.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

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 manager of a switch no later than 2 business days after the arrangement comes into effect and include in its advice to the registry manager that the switch type is TR and 1 or more profile codes associated with that ICP.

Audit observation

Electric Kiwi provided the Event Listing file (EDA) and Switch Breach History details report for the time period of 1/01/2018 to 31/12/2018. The standard switch process was examined to assess compliance.

Audit commentary

Initial contact with a new customer is via the Electric Kiwi website. The website does a preliminary assessment of customers from the point of view of the metering installed at their premises. Only installations for which consumption is measured by remotely read smart meters are accepted. It is specified in the Terms and Conditions published on the website. Electric Kiwi sends a confirmation of agreement. The customer is asked to confirm a meter serial number to avoid switching the wrong premises due to possible incorrect address information in the registry.

Since the last audit there were 12,962 NTTR. NT files are sent as soon as pre-conditions are met and files are uploaded to the registry.

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 3 business days after receiving notice of a switch from the registry manager, 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 5 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 manager 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 2 calendar months (clause 4(2) of Schedule 11.3).

Audit observation

To assess compliance we analysed the EDA file for the period covered by this audit and Switch Breach Report for the same period. The standards process was examined. Exchange of data with the registry is via SFTP server. Switching files are downloaded automatically.

Audit commentary

Analysis of the Switch Breach Report showed that all AN files were sent within the time as specified in this clause. We randomly chose ten AN files to check if the response code was applied correctly.

The clause requires that in a 12-month period a trader is to establish a proposed event date that is no more than 5 BD for at least 50% of switches away. Electric Kiwi provided the evidence that for 85.8% of standard switches a proposed event date was 5 BD or less.

Audit outcome

Compliant

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 manager in accordance with clause 3(a) of Schedule 11.3 with the required information, no later than 5 business days after the event date, the losing trader must complete the switch by:

- providing event date to the registry manager (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 in 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

To assess compliance we analysed the EDA file for the period covered by this audit and Switch Breach Report for the same period. The standard switch process was examined.

Audit commentary

Overall 4,196 CS files for standard switches out were sent.

The last audit identified non-compliance with this clause. The company changed its process and this time there were no CS files sent late. The Switch Breach report is checked daily. The switching team ensures that all TR switches are processed within 3 BD.

We took 18 randomly chosen CS files sent by a losing trader and compared a switch event read in the CS file and NEST. The readings were identical. We checked also for the correct identification of meter readings and correct date of last meter reading and accuracy of average daily consumption.

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 4 calendar months of the actual event date, provide to the losing trader a changed switch event meter reading supported by 2 validated meter readings.

- *the losing trader can choose not to accept the reading, however, must advise the gaining trader no later than 5 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 EDA file and the Switch Breach Reports were analysed to assess compliance. The EDA file for the period 01/01/18 to 31/12/18 was examined to assess compliance.

Audit commentary

Electric Kiwi trades only HHR installations where smart meters are read remotely. Meeting compliance with this clause is easy when both traders reconcile energy as HHR using smart meters but if the losing trader reconciles an ICP as NHH and a gaining as HHR, it become more complex.

Every time an ICP switches in, Electric Kiwi compares the reading provided by the losing trader with the meter reading provided by the MEP. MEPs provide register reads for the end of the day of switch therefore Electric Kiwi calculates a switch event meter reading using HHR and available register reads. During the audit, the company demonstrated a tool which reports the difference between the two reads.

Electric Kiwi is in the process of developing a task which will automate the sending of RRs to the registry from NEST. NEST will compare reads received from the MEPs and the CS files we received. If there is any discrepancy, a RR will automatically be sent to the registry. The previous audit identified non-compliance with this clause because Electric Kiwi was not sending RR files unless the difference between a switch event read and their record was less than 20 kWh. It has been changed and a RR file is sent if any difference is calculated.

5,123 RR files were sent to losing traders for standard switches. According to the EDA file the total number of RR files sent that were rejected by a losing trader was 1,416. Out of 1,416 ICPs, 113 RRs were accepted at the end. In some cases it took up to four exchanges of RR and AC files to have the RR finally accepted. Overall 25.4% of RR files sent by Electric Kiwi were rejected.

There were switches where ELKI never received the first days read from the MEP – however they received a read for day 2 or greater. If the difference between the losing retailers CS and their first actual is clearly incorrect, ELKI would estimate the first days read in line with the other actual reads for the following days. Then they would send an estimated RR. In the majority cases Electric Kiwi sends Actual read (AMI).

For a number of instances RRs sent by ELKI were rejected originally and later accepted even if values in both files were the same. Electric Kiwi commented that some traders reject the RRs to avoid a breach and later ask to resend again and accept. It created unnecessary additional work for Electric Kiwi parties.

112 RR files were received from gaining traders for standard switches. Electric Kiwi responded in the time specified by this clause. The majority of RRs were accepted but 17 RRs were rejected. 11 RRs were rejected by FLCK but the differences in volumes was very small. 6 RRs were rejected by other traders such as PAUA, PSNZ, CTCT and MERI. In all cases the switch event read was overestimated. In two instances the difference between reads was significant.

ICP	ELKI	Other trader	Difference	Comment
0005084547RN760	50271	59312 (CTCT)	-9041	ELKI rejected RR. The second RR was sent by CTCT nearly 9 weeks after the first one
0011264452EL208	18791/8533	19750/8465 (MERI)	-959/68	ELKI rejected

Non-compliance is identified because Electric Kiwi does not always switch ICPs on the switch event read. The company tries very hard to be compliant, the number of RR files sent is significant but 25.4% of them were rejected. Unfortunately, if a RR is sent after 5BD, a gaining trader does not have to give a reason for its rejection.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: 6(1) of Schedule 11.3 From: 01-Jan-18 To: 31-Dec-18	For some switches Electric Kiwi does not use the switch event read provided by the losing trader because their RRs were rejected Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated strong. Electric Kiwi have developed a very good process to evaluate a switch event read, compare with their records and send RR file if necessary. As of 23/1/19, Electric Kiwi implemented the automated process that upon receiving the CS, NEST calculates the difference between the switch read and the start read of the actual register read. than schedules and sent the RR to the registry. At the moment it applies to switches for which Electric Kiwi receives AMI reads within 5 BD. Audit risk rating is rated as low because Electric Kiwi trades low volume ICPs. The switch event reads provided by a losing trader could underestimate or over-estimate. The difference could cancel each other out. Of course, from a customer perspective, the picture is different. The issue may have a minor impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
Since our 2018 audit, we have implemented the following process and system changes: <ul style="list-style-type: none"> - sending an RR anytime the switch read in the CS file differs by 1 kWh or more - sending RRs multiple times for an ICP when the losing retailer continues to reject our RR (despite us sending a validated AMI read) - automated the sending of RRs from NEST to the registry since 23 January 2019 		January 2018 & 23 Jan 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue with the above actions		Ongoing	

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 in 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 5 business days after receiving final information from the registry manager, 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

We reviewed the EDA file for the period 01/01/2018 to 31/12/2018.

Audit commentary

Electric Kiwi sent 2,298 RRs files within 5 BD. 623 of those RRs were rejected. It is possible that some of those were accepted after a few “rounds”.

As described in the **section 4.4**, the company does not always receive meter readings from MEPs within 5 BD after a switch is finalised, which created a problem. Electric Kiwi commented that in some cases, it is difficult to meet this deadline because of a lack of cooperation from the MEPs to provide data within 5 BDs after a switch.

All RR files sent by a losing trader within 5 BD (AMI read) were accepted. As noted in **section 4.4**, Electric Kiwi rejected 17 RR files. They were sent outside 5 BD and Electric Kiwi did not agree with the switch event read.

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 give written notice to the other that it disputes a switch event meter reading provided under clauses 1 to 6. Such a dispute must be resolved in accordance with clause 15.29 (with all necessary amendments).

Audit observation

There were no disputes with a losing trader. If such a situation were to occur in the future it would be resolved in accordance with this clause.

Audit commentary

Electric Kiwi stated that they will not decline to accept another traders’ validated meter reading or permanent estimate if they are reasonable and appropriate in the applicable circumstances. The company will also provide a reasonable explanation to the other participant where it does decline to accept their validated meter reading or permanent estimate.

Audit outcome

Compliant

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 manager of a switch and the proposed event date no later than 2 business days after the arrangement comes into effect.

In its advice to the registry manager 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 move process was examined. Electric Kiwi provided the Event Listing file (EDA) and Switch Breach History details report for the time period of 1/01/2018 to 31/12/2018.

Audit commentary

At the time of signing up a customer they must specify if they are moving into a premise and the date of move in. Electric Kiwi allows a customer to go back one month. If a customer wants to go even further back, they need to contact the office.

Since the last audit there have been 12,877 NTTR. NT files are sent as soon as pre-conditions are met and files are uploaded to the registry. All NT files were sent within two business days of conditions being met by a customer.

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 5 business days after receiving notice of a switch move request from the registry manager—

- *10(1)(a) 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 manager:
 - *confirmation of the switch event date; and*
 - *a valid switch response code; and*
 - *final information as required under clause 11; 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 to the registry manager and determine a different event date that—
 - o is not earlier than the gaining trader’s proposed event date, and
 - o is no later than 10 business days after the date the losing trader receives notice; or
- 10(1)(c) request that the switch be withdrawn in accordance with clause 17.

Audit observation

To assess compliance we analysed the EDA file for the period covered by this audit and Switch Breach Report for the same period. The switch move process was examined.

Audit commentary

During the period covered by this audit 11,313 switch moves were finalised by sending AN file. We examined the Switch Breach Report to see if switch requests were accepted within 5 BD after receiving notification from the registry.

Analysis of move in switches showed that AN files are sent within 48 hours.

Audit outcome

Compliant

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

Code reference

Clause 10(2) Schedule 11.3

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 manager as described in subclause (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

Electric Kiwi provided the Event Listing file (EDA) for the period 1/01/2018 to 31/12/2018. Electric Kiwi’s policy is to accept the requested date by a gaining trader. To verify if this is the case, we compared the requested event date for NT with the AN event date sent by Electric Kiwi.

NEST does not allow an event date to be set more than 5 BD in advance. If another retailer requests a date further into the future, an NWDF is sent.

Audit commentary

No events dates were set earlier than the requested date. Electric Kiwi accepts the date requested by a gaining trader.

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

The losing trader must provide final information to the registry manager for the purposes of clause 10(1)(a)(ii), including—

- *the event date (clause 11(a)); and*
- *a switch event meter reading as at the event date for each meter or data storage device that is recorded in the registry with an accumulator type of C and a settlement indicator of Y (clause 11(b)); and*
- *if the switch event meter reading is not a validated meter reading, the date of the last meter reading of the meter or storage device. (clause (11(c)).*

Audit observation

Electric Kiwi provided the Event Listing file (EDA) for the period 1/01/2018 to 31/12/2018 and Switch Breach Report for the same period. The switch move process was examined.

Audit commentary

Analysis of move in switches showed that AN files are sent within 48 hours. The Switch Breach Report was examined.

Electric Kiwi aims to process all CS's within 5 business days, regardless of whether it is a TR or MI. The last audit identified non-compliance in this area, some CS files were sent late. It was addressed and we confirm all CS files were sent with in the timeframe.

We randomly chose 30 CS files and checked the content. We checked for the correct identification of meter readings and correct date of last meter reading and accuracy of average daily consumption. Compliance was confirmed for the file content. We also took 12 randomly chosen CS files sent by a losing trader and compared a switch event read in the CS file and NEST. The readings were identical.

Audit outcome

Compliant

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 advise 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)):*

- *advise 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 in 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 manager, 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

In **section 4.4** we described difficulties experienced by Electric Kiwi in meeting compliance with this clause. We reviewed the EDA file for the period 01/01/2018 to 31/12/2018.

Audit commentary

Electric Kiwi received 103 RR files for switch moves from gaining traders, 15 files were rejected by Electric Kiwi. As described in **section 4.4**, it seems to be that, for many RRs, there is some kind of “negotiation” between traders, exchanging RRs many times until a finalised acceptance of RR. It increases the number of RR/AC files between traders.

Electric Kiwi sent 5,574 RR files for switch move, about 945 (17%) files were rejected. Out of 945 rejected RRs 386 of them were sent within 5 BD.

We noted that Electric Kiwi sent 15 RR files after 4 months, which is identified as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.11 With: 12 of Schedule 11.3 From: 01-Jan-18 To: 31-Dec-18	For some switches Electric Kiwi did not use the switch event read provided by the losing trader; 15 RR files sent after 4 months Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated strong. Electric Kiwi have developed a very good process to evaluate a switch event read, compare with their records and send RR file if necessary.</p> <p>As of 26/1/19, Electric Kiwi implemented the automated process that upon receiving the CS, NEST calculates the difference between the switch read and the start read of the actual register read. than schedules and sent the RR to the registry. At the moment it applies to switches for which Electric Kiwi receives AMI reads within 5 BD.</p> <p>Audit risk rating is rated as low because Electric Kiwi trades low volume ICPs. The switch event reads provided by a losing trader could underestimate or over-estimate. The difference could cancel each other out. Of course, from a customer perspective, the picture is different. The issue may have a minor impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Since our 2018 audit, we have implemented the following process and system changes: <ul style="list-style-type: none"> - sending an RR anytime the switch read in the CS file differs by 1 kWh or more - sending RRs multiple times for an ICP when the losing retailer continues to reject our RR (despite us sending a validated AMI read) - automated the sending of RRs from NEST to the registry since 23 January 2019 		January 2018 & 23 Jan 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We will continue with the above actions		Ongoing	

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

Code reference

Clause 13 Schedule 11.3

Code related audit information

The gaining trader switch process applies when a trader has an arrangement with a 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) at an ICP with a submission type of half hour in the registry and an AMI flag of "N"; or*
- *a half hour metering installation at an ICP that has a submission type of half hour in the registry 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 at which the losing trader trades electricity 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 manager 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 manager:

- 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 manager, 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 manager, if:

14(4)(a) – the proposed event date is in the same month as the date on which the gaining trader advised the registry manager; 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 manager and this date is agreed between the losing and gaining traders.

Audit observation

We reviewed the EDA file for the period 01/01/2018 to 31/12/2018.

Audit commentary

Electric Kiwi has not used this type of switch. They only trade category 1 and 2 metering installations metered by smart meters. There is a plan to start trading higher metering category ICPs. Electric Kiwi went through the material change audit conducted by Steve Woods of Veritek on 7/12/18. The audit confirmed that compliance will be achieved in relation to the functions associated with HHR C&I ICPs.

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 3 business days after the losing trader is informed about the switch by the registry manager, the losing trader must:

15(a) - provide to the registry manager 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

We reviewed the EDA file for the period 01/01/2018 to 31/12/2018.

Audit commentary

As per **section 4.12**.

Audit outcome

Compliant

4.14. Gaining trader to advise the registry manager - 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 3 business days, after receiving the valid switch response code, by advising the registry manager of the event date.

If the ICP is being electrically disconnected, 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 electrically disconnected or the metering equipment is removed; or

16(b)- carry out an interrogation and, no later than 5 business days after the metering installation is electrically disconnected or removed, advise the losing trader of the results and metering component numbers for each data channel in the metering installation.

Audit observation

We reviewed the EDA file for the period 01/01/2018 to 31/12/2018.

Audit commentary

As per **section 4.12**

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 2 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 manager 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 5 business days after receiving notice from the registry manager of a switch, the trader receiving the withdrawal must advise the registry manager 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 notice from the registry manager, 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 receiving notice from the registry manager 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 EDA file and Switch Breach Report for the period covered by this audit was analysed to assess compliance. The switch withdrawal process was analysed.

Audit commentary

1,894 NW files were sent. Reason codes used were permitted by the registry. All NW files were sent within 2 calendar months. According to the EDA files, the longest time to send a NW file was 13 BD.

Reason code	Number of ICPs
CE	48
CX	736
DF	171
MI	8
WP	563
WS	368

Electric Kiwi received 2,911 NW files. 2,451 were accepted. Electric Kiwi sent AW files as a response to NW files, they were sent within 5BD.

We randomly selected ten switch rejections with a mixture of withdrawal codes of WS,WP, CX, DF. It was discussed with Electric Kiwi. For each withdrawal they were able to give details of correspondence.

The withdrawal process is well managed. It was identified as non- compliance by the last audit. The issue was resolved.

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

Meter readings are received from MEPs. Electric Kiwi relies on MEPs to provide accurate readings but as is described in relevant sections, extensive validation is conducted upon uploading readings to NEST.

Audit commentary

All meter readings used in the switching process are validated meter readings or permanent estimates. The cost of additional interrogation is covered in a commercial agreement between Electric Kiwi and MEPs.

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

This was discussed during the audit. The process has not changed since the last audit.

Audit commentary

When Electric Kiwi is notified by the registry manager that a customer wants to switch out, an email is sent to a customer asking for confirmation that it is a valid request (a copy of email was provided). The company also asks for feedback of why she/he decided to switch away. No special deal is offered.

Compliance confirmed based on a process review and copy of email (template) sent to a customer. Electric Kiwi adopted this process to avoid switching the wrong premises or switching requested by a non-authorised person.

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 give written notice to 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 give written notice to 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 give written notice to the registry manager 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 give written notice to 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 give written notice to the distributor of the change. The amount of electricity attributable to that ICP becomes UFE.

Audit observation

The LIS file dated 07/01/2019 was examined to check if Electric Kiwi trades shared unmetered load.

Audit commentary

Electric Kiwi's policy is not to trade any unmetered load. It is described in section 7.3 of the Terms and conditions.

Audit outcome

Compliant

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

The LIS file dated 07/01/2019 was examined.

Audit commentary

The LIS file did not show any UML but Electric Kiwi in the period covered by this audit some ICPs were updated with UML by a distributor. Before ICPs switched away, Electric Kiwi submitted NHHVOLS. (section 12.9).

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

The LIS file dated 07/01/2019 was examined. No UML.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

The LIS file dated 07/01/2019 was examined. No DUML.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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 Clause 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 electrically connected ICP that is not also an NSP, and for which it is recorded in the registry as being responsible, ensure that:

- *there is 1 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

The LIS file dated 07/01/19 was reviewed.

Audit commentary

All installations traded by Electric Kiwi are metered as per the LIS file. No subtraction is used to calculate submission information. Electric Kiwi uses the quantity of electricity measured by HHR metering installations, which is provided by MEPs.

Electric Kiwi trades 88 ICPs for which embedded generation is recorded. . We cross checked submission files against registry files and confirm that import (I) volumes for all ICPs are submitted.

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 3 months for the grid owner to review and comment on the design*
- *respond within 3 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

Electric Kiwi does not trade installations directly connected to the grid.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

The LIS file was reviewed to identify which profiles are used for reconciliation purposes.

Audit commentary

Electric Kiwi does not use any engineered profiles. The only profiles recorded in the registry are HHR and HHZ. Only HHR profiles are used for submitting volumes. The HHZ profile is recorded in the registry to identify ICPs for which Metrix provides metering data. As of the beginning of this year Metrix is able to provide HHR certified data.

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

The process for identifying defective metering was examined. HHR data is provided by MEPs.

Audit commentary

Looking for faulty meters or bridged meters is a part of the validation process conducted by Electric Kiwi. Flight Path catches consecutive 0 reads from the MEP. Any unusual patterns or “zero” data is analysed, and appropriate action taken such as contacting a customer or talking to the relevant MEP.

Electric Kiwi provided two examples of faulty meters. Both of them had incorrect configurations.

AMS & ARCS provides a weekly report of verified faults, which specifies the data of the last successful read. The report is analysed by Electric Kiwi. If necessary a customer is contacted to confirm that a premises is vacant, or power is switched off due to renovation.

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 in 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

Metering data for all Electric Kiwi ICPs is collected by five MEPs, AMS, COUP, MTRX, SMCO, and ARCS. The company does not collect data themselves.

Audit commentary

Compliance with this clause is assessed as a part of the MEPs audit.

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

The data collection process was examined Electric Kiwi only trades HHR ICPs read remotely. Customer reads are not accepted.

Audit commentary

All data received from the MEPs is validated upon uploading to NEST.

Audit outcome

Compliant

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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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 4 months for 90% of the non-half hour metered ICPs.

A report is to be sent to the Authority 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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Metering data for all Electric Kiwi ICPs is collected remotely by five MEPs, AMS, COUP, MTRX, SMCO, and ARCS.

Audit commentary

If a meter can't be read remotely, it is replaced by other equipment or a customer is asked to switch away. Compliance with this clause is assessed as a part of the MEPs audit.

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

Metering data for all ICPs traded by Electric Kiwi is collected remotely by the MEPs.

Audit commentary

Data interrogation requirements are covered in the MEPs 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

Metering data for all ICPs traded by Electric Kiwi is collected remotely by the MEPs. Metrix provides a report which list meters for which time had to be adjusted.

Audit commentary

Data interrogation requirements are covered in the MEPs audit.

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

Electric Kiwi receives HHR data from MTRX, AMS, COUP, SMCO, and ARCS.

Audit commentary

MEPs are responsible for meeting compliance with this clause. It is reviewed during their audits. We reviewed data provided by AMS and MTRX and confirm that the trading period duration is 30 minutes.

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

HHR data is received from the MEPs, who archive raw meter data. Electric Kiwi keeps a copy of all HHR data.

Audit commentary

MEPs are responsible for meeting compliance with this clause. It is reviewed during their audits.

Readings cannot be modified without an audit trail being created. Audit trails were reviewed (**section 2.4**).

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

Electric Kiwi only uses the HHR profile for reconciliation submissions. No external control equipment is used.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

It was discussed during the audit. The process of correction of HHR metering information, if necessary, is done in house.

Audit commentary

If Electric Kiwi considers that the data is not accurate, in the first instance, it will talk to the MEP who provided the data.

Installations traded are mostly domestic customers, therefore a check meter or data storage device won't be installed.

If data needs to be substituted, register reads will be used to ensure that substituted intervals match the total consumption recorded on the meter (**section 9.4**). There were no instances where HHR metering data had to be corrected.

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

Error and loss compensation was discussed during the audit.

Audit commentary

Electric Kiwi stated that they do not have any ICPs for which error or compensation needs to be applied. There are nine category 2 ICPs and NEST has a multiplier recorded which is applied to metering data.

Audit outcome

Compliant

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

Electric Kiwi receives only a copy of HHR raw meter data, and it is archived and never adjusted. Electric Kiwi trades HHR ICPs only. Last year Electric Kiwi implemented a report called Flight Path Report which identifies ICPs metering data that requires closer analysis.

Audit commentary

If any correction of data is required a journal will be created. It is the same journal which is created when metering data is estimated.

The company stated that, in the last 12 months, there were no instances of HHR data which required correction/alteration.

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

NEST has a built-in function which allows the identification of actual and estimated readings.

Audit commentary

If part of the day had to be estimated, NEST displays estimated readings on a separate screen with “E” flag. There is still a plan to have all readings in the same screen, showing which are actual or estimated. Currently it is not a priority as there are other enhancements which need to be implemented before this one.

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

NEST uses validated, estimated and permanent estimated readings to create submission files.

Audit commentary

If actual data is not available, NEST estimates data for ICP profile data using the daily shape of the same time last week or the default daily profile using register reads. It was reviewed as a part of the sampling of HHR estimation (**section 9.4**).

Volume information is derived from validated HHR readings provided by the MEP. NEST has the functionality to use both validated and estimated readings to create reconciliation files.

Electric Kiwi also have a “Outlier CRON” which runs every day in NEST on billing charges (before customers are invoiced). It looks for outliers which are very high or very low compared to the last 50 days average. Permanent estimates are used when a meter stops communicating, and a customer is asked to switch to another trader. The switch event read is seen as a permanent estimate.

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 to derive volume information must not be rounded or truncated from the stored data from the metering installation.

Audit observation

Metering data is neither rounded or truncated upon uploading to NEST.

Audit commentary

Electric Kiwi provided four examples of data from AMS & MTRX. We compared it with data stored in NEST. No meter data was 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

All HHR data and register reads are provided by MEPs. Electric Kiwi closely monitors completeness and accuracy of data. If there are any intervals missing the relevant MEP is contacted and asked for catch-up data. In most cases MEPs are not able to provide it. In such a situation metering data is estimated. Electric Kiwi provided examples for each type of estimation.

Audit commentary

Estimation methods used are:

- Historic of 7 days ago (customer or ICP) is used when no registers are provided for a day where data is missing
- Estimation based on profile

Electric Kiwi provided examples for the following estimation to show how volumes are calculated.

- Full Estimate based on actual Register Read, profiled based on ICP history (0000112618UNF94)
- Register Read Estimation initially created based CS read to ensure we switch on same read as losing retailer, but total consumption estimate based on customer's previous usage at old property (as CS showed 0 daily usage), then re-estimate based on new actual information (0275823180LCD2C)

- Actual record received from MEP, with 1 missing interval (0207726043LC69E)
- Register Read Estimation initially created based CS read to ensure we switch on same read as losing retailer, but total consumption estimate based on EMI profile (as CS showed 0 daily usage) than Actual catch up data received from MEP (1002035561UNF67)
- Full Estimate based on estimated Register Read, profiled based on ICP history (0000112618UNF94)

In the period Oct'18 to Dec'18, 98.2% data was actual.

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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

All data is received daily from MEPs and is validated by NEST.

Audit commentary

When data is uploaded an exception report is created. To assist validation AMS and ARCS provide log files. Electric Kiwi uses a report called “ Metering Management”, which is part of Flight Path. It is run daily.

Audit outcome

Compliant

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

Electric Kiwi is not required to provide information to the pricing manager.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

Electric Kiwi is not required to provide information to the pricing manager.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

Electric Kiwi is not required to provide information to the pricing manager.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

Electric Kiwi is not required to provide information to the pricing manager.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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 give notice to 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

The LIS file and submission files for Apr'17 to Dec'18 were reviewed

Audit commentary

Electric Kiwi only uses the HHR profile for reconciliation submissions. NHHVOLS uses profile RPS for UML.

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

We reviewed the ICP days file (AV-110) submitted to the reconciliation manager and GR-100 provided by the reconciliation manager. The results are shown below:

Month	R0	R1	R3	R7	R14
Nov'16	-0.25%	-0.35%	-0.36%	-0.39%	-0.20%
Dec'16	-0.19%	-6.31%	-0.76%	-0.27%	-0.17%
Jan'17	-0.37%	-0.52%	-0.58%	-0.26%	-0.16%
Feb'17	-0.33%	-0.37%	-0.44%	-0.28%	-0.18%
Mar'17	-0.32%	-0.35%	-0.33%	-0.32%	-0.12%
Apr'17	-0.34%	-0.33%	-0.28%	-0.29%	-0.12%
May'17	-0.26%	-0.27%	-0.27%	-0.31%	-0.11%
June'17	-0.25%	-0.26%	-0.34%	-0.28%	-0.10%
July'17	-0.15%	-0.22%	-0.29%	-0.21%	-0.08%
Aug'17	-0.20%	-0.22%	-0.24%	-0.15%	0.00%
Sept'17	-0.21%	-0.21%	-0.25%	-0.11%	0.00%
Oct'17	-0.31%	-0.29%	-0.27%	-0.12%	-0.02%
Nov'17	-0.31%	-0.39%	-0.27%	-0.17%	
Dec'17	-0.33%	-0.39%	-0.17%	-0.09%	
Jan'18	-0.41%	-0.31%	-0.07%	-0.04%	
Feb'18	-0.09%	-0.25%	0.00%	-0.01%	
Mar'18	-0.10%	-0.10%	0.02%	0.01%	
Apr'18	-0.02%	-0.04%	0.00%	0.00%	
May'18	-0.01%	0.01%	-0.04%	-0.39%	
June'18	-0.03%	-0.01%	-0.03%		
July'18	-0.04%	-0.04%	0.01%		
Aug'18	-0.03%	-0.03%	0.01%		
Sept'18	-0.06%	-0.03%	0.01%		
Oct'18	0.02%	-0.02%			
Nov'18	0.02%	0.00%			
Dec'18	0.01%				

Audit commentary

We confirm that ICP days are submitted for all revisions. The table above shows Electric Kiwi volumes for more ICPs than expected every month, based on the ICPs status in the registry.

In Feb'17 a new process was introduced to compare the LIS file with information in NEST. The comparison is done daily with the Flight Path report looking at the ICP billing status and comparing that with the registry ICP status. Reconciliation files are run using the ICP billing status, not the status recorded in the registry. In the previous audit report it was noted that Electric Kiwi is in the process of lining up both sets of data. Looking at the percentages for April'18 onwards, it is noticeable that the new process is working very well. The number of ICPs traded grows very quickly and at the same time the discrepancies between ICP days calculated by the registry and NEST is decreasing to almost zero.

Audit outcome

Compliant

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:

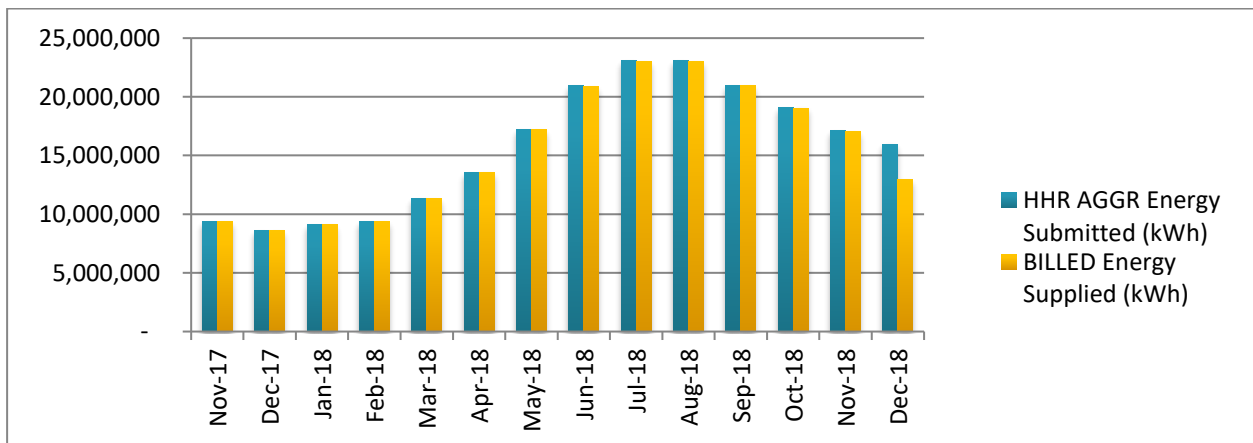
15.7(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period

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

Electric Kiwi submits AV-120 monthly. We confirm it submits for all revisions. The table below shows a comparison between volumes submitted and supplied (billed).

	HHR AGGR	BILLED
Month	Energy Submitted (kWh)	Energy Supplied (kWh)
Nov-17	9,392,153	9,369,724
Dec-17	8,637,629	8,611,634
Jan-18	9,125,975	9,096,366
Feb-18	9,357,526	9,340,920
Mar-18	11,337,980	11,325,011
Apr-18	13,530,901	13,510,381
May-18	17,221,615	17,196,707
Jun-18	20,924,549	20,898,021
Jul-18	23,056,963	23,035,905
Aug-18	23,064,679	23,046,895
Sep-18	20,958,586	20,940,484
Oct-18	19,060,000	19,041,175
Nov-18	17,104,541	17,065,051
Dec-18	15,980,329	12,920,456



Audit commentary

Compliance confirmed based on a review of processes and a sample of submission files.

Audit outcome

Compliant

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

Code référence

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

Electric Kiwi provided a set of submission files (AV140) for the month Apr'18' to Dec'18. The file shows volumes for each HHR ICP. AV-140 files are created by NEST using validated meter readings (**section 9.2**). AV-140 files contain all ICPs for which the billing status is "open".

The GR-090 "ICP missing" files were examined for December 2018.

Audit commentary

We confirmed that the process for the calculation and aggregation of HHR data is correct by matching HHR aggregate information with the HHR vols data. Only small rounding differences (0.0003%)were present, compliance is confirmed.

The GR-090 for Dec'18 showed 163 ICPs. For 122 ICPs, volumes were not expected to be submitted and for 41 ICPs volumes were not included in HHRAGGR. 16 ICPs were listed in both "categories", which was a result of incorrect NSP allocation. Our analysis showed that there was a problem was with NSP allocation.

We checked ICPs, for which volumes were not included in HHRAGGR, and there were valid reasons for them not being included e.g. late switch notification etc. 76 switches had a late cancellation, NWs were received after day 4 submissions. For another 30 ICPs, NW was sent by Electric Kiwi withdrawing the switch. Overall all differences were reviewed and found to be timing differences relating to backdated switches or cancelled switches.

The HHRAGGR files are prepared at ICP level based on submission information. Clause 15.8 states that the HHRAGGR should contain electricity supplied information rather than submission information. The Reconciliation Manager Functional Specification in section 3, described HHRAGGR as HHR submission information that is aggregated per ICP for the whole month.

There is a misalignment between the Code requirements and RM file specification. It is a problem well known to the Authority and is awaiting a resolution.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 11.4 With: 15.8 From: 01-Jan-18 To: 31-Dec-18	HHRAGGR files do not contain electricity supplied information Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Electric Kiwi submits submissions volumes as per the reconciliation manager specification.		
Actions taken to resolve the issue		Completion date	Remedial action status
As noted by the auditor above, there is a misalignment between the Code requirements and RM file specification. Therefore, we believe there is no action here.			Cleared
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 1 of the techniques set out in clause 15.36(3) specified by the Authority.

Audit observation

All data provided to Electric Kiwi is daylight saving adjusted except data provided by Metrix. The company gave evidence for three ICPs to demonstrate how data was adjusted for NZDT.

Audit commentary

The company gave evidence as part of estimation examples (**section 9.4**) to demonstrate how data was adjusted for NZDT.

We checked submission data for this Sept'18 and confirm the correct number of trading periods were recorded in all cases.

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

Electric Kiwi provided reconciliation data for the last 8 months.

Audit commentary

We confirmed that Electric Kiwi submits volume information on day 4 and day 13 (all relevant revisions).

As a part of assessing compliance we reviewed reconciliation files AV-120, AV110, AV-140, and AV090 and corresponding RM files GR-100, GR-090 and GR-170HHR. We confirm that all revisions were submitted as prescribed by this clause.

The exception was not submitting NHHVOLS for June'18 in time. Electric Kiwi commented that it took them a long time to get a hold of the customer and to confirm that the unmetered load was correct on

that ICP. By the time we confirmed it and got the customer to switch away, they submitted June and July's NHH files for that ICP on 1 August 2018

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.2 With: 15.4 From: 01-Jun-18 To: 31-Jul-18	NNHVOLS for June'18 was submitted one month later Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as strong. Electric Kiwi has very good process to account for backdated UMLs		
Actions taken to resolve the issue		Completion date	Remedial action status
We were unsure if the unmetered load on this one ICP was correct or if it was a network error, and it took longer than usual to confirm. By the time confirmation was complete, we submitted June's NNHVOLS on 1 Aug.		1 August 2018	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We've changed our process so that in the future we will reconcile in the correct time frame even if we're not sure the UML is correct.		1 February 2019	

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 in 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

The process for the calculation of initial and subsequent submission volumes was examined.

Audit commentary

Electric Kiwi has a process in place to compare data recorded in the registry and data stored in NEST during the month and before each reconciliation run. Electric Kiwi demonstrated that if they subsequently obtain more accurate information, they provide it to the reconciliation manager as part of the normal schedule of revision submissions. Every month, before day 13, revision files are submitted for month 3, 7, and 14.

An EDA file is uploaded to NEST daily to update records. Any discrepancies are corrected. NSP allocation is one of the variables which has not been checked up to now. From now on it will be included. The fact that NSP allocation was not reconciled as a part of matching NEST data and the registry, lead to not accounting for NSP changes which occurred after an ICP was gained. The result of this mismatch is visible in GR-090; it is discussed in **section 11.4**.

We compared three NSPs (Nov'17), checking if volumes were allocated to the same NSPs. It was correct.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.3 With: 15.5 From: 01-Jan-18 To: 31-Dec-18	Submissions for some ICPs are not allocated to NSPs assigned in the registry Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as weak because pre-audit, Electric Kiwi did not include NSP allocation as one of parameters when comparing NEST data and the registry. Audit risk rating is recorded as low because the clean-up process is nearly finished, and additional parameters has been added to fortnightly checks.		
Actions taken to resolve the issue		Completion date	Remedial action status
Once this was identified by our auditor, we immediately implemented a process to ensure we're checking the GR090 for discrepancies each time a report is published.		Jan 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We are working on changes to our LIS file vs NEST bi-monthly reconciliation which will capture POC discrepancies. This will ensure that we can catch any errors prior to submitting RM files.		Estimated: June 2019	

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

The LIS file was reviewed. Electric Kiwi is not a grid owner.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

The LIS file was reviewed. Electric Kiwi is not an embedded network owner.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

The LIS file was reviewed. Electric Kiwi is not a grid owner

.Audit commentary

This clause is not applicable. Compliance was not assessed.

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

The process for the calculation of initial and subsequent submission volumes was examined.

Every month, before day 13, revision files are submitted for month 3, 7, and 14.

Audit commentary

To assess compliance, we analysed GR-100 and GR-170HHR and submission files provided by Electric Kiwi. We found the process compliant.

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

This clause is not applicable. Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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:

(aa) must comprise all volume information for the ICP:

(a) must comprise half hour volume information for the total metered quantity of electricity for each category 3 or higher metering installation:

(ab) must not comprise half hour volume information for a non-half-hour metering installation:

(ac) must comprise either half hour volume information or non-half hour volume information for the total metered quantity of electricity for each metering installation that—

(i) is a category 1 metering installation or category 2 metering installation; and

(ii) is a half-hour metering installation:

(ad) must comprise non-half hour volume information calculated under clauses 4 to 6 (as applicable) for the total metered quantity of electricity for each metering installation that—

(i) is a category 1 metering installation or category 2 metering installation; and

(ii) contains only non-half-hour metering:

(ae) if a metering installation is a category 1 metering installation or category 2 metering installation, and the metering installation contains half-hour metering and non-half-hour metering, may comprise—

(i) a combination of—

(A) half hour volume information for the half-hour metering; and

(B) non-half hour volume information calculated under clauses 4 to 6 (as applicable) for the non-half-hour metering; or

(ii) non-half hour volume information for the total metered quantity of electricity for the metering installation:

(b) [Revoked]

(c) must include unmetered load quantities for each ICP that has unmetered load associated with it, which must be 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.

(2) To create non-half hour submission information, a reconciliation participant must only use information that is dependent on a control device if—

- (a) the certification of the control device is recorded in the registry; or
- (b) the metering installation in which the control device is located is an interim certified metering installation.

(3) To create submission information for a point of connection for which it is responsible, a reconciliation participant must use volume information from each metering installation for the point of connection.

(4) For the purposes of subclause (3), the reconciliation participant must calculate the volume information by applying to the raw meter data obtained from each metering installation—

- (a) for each ICP, the compensation factor recorded in the registry for the metering installation; or
- (b) for each NSP, the compensation factor recorded in the metering installation's most recent certification report.

Audit observation

The process for the calculation of submission information was reviewed.

Audit commentary

Electric Kiwi prepares every months submission information for each NSP which comprises of half hour volume information for each ICP. Three months of files were reviewed. Files submitted were HHRVOLS, HHRAGGR, ICPDAYS, and BILLED.

Volumes for UML were submitted for month Jan’18, July’18, and Oct’18. There were situations where a distributor updates an ICP, being an Electric Kiwi customer already, with UML. It was discussed with the Authority and they agreed that in this rare case ELKI can reconcile UML as NHH. They were not told to apply for an exemption. The reconciliation manager provided us with the process on correctly reconciling if needed. The table below shows volumes submitted.

At the time of this audit Electric Kiwi was not trading UML.

Month	Rev	Balancing are	NSP	Network	ID	Metering	Total kWh	Total HE
01/2018	1	BA4WESTPOCOG	BPE0331	POCO	ELKI	NHH	1.16	1.16
01/2018	1	RNBAL01ORONG	ISL0661	ORON	ELKI	NHH	3.63	3.63
01/2018	3	BA4WESTPOCOG	BPE0331	POCO	ELKI	NHH	1.16	1.16
01/2018	3	RNBAL01ORONG	ISL0661	ORON	ELKI	NHH	3.63	3.63
01/2018	7	BA4WESTPOCOG	BPE0331	POCO	ELKI	NHH	1.16	1.16
01/2018	7	RNBAL01ORONG	ISL0661	ORON	ELKI	NHH	3.63	3.63
07/2018	1	WAIKATOWAIKG	HAM0331	WAIK	ELKI	NHH	4.96	4.96
07/2018	3	WAIKATOWAIKG	HAM0331	WAIK	ELKI	NHH	4.96	4.96
10/2018	1	BA4WESTPOCOG	BPE0331	POCO	ELKI	NHH	3.08	3.08
10/2018	1	RNBAL01ORONG	BRY0661	ORON	ELKI	NHH	1.55	1.55

The table below shows historic UML ICPs and the time periods for which UML volumes were submitted

ICP	POC	Start Date	End Date
1000555666PC131	BPE0331	1/01/18	15/01/18
0005467560RN1DD	ISL0661	11/01/18	21/01/18
0000028161WECDB	HAM0331	10/06/18	30/06/18
0000028161WECDB	HAM0331	1/07/18	22/07/18
0000015349CPA43	BPE0331	6/10/18	25/10/18
0006808107RNDDDB	BRY0661	8/10/18	11/10/18
0006808107RNDDDB	BRY0661	12/10/18	18/10/18

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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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 kWh_{Px} 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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Electric Kiwi uses only the HHR profile in submission files.

Audit commentary

There is only one situation which could require changing the profile in the registry associated with a meter change. That would be changing an MEP from MTRX to AMS. It does not affect the profile used in submission files. This process will shortly be obsolete because MTRX is now able to provide HHR validated data. Electric Kiwi is in the process of negotiating a contract with them.

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

We reviewed the submission file for Apr'18 – Dec'18 .

Audit commentary

We reviewed the files and confirm that the format for submission files is compliant. We reviewed HHRVOLS and HHRAGGR in **section 11.4**.

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 2 decimal places.

If the unrounded digit to the right of the second decimal place is greater than or equal to 5, the second digit is rounded up, and

If the digit to the right of the second decimal place is less than 5, the second digit is unchanged.

Audit observation

We reviewed submission (HHRVOLS and HHRAGGR) files for May'18 to Dec'18.

Audit commentary

Both the HHRVOLS and HHRAGGR submission information is rounded to two decimal places. It was discussed with the company as to how submission information was calculated, and Electric Kiwi confirm

that submission volumes are rounded using the method prescribed by this clause at the end of calculations. In the last audit we stated that the methodology used by ELKI was non-compliant. The process for calculation was changed and is now compliant.

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

Electric Kiwi trades HHR ICPs only.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

CONCLUSION

PARTICIPANT RESPONSE

As we did in our previous audit, we would first like to thank Ewa Glowacka for the time and effort she's put into completing our audit.

Like in previous years, we would like to highlight the significant & continued growth Electric Kiwi has achieved over the last 12 months, especially in times when other smaller retailers have struggled. Although this can come with challenges, we believe that our tight controls on operational processes and our high level of automation shows that we can maintain very high levels of compliance during periods of expedited growth – while at the same time, keeping our customers very happy.

We feel that overall we have achieved an excellent level of compliance, especially when compared to the wider industry, and we're comfortable with the minor non-compliance points raised in this audit. Although we will still attempt to be more compliant, any further significant reduction in non-compliance points (as we've achieved in the last 12 months) would not be practical, would be operationally inefficient, and potentially be at the detriment to servicing our customers to the high levels they expect.

Our main point to mention, however, is what an operational burden the switch RRs continue to be, and that the current process still favours NHH retailers. Through our EDA report, you can see a significant increase (3x) in RRs sent by ELKI from 2017 to 2018. This is not in line with our customer growth and shows our commitment to ensuring we're as compliant as possible in switching on the same read. Another area to highlight in the EDA report is that you will also notice the high level of rejected RRs from losing retailers. This points to one of the major inefficiencies in the process as it can take ELKI sending up to 4 RRs before the losing retailer accepts. Many times we've sent the same read 4 times, but the losing retailer is refusing to accept as they do not want the additional consumption. We feel as though we've done the best possible given the unpredictability of when the MEPs will deliver us data and if the losing retailers feel like accepting the RR or not.