

ELECTRICITY INDUSTRY PARTICIPATION CODE  
RECONCILIATION PARTICIPANT AUDIT REPORT



For

**NEXTGEN LIMITED**

Prepared by: Steve Woods

Date audit commenced: 27 March 2019

Date audit report completed: 29 March 2019

Audit report due date: 28 March 2019

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## EXECUTIVE SUMMARY

**NextGen Limited (NextGen)** intends to commence using **John Candy Consulting (JC Consulting)** as an agent for reconciliation activities, including historic revisions. NextGen will continue to manage all registry interactions.

Clause 8(1) of Schedule 15.1 requires that if a reconciliation participant intends to make a “material” change to any certified facilities, processes or procedures then the changes must be subject to an audit prior to the change taking place. This audit was therefore performed at the request of NextGen so that it can be supplied to the Electricity Authority to satisfy the requirements of Clause 8(1).

The audit was conducted in accordance with the Guideline for Reconciliation Participant Audits V7.2.

JC Consulting will validate read and volume information and produce submission information for all ICPs.

For the NHH ICPs which have switched to other traders, JC Consulting will complete revision submissions until revision 14, based on validated NHH read information and HHR data files from MEPS.

During the audit I considered the migration plan, migration results, RM Tool output files, and the findings of the Plus Energy audit for which JC Consulting is an agent. I specifically checked compliance in relation to the issues raised during the previous audit to ensure these matters will be resolved. The table in Section 1.10 records that compliance issues will be resolved.

The data migration process included loading all relevant list files with history, all CS files, all RR files and all NHH meter readings, both manual and AMI end of month reads. Sample files have been run for all relevant months to confirm accuracy.

All of the AMI HHR ICPs will be changed to NHH and submitted as RPS based on end of month readings. This will eliminate the need to correct large amounts of HHR data. The profile changes will be backdated, which is technically not compliant, however there will be benefits to submission accuracy as a result.

Two C&I HHR ICPs will still be submitted as HHR.

The audit found that compliance is likely to be achieved, except for a technical non-compliance because the HHR aggregates submission contains volumes instead of billed volumes. One recommendation is made regarding the management of compensation factors in the RM Tool rather than manually applying them. NextGen intends to adopt this recommendation.

The current date for the next audit is 30/04/19. I recommend the Authority considers moving this date out to 31/07/19 to allow enough time to prepare, given that NextGen’s current focus is on ensuring submission revisions are conducted. The future risk rating below indicates 36 months, but this does not take into account the other registry related issues and electricity supplied issues, which still need resolution.

## AUDIT SUMMARY

### NON-COMPLIANCES

| Subject                                | Section | Clause | Non-Compliance                                      | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|--|---------|--------|---|----------|-------------------|--------------------|-----------------|
| HHR aggregates                         | 11.4    | 15.8   | Aggregates file will contain submission information | Strong   | Low               | 0                  | Investigating   |
| <b>Future Risk Rating</b>              |         |        |   |          |                   | <b>0</b>           |                 |
| <b>Next indicative audit frequency</b> |         |        |   |          |                   | <b>36 months</b>   |                 |

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

### RECOMMENDATIONS

| Subject              | Section | Recommendation               | Description                                   |
|----------------------|---------|------------------------------|---|
| Compensation factors | 12.9    | Clause 2(3) of Schedule 15.3 | Use RM Tool compensation factor functionality |

### ISSUES

| Subject | Section | Clause | Description |
|---------|---------|--------|-------------|
|         |         |        |             |

## 1. ADMINISTRATIVE

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

#### Code reference

*Section 11 of Electricity Industry Act 2010.*

#### Code related audit information

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

#### Audit observation

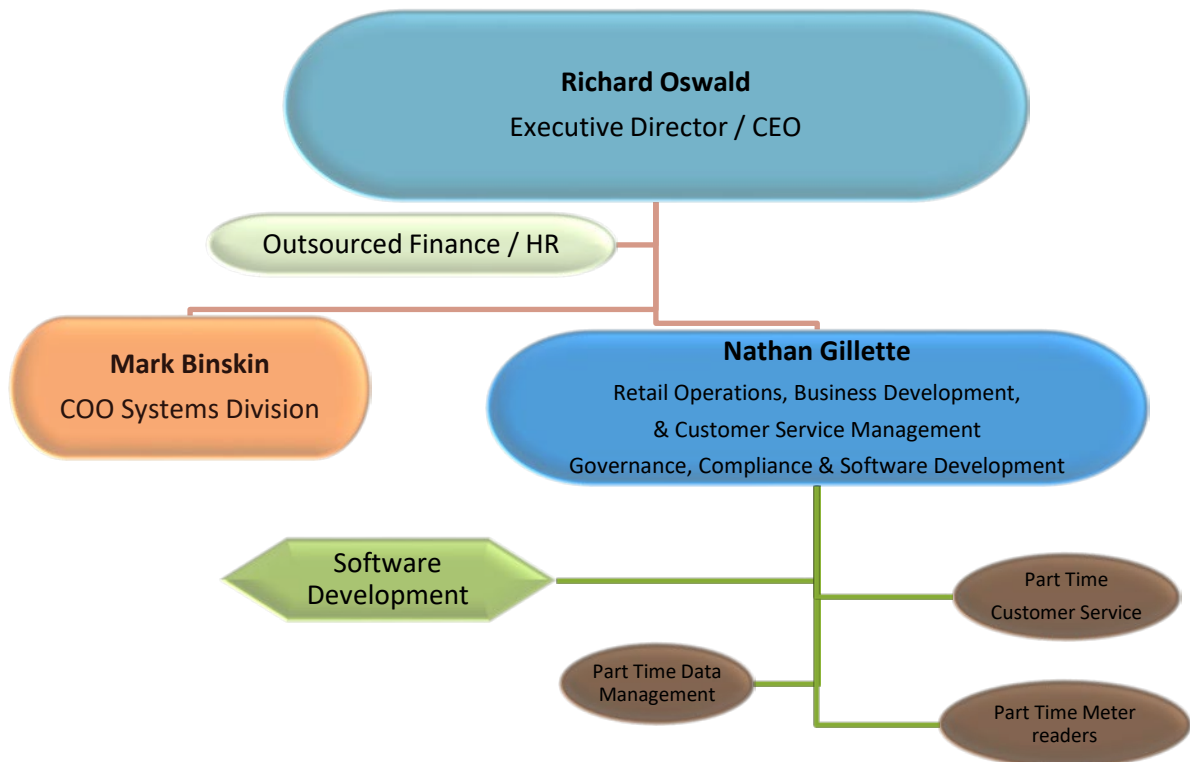
The Electricity Authority website was checked to identify any exemptions currently in place for NextGen.

#### Audit commentary

There are no exemptions in place.

### 1.2. Structure of Organisation

NextGen provided a current organisational chart.



### 1.3. Persons involved in this audit

Auditors:

| Name        | Company         | Role    |
|-------------|-----------------|---------|
| Steve Woods | Veritek Limited | Auditor |

NextGen personnel assisting with this audit:

| Name            | Title                                  |
|-----------------|--|
| Nathan Gillette | Business Development/Customer Services |
| John Candy      | JC Consulting                          |

### 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

NextGen will commence using JC Consulting as a agent for submission functions.

#### Audit commentary

NextGen understands they remain responsible for compliance for the functions performed by JC Consulting.

### 1.5. Hardware and Software

The main systems are as follows:

- Access Database (RM Tool) will provided and run by JC Consulting for NHH and HHR submission.
- Registry population and switching will continue to be conducted by NextGen



## 1.6. Breaches or Breach Allegations

NextGen has three breach allegations recorded by the Authority, as shown in the table below.

| Reference | Status       | Result        | Summary   |
|-----------|--------------|---------------|---|
| 1807NEXG1 | closed       | early closure | NextGen failed to timely submit information for reconciliation.   |
| 1811NEXG1 | fact finding | no result yet | NexGen Limited (NEXG) has failed to submit data to the reconciliation manager by 16:00 on business day 4  |
| 1812NEXG1 | fact finding | no result yet | A review of the reconciled consumption volumes for NextGen identified that the NextGen reconciled volumes for October 2018 were approximately 75% of the reconciled consumption volumes for September 2018. |

Two of the issues relate to late files and the third issue is discussed in several sections within this report.

## 1.7. ICP Data

NextGen provided a list as at November 2018. The quantity of ICPs by status is shown below:

| Status   | Number of ICPs 2018 |
|--|---------------------|
| Active (2,0)   | 759                 |
| Inactive – new connection in progress (1,12)                         | 0                   |
| Inactive – electrically disconnected vacant property (1,4)           | 0                   |
| Inactive – electrically disconnected remotely by AMI meter (1,7)     | 0                   |
| Inactive – electrically disconnected at pole fuse (1,8)              | 0                   |
| Inactive – electrically disconnected due to meter disconnected (1,9) | 0                   |
| Inactive – electrically disconnected at meter box fuse (1,10)        | 0                   |
| Inactive – electrically disconnected at meter box switch (1,11)      | 0                   |
| Inactive – electrically disconnected ready for decommissioning (1,6) | 0                   |
| Inactive – reconciled elsewhere (1,5)                                | 0                   |
| Decommissioned (3)   | 0                   |

The active ICPs on the list file were summarised by meter category in the table below.

| <b>Metering Category</b> | <b>2018</b> |
|--------------------------|-------------|
| 1                        | 752         |
| 2                        | 7           |
| 3                        | 0           |
| 4                        | 0           |
| 5                        | 0           |
| 9                        | 0           |
| Blank                    | 0           |

#### 1.8. Authorisation Received

A letter was not required. All information was provided by JC Consulting.

## 1.9. Scope of Audit

NextGen intends to commence using JC Consulting as an agent for reconciliation activities, including historic revisions. NextGen will continue to manage all registry interactions.

Clause 8(1) of Schedule 15.1 requires that if a reconciliation participant intends to make a “material” change to any certified facilities, processes or procedures then the changes must be subject to an audit prior to the change taking place. This audit was therefore performed at the request of NextGen so that it can be supplied to the Electricity Authority to satisfy the requirements of Clause 8(1).

The audit was conducted in accordance with the Guideline for Reconciliation Participant Audits V7.2.

JC Consulting will validate read and volume information and produce submission information for all ICPs.

## 1.10. Summary of previous audit

NextGen provided a copy of the report from the audit conducted in November 2018 by Steve Woods. The table below shows that the major issues from the last audit will be resolved by using JC Consulting as an agent and the RM Tool.

**Table of non-compliance**

| Subject                           | Section | Clause                         | Non-compliance   | Status         |
|-----------------------------------|---------|--------------------------------|--|----------------|
| Relevant information              | 2.1     | 10.6,<br>11.2,<br>15.2         | Some information not complete and accurate.  | Resolved       |
| Audit trails                      | 2.4     | 21<br>Schedule<br>15.2         | Audit trails incomplete in relation to estimates and AMI file locations.   | Resolved       |
| MEP arrangements                  | 2.13    | 10.36                          | Arrangement not in place with IHUB.  | Not applicable |
| Registry updates                  | 3.3     | 10 of<br>schedule<br>11.1      | Registry information not updated within 5 business days of the event.  | Not applicable |
| Provision of registry information | 3.5     | 9 of<br>Schedule<br>11.1       | Registry information not updated within 5 business days of the event for one status change and one MEP nomination. | Not applicable |
| ANZSIC codes                      | 3.6     | 9 (1(k) of<br>Schedule<br>11.1 | Two incorrect ANZSIC codes.  | Not applicable |
| Changes to unmetered load         | 3.7     | 9(1)(f) of<br>Schedule<br>11.1 | Unmetered load details removed from the registry for ICP 0000043474NT14D.  | Resolved       |

| Subject                    | Section | Clause                                | Non-compliance   | Status         |
|----------------------------|---------|---------------------------------------|--|----------------|
| Switching                  | 4.2     | 3 and 4 of Schedule 11.3              | Incorrect AN response codes of AA instead of AD.   | Not applicable |
|                            | 4.3     | 5 of Schedule 11.3                    | Switch event meter readings for the incorrect date for one ICP.<br>Incorrect daily consumption for two ICPs.   | Not applicable |
|                            | 4.8     | 10(1) of Schedule 11.3                | Incorrect AN response codes of AA instead of AD.   | Not applicable |
|                            | 4.10    | 11 of Schedule 11.3                   | Switch event meter readings for the incorrect date for one ICP.<br>Estimates labelled as Actuals for one ICP.<br>5 late CS files.  | Not applicable |
| Shared unmetered load      | 5.1     | 11.14                                 | Unmetered load details removed from the registry for ICP 0000043474NT14D.  | Resolved       |
| Derivation of readings     | 6.6     | Clause 3(1), 3(2) and 5 Schedule 15.2 | One consumer reading recorded as an actual.  | Not applicable |
| NHH reading application    | 6.7     | 6 of Schedule 15.2                    | Readings for 24:00 on the switch date provided as switch event meter readings for 00:00 on the switch date for two ICPs.   | Not applicable |
| HHR correction             | 8.2     | Clause 19(2) Schedule 15.2            | Correction not applied for October 2018 where data was missing.<br>Estimation was conducted instead of correction.<br>No journal is available for corrections.<br>Correction process for HHR data includes substitution of "actual" data with estimated data.<br>Outage periods populated with consumption data. | Resolved       |
| Identification of readings | 9.1     | 3(3) Schedule 15.2                    | HHR estimates identified at a daily level rather than an interval level.   | Resolved       |

| <b>Subject</b>                        | <b>Section</b> | <b>Clause</b>               | <b>Non-compliance</b>   | <b>Status</b>   |
|---------------------------------------|----------------|-----------------------------|---|---|
| HHR validation                        | 9.6            | 17<br>Schedule<br>15.2      | Power down and power up events not being considered during data substitution processes.                                   | Resolved  |
| Electricity supplied                  | 11.3           | 15.7                        | Electricity supplied files inaccurate for October 2018.<br>Electricity supplied files not sourced from financial records. | Resolved  |
| HHR aggregates                        | 11.4           | 15.8                        | Aggregates file inaccurate for October 2018.  | Accuracy resolved.<br>Will still contain submission information |
| Creation of submission information    | 12.2           | 15.4                        | Revision process does not exist.  | Resolved  |
| Accuracy of submission information    | 12.7           | 15.12                       | No revision processes leading to inaccurate submission.   | Resolved  |
| Preparation of submission information | 12.9           | 2 of<br>Schedule<br>15.3    | Submission did not occur for one unmetered load ICP.  | Resolved  |
| HE calculations                       | 12.11          | 4 and 5<br>Schedule<br>15.3 | HE calculations and revisions not conducted after Day 4.  | Resolved  |
| Meter reading reports                 | 13.1           | 8<br>Schedule<br>15.3       | Incorrect and late meter reading reports.   | Resolved  |

### Table of Recommendations

| Subject                 | Section | Clause                            | Recommendation for Improvement   | Status         |
|-------------------------|---------|-----------------------------------|--|----------------|
| Interrogate meters once | 6.8     | Clause 7(1) and (2) Schedule 15.2 | Develop reporting for ICPs not read during the period of supply.                       | Not applicable |
| Electricity supplied    | 11.3    | Clause 15.7                       | Include electricity supplied information from invoice month and not consumption month. | Not applicable |
| Compensation factors    | 12.9    | Clause 2(3) of Schedule 15.3      | Automate the application of compensation factors.                                      | Still existing |

## 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

I checked the impact on compliance as a result of using JC Consulting for submission functions.

I checked the data migration plan and results to ensure all relevant data was correctly set up.

#### Audit commentary

JC Consulting imports registry information daily and it becomes the “starting point” for all relevant fields. This process is likely to ensure the correct aggregation factors are used.

The previous audit found the following issues:

1. ICP 0000043474NT14D has shared unmetered load associated with it, but the unmetered load details have been removed from the registry by NextGen and submission of the unmetered load is not occurring.
2. The AV080 file has HHR profile information in it since July 2018.
3. October 2018 HHR submissions are not complete or accurate because 15 of the 31 days are missing where AMS is the MEP.
4. No revision files have been submitted during the audit period.

I checked relevant submission files, including for October 2018, which confirmed the issues listed above will all be resolved.

#### Audit outcome

Compliant

## 2.2. Provision of information (Clause 15.35)

### Code reference

Clause 15.35

### Code related audit information

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

### Audit observation

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

### Audit commentary

This area is discussed in several sections in this report and compliance is confirmed with regard to timeliness and format of information in accordance with Part 15.

### Audit outcome

Compliant

## 2.3. Data transmission (Clause 20 Schedule 15.2)

### Code reference

Clause 20 Schedule 15.2

### Code related audit information

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

### Audit observation

I reviewed the method to receive meter reading information.

### Audit commentary

All HHR data and NHH data is provided by SFTP, which is considered a compliant method.

### 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**

I checked the impact on compliance as a result of using JC Consulting for submission functions.

#### **Audit commentary**

During the previous audit, some specific activities did not have a compliant audit trail, as follows:

- the correction process did not identify what estimation technique is used;
- the correction process did not show before and after values;
- there was no monthly archive detailing estimated or corrected values, the estimation routine had to be re-run for the relevant month to show estimations;
- the correction process did not have a journal, and;
- AMI data from NGCM was missing from NextGen's raw data directory, but the audit trail information from AMS showed this data was all provided (placed into the SFTP directory) within two business days - the files were all removed from the SFTP folder but there was no audit trail demonstrated to indicate why the files were not in NextGen's raw data directory.

The RM Tool has an audit trail for all the points above.

#### **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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### **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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### **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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 11.15B*

#### **Code related audit information**

*A trader must at all times ensure that the terms of each contract between a customer and a trader permit:*

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

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

#### **Audit observation**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

## 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 one or more metering installations for the point of connection.*

### Audit observation

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### 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*
- *one 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

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### 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*
- *one 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**

This area will not change with the change of submission system.

**Audit commentary**

This area will not change with the change of submission system.

**Audit outcome**

Not applicable

**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**

This area will not change with the change of submission system.

**Audit commentary**

This area will not change with the change of submission system.

**Audit outcome**

Not applicable

**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**

This area will not change with the change of submission system.

**Audit commentary**

This area will not change with the change of submission system.

**Audit outcome**

Not applicable

### 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

This area will not change with the change of submission system.

##### Audit commentary

This area will not change with the change of submission system.

##### 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

This area will not change with the change of submission system.

##### Audit commentary

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### **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 five business days after the change.*

#### **Audit observation**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### **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**

This area will not change with the change of submission system.



### Audit commentary

This area will not change with the change of submission system.

### Audit outcome

Not applicable

## 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 five business days of trading (clause 9(2)).*

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

### Audit observation

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### Audit outcome

Not applicable

## 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

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### **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**

I checked the registry list file for unmetered load ICPs.

#### **Audit commentary**

The finding in the previous audit was that ICP 0000043474NT14D had the unmetered load daily kWh figure removed from the registry. This is now resolved; the registry is correct and a NHH vols file was demonstrated with the correct unmetered load for the correct date.

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

#### **Audit observation**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

**Audit outcome**

Not applicable

**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**

This area will not change with the change of submission system.

**Audit commentary**

This area will not change with the change of submission system.

**Audit outcome**

Not applicable

**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**

This area will not change with the change of submission system.

**Audit commentary**

This area will not change with the change of submission system.

**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 two business days after the arrangement comes into effect and include in its advice to the registry manager that the switch type is TR and one or more profile codes associated with that ICP.*

#### Audit observation

This area will not change with the change of submission system.

#### Audit commentary

This area will not change with the change of submission system.

#### Audit outcome

Not applicable

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

#### Code reference

Clauses 3 and 4 Schedule 11.3

#### Code related audit information

*Within three business days after 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 five business days after the date of notification. The losing trader must then:*

- *provide acknowledgement of the switch request by (clause 3(a) of Schedule 11.3):*
- *providing the proposed event date to the registry 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 two calendar months (clause 4(2) of Schedule 11.3).*

#### Audit observation

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### **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 five 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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 6(1) and 6A Schedule 11.3*

#### **Code related audit information**

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

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

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

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

#### **Audit observation**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### **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 five 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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### **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**

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### Audit outcome

Not applicable

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

### Code reference

*Clause 9 Schedule 11.3*

### Code related audit information

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

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

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

*In its advice to the registry 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

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### Audit outcome

Not applicable

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

### Code reference

*Clause 10(1) Schedule 11.3*

### Code related audit information

*10(1) Within five business days after 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:
  - o *confirmation of the switch event date; and*
  - o *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—*
  - *is not earlier than the gaining trader’s proposed event date, and*
  - *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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### 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 sub-clause (1)(a):*

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

#### **Audit observation**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### 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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### **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 five 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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

#### 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

This area will not change with the change of submission system.

##### Audit commentary

This area will not change with the change of submission system.

##### Audit outcome

Not applicable

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

##### Code reference

Clause 15 Schedule 11.3

#### Code related audit information

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

This area will not change with the change of submission system.

#### Audit commentary

This area will not change with the change of submission system.

#### Audit outcome

Not applicable

### 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 three 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 five 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

This area will not change with the change of submission system.

#### Audit commentary

This area will not change with the change of submission system.

#### Audit outcome

Not applicable

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

#### Code reference

Clauses 17 and 18 Schedule 11.3

### Code related audit information

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

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

- *for each ICP, the trader withdrawing the switch request must provide the registry 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

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### Audit outcome

Not applicable

## 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

This area will not change with the change of submission system.

### **Audit commentary**

This area will not change with the change of submission system.

### **Audit outcome**

Not applicable

## **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 area will not change with the change of submission system.

### **Audit commentary**

This area will not change with the change of submission system.

### **Audit outcome**

Not applicable

## 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

I checked the list file for shared unmetered load ICPs and found one example.

#### Audit commentary

ICP 0000043474NT14D switched to NextGen on 07/09/18. It has had shared unmetered load since 2006. On 09/11/18 NextGen removed the unmetered load fields with an effective date of 01/11/18. The “parent” ICP still has this ICP listed, therefore the unmetered load details will need to be reinstated and submission needs to occur with appropriate revisions.

I checked this ICP and it is contained in the RM Tool. Submission was checked and revisions will occur.

#### 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

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### Audit outcome

Not applicable

## 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

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### 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**

This area will not change with the change of submission system.

**Audit commentary**

This area will not change with the change of submission system.

**Audit outcome**

Not applicable



## 6. GATHERING RAW METER DATA

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

#### Code reference

*Clause 10.13, Clause 10.24 and 15.13*

#### Code related audit information

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

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

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

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

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

#### Audit observation

This area will not change with the change of submission system.

#### Audit commentary

This area will not change with the change of submission system.

#### Audit outcome

Not applicable

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

#### Code reference

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

#### Code related audit information

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

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

*The participant responsible for the metering installation must:*

- *advise the reconciliation manager of the certification expiry date not later than 10 business days after certification of the metering installation*

- *become the MEP or contract with a person to be the MEP*
- *advise the reconciliation manager of the MEP identifier no later than 20 days after entering into a contract or assuming responsibility to be the MEP.*

#### **Audit observation**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

### **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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

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

### Code reference

Clause 2 Schedule 15.2

### Code related audit information

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

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

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

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

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

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

*2(6) – The interrogation systems must record:*

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

### Audit observation

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### 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

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### Audit outcome

Not applicable

## 6.7. NHH meter reading application (Clause 6 Schedule 15.2)

### Code reference

*Clause 6 Schedule 15.2*

### Code related audit information

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

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

### Audit observation

The process of the application of meter readings was examined.

### Audit commentary

Application of reads was reviewed as part of the historic estimate checks and found to be compliant.

### Audit outcome

Compliant

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

### Code reference

Clause 7(1) and (2) Schedule 15.2

### Code related audit information

*Each reconciliation participant must ensure that a validated meter reading is obtained in respect of every meter register for every non half hour metered ICP for which the participant is responsible, at least once during the period of supply to the ICP by the reconciliation participant, and used to create volume information.*

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

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

### Audit observation

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### 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

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### 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 four months, for which consumption information is required to be reported into the reconciliation process. A validated meter reading is obtained at least once every four months for 90% of the non-half hour meters.*

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

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

### Audit observation

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### 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

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### 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

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### Audit outcome

Not applicable

## 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

This area will not change with the change of submission system.

### Audit commentary

This area will not change with the change of submission system.

### Audit outcome

Not applicable

#### 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**

This area will not change with the change of submission system.

##### **Audit commentary**

This area will not change with the change of submission system.

##### **Audit outcome**

Not applicable



## 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  $\pm 0.1\%$  ( $\pm 2$  seconds).*

#### Audit observation

This area will not change with the change of submission system.

#### Audit commentary

This area will not change with the change of submission system.

#### Audit outcome

Not applicable

### 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

I checked whether the change of agent was likely to cause non-compliance with this clause.

#### Audit commentary

The MEPs retain a copy of the raw meter data, and their compliance with the archiving and storage requirements was reviewed as part of their agent audits.

I confirmed that JC Consulting has received and stored historic reading and volume data for 24 months into the RM Tool.

The change of agent is unlikely to cause non-compliance with this clause.

#### 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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

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

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

#### Code reference

Clause 19(1) Schedule 15.2

#### Code related audit information

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

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

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

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

#### Audit observation

I conducted a walkthrough and checked some specific records.

#### Audit commentary

This area will not change with the change of submission system. NextGen will continue to conduct meter reading manually for non-AMI installations. If changed readings are provided to the RM Tool, the original reading is retained. Estimated readings are clearly labelled as estimates.

#### Audit outcome

Compliant

### 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

Processes for correction of HHR meter readings were reviewed.

HHR submission will only occur for two C&I TOU ICPs. All other ICPs will be changed to NHH.

#### Audit commentary

Neither of the two C&I ICPs have had estimations or corrections conducted during their period with NextGen; however, I still checked the RM Tool capability in relation to this function and I confirm it is compliant with regard to the calculation methodology and audit trails.

The previous audit report recorded non-compliance for October 2018, where under submission of approx. 112,000 kWh occurred due to missing data not being replaced by an estimate or a correction. As mentioned above, all relevant ICPs will be changed to NHH submission and AMI register reads for the start and the end of the month will be used to create the NHH volumes file. Manual readings are available for Non-AMI meters.

Where NHH readings are not available for any reason, the RM Tool has standard functionality to estimate readings and consumption.

I checked the resulting revision file for October, and it is in line with expected consumption.

#### **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**

This area will not change with the change of submission system.

#### **Audit commentary**

This area will not change with the change of submission system.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 22(1) and (2) Schedule 15.2*

#### **Code related audit information**

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

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

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

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

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

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

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

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

#### **Audit observation**

Corrections are discussed in **sections 8.1** and **8.2**. Audit trails are discussed in **section 2.4**.

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

#### **Audit commentary**

The raw meter data files are not edited, and they could be retrieved from the MEPs if required.

Data is not deleted once it is in the RM Tool. Records can be “timed out” but they remain in the database.

#### **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

Correct identification of estimated reads and review of the estimation process was completed in **section 8.1**.

#### Audit commentary

All estimated data, HHR and NHH, is clearly identified as such in the RM Tool.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 3(4) Schedule 15.2*

#### Code related audit information

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

*3(4)(a) - validated meter readings*

*3(4)(b) - estimated readings*

*3(4)(c) - permanent estimates.*

#### Audit observation

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

#### Audit commentary

Volume information is directly derived from validated meter readings, estimated readings, or permanent estimates.

#### Audit outcome

Compliant

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

#### Code reference

Clause 3(5) Schedule 15.2

#### Code related audit information

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

#### Audit observation

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

#### Audit commentary

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

#### 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

The HHR data estimate processes were examined during previous audits of the RM Tool. There were no specific examples to check during this audit because all but two ICPs have been changed to NHH. JC Consulting confirmed there have not been any changes to the standard estimation functionality.

#### Audit commentary

The HHR data estimate processes were examined during previous audits of the RM Tool. There were no specific examples to check during this audit because all but two ICPs have been changed to NHH. JC Consulting confirmed there have not been any changes to the standard estimation functionality.

#### 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 zero values.*

### Audit observation

I conducted a walkthrough of the NHH data validation process.

### Audit commentary

Points “a” and “b” above are conducted by JC Consulting when data is loaded into the RM tool. Loading cannot occur unless there is an ICP, meter, register and date match. Point “d” is conducted in the RM Tool where negative and zero consumption examples are identified and reported.

Point “c” above is managed by NextGen by conducting the following checks:

- consumption is within expected bands;
- zero consumption;
- negative consumption; and
- missing meter readings.

Any exceptions are addressed, and action is taken depending on the type of exception. The process is compliant.

Meter readings are manually entered for non-AMI ICPs, and part of the process is to ensure the correct ICP is selected.

### Audit outcome

Compliant



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

### Code reference

Clause 17 Schedule 15.2

### Code related audit information

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

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

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

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

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

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

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

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

### Audit observation

I checked the validation steps by conducting a walk-through of the process.

### Audit commentary

The NHH validation checks are also in place for electronically interrogated meters, as follows:

- consumption is within expected bands
- zero consumption
- negative consumption
- missing meter readings.

JC Consulting checks for missing data, invalid dates and times and unexpected zeros.

Event files were viewed in the SFTP server directories and there were no events present that needed further action. Some MEPs send event files whether there are events or not. Other MEPs only send event files if there is an event. During previous audits, I have recommended a check with ARC innovations to confirm whether they have a compliant event management process. This recommendation has been resolved. ARC has a compliant event management process.

There will be no change to the management of event logs.

During the previous audit, I found that the power down and power up events were not being used to exclude these periods from the substitution process. This issue is specific to the ETS system and is not relevant to the RM Tool.

### 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

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

#### Audit Commentary

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

#### Audit outcome

Not applicable

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

#### Code reference

Clause 13.137

#### Code related audit information

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

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

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

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

#### Audit observation

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

#### Audit Commentary

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

#### Audit outcome

Not applicable

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

#### Code reference

*Clause 13.138*

#### Code related audit information

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

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

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

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

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

#### Audit observation

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

#### Audit Commentary

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

#### Audit outcome

Not applicable

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

#### Code reference

*Clause 13.140*

#### Code related audit information

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

#### Audit observation

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

#### Audit commentary

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

#### Audit outcome

Not applicable

## 11. PROVISION OF SUBMISSION INFORMATION FOR RECONCILIATION

### 11.1. Buying and selling notifications (Clause 15.3)

#### Code reference

Clause 15.3

#### Code related audit information

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

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

#### Audit observation

This area will not change with the change of submission system.

#### Audit commentary

This area will not change with the change of submission system.

#### 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

I checked the functionality of the RM Tool to confirm future compliance.

#### Audit commentary

The registry is used as the starting point for submission by the RM Tool, which assists in getting the files accurate. The functionality of the RM tool is compliant.

#### 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

This area will not change with the change of submission system.

#### Audit commentary

This area will not change with the change of submission system.

#### Audit outcome

Not applicable

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

#### Code reference

Clause 15.8

#### Code related audit information

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

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

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

#### Audit observation

I checked the functionality of the RM Tool to confirm future compliance.

#### Audit commentary

The RM tool prepares a HHR Aggregates file at ICP level based on submission information.

Clause 15.8 states that the aggregates file should contain electricity supplied information rather than submission information and electricity supplied information is defined as shown below:

**electricity supplied** means, for any particular period, the information relating to the quantities of **electricity** supplied by **retailers** across **points of connection** to **consumers**, sourced directly from the **retailer's** financial records, including quantities—

- (a) that are metered or unmetered; and
- (b) supplied through normal **customer** supply and billing arrangements; and
- (c) supplied under sponsorship arrangements; and
- (d) supplied under any other arrangement

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

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

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

Whilst the Code clearly states this file should be derived from financial records, I recommend NextGen liaises with the Authority regarding a Code change which will allow for the aggregates files used in the industry to remain unchanged.

### Audit outcome

Non-compliant

| Non-compliance  | Description  |                        |
|---|--|------------------------|
| Audit Ref: 11.4<br>With: Clause 15.8 of part 15<br>From: 01-Apr-17<br>To: 29-Mar-19 | Aggregates file contains submission information.<br>Potential impact: None<br>Actual impact: None<br>Audit history: None<br>Controls: Strong<br>Breach risk rating: 1  |                        |
| Audit risk rating   | Rationale for audit risk rating  |                        |
| <b>Low</b>  | The controls are recorded as strong because the aggregates file is correct compared to the functional specification.<br>There is no impact on settlement because the aggregates file is only used for reporting, therefore the audit risk rating is low. |                        |
| Actions taken to resolve the issue  | Completion date  | Remedial action status |

|  |                        |               |
|--|------------------------|---------------|
| NextGen intends to continue with the current practice until the Code is changed. |                        | Investigating |
| <b>Preventative actions taken to ensure no further issues will occur</b>         | <b>Completion date</b> |               |
| NextGen intends to continue with the current practice until the Code is changed. |                        |               |



## 12. SUBMISSION COMPUTATION

### 12.1. Daylight saving adjustment (Clause 15.36)

#### Code reference

Clause 15.36

#### Code related audit information

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

#### Audit observation

The RM Tool has the capability to conduct daylight saving adjustment in a compliant manner.

#### Audit commentary

The RM Tool has the capability to conduct daylight saving adjustment in a compliant manner.

#### Audit outcome

Compliant

### 12.2. Creation of submission information (Clause 15.4)

#### Code reference

Clause 15.4

#### Code related audit information

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

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

#### Audit observation

I checked revision files prepared in the RM Tool to confirm compliance.

#### Audit commentary

The RM Tool has a revision capability and the revision files are compliant.

I specifically checked issues from the previous audit to confirm revisions would provide correct data. The issues that will be resolved are:

- Historic estimates will be conducted using the correct shape files.
- Unmetered load submission will occur.
- Generation volumes will be submitted from the correct date.
- Consumption information will be provided from the date of switch in for backdated switches.
- The October under submission will be corrected by submitting NHH volumes.

#### Audit outcome

Compliant

### 12.3. Allocation of submission information (Clause 15.5)

#### Code reference

Clause 15.5

#### Code related audit information

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

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

#### Audit observation

The registry data is used as the starting point for submissions to ensure the aggregation factors are correct.

#### Audit commentary

The registry data is used as the starting point for submissions to ensure the aggregation factors are correct.

#### Audit outcome

Compliant

### 12.4. Grid owner volumes information (Clause 15.9)

#### Code reference

Clause 15.9

#### Code related audit information

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

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

#### Audit observation

NextGen has not supplied any GIPs.

#### Audit commentary

NextGen is not required to report any grid owner volume information.

#### 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

NextGen is not a local or embedded network owner.

### Audit commentary

NextGen is not a local or embedded network owner and is not required to provide NSP submission information.

### 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

NextGen does not have any grid connected generation.

### Audit commentary

NextGen does not have any grid connected generation.

### Audit outcome

Not applicable

## 12.7. Accuracy of submission information (Clause 15.12)

### Code reference

Clause 15.12

### Code related audit information

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

### Audit observation

I checked the NHH and HHR submission processes to confirm compliance.

### Audit commentary

As mentioned in Section 12.2, the RM Tool has a revision capability and all of the issues noted from the previous audit will be resolved. I checked specific ICPs in revision files to confirm compliance.

The issues from the previous audit were as follows:

*NextGen had an HHR revision process during the last audit so that when estimated data is replaced by actual data, the most accurate data was submitted. There have not been any revisions conducted during the audit period. There was under submission of 112,000 kWh for October 2018 which was not revised and there are estimates present in files for all months during the audit period which need to be replaced with actual data.*

*There is no NHH revision process in place, the only NHH submission files are “day 4” files. The lack of a revision process leads to four issues, as follows:*

- *revisions are not conducted when shape files become available which results in inaccurate apportionment between months;*
- *when aggregation factors change and are backdated, submissions are not altered to take this into account;*
- *when backdated switches in occur, the period prior to the switch is not included in submission; I found eight ICPs where backdated switches occurred, and the total number of days is 237 where it appears submission did not occur, which could be approx. 6,000 kWh; and*
- *three ICPs had the addition of the PV1 profile backdated as a result of the previous audit findings but revisions were not conducted for these ICPs for the prior periods.*

### 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

NHH vols files were reviewed to identify any forward estimate still existing.

### Audit commentary

The proportion of HE is 100% for R14 files.

### Audit outcome

Compliant

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

### Code reference

Clause 2 Schedule 15.3

### Code related audit information

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

- *half hour volume information for each ICP notified in accordance with clause 11.7(2) for which there is a category 3 or higher metering installation (clause 2(1)(a))*
- *for each ICP about which information is provided under clause 11.7(2) for which there is a category 1 or category 2 metering installation (clause 2(1)(b)):*
  - a) *half hour volume information for the ICP; or*
  - b) *non half hour volumes information calculated under clauses 4 to 6 (as applicable).*
  - c) *unmetered load quantities for each ICP that has unmetered load associated with it derived from the quantity recorded in the registry against the relevant ICP and the number of days in the period, the distributed unmetered load database, or other sources of relevant information (clause 2(1)(c))*
- *to create non half hour submission information a reconciliation participant must only use information that is dependent on a control device if (clause 2(2)):*
  - a) *the certification of the control device is recorded on the registry; or*
  - b) *the metering installation in which the control device is location has interim certification.*
- *to create submission information for a point of connection the reconciliation participant must apply to the raw meter data (clause 2(3)):*

- a) for each ICP, the compensation factor that is recorded in the registry (clause 2(3)(a))
- b) for each NSP the compensation factor that is recorded in the metering installations most recent certification report (clause 2(3)(b)).

### Audit observation

The registry list was reviewed for the audit period to confirm that NextGen should supply:

- NHH information;
- HHR information;
- generation information under the PV1 profile; and
- unmetered load.

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

### Audit commentary

One issue was found with regard to the completeness of submission information during the previous audit. ICP 0000043474NT14D has shared unmetered load. It switched in on 07/09/18 but NextGen did not have an unmetered load submission process, therefore submission had not occurred. NextGen removed the unmetered load details from the registry on 01/11/18. I checked this ICP in the RM Tool and I confirm submission and revisions will occur for this ICP.

Compensation factors are applied manually by NextGen at the time of meter reading population. This process could result in errors and I recommend the RM Tool compensation factor functionality is used because it is automated and compliant.

| Recommendation               | Description                                    | Audited party comment  | Remedial action |
|------------------------------|--|--|-----------------|
| Clause 2(3) of Schedule 15.3 | Use RM Tool compensation factor functionality. | The compensation factors will be removed from the meter reading table and will be added to the RM Tool. Raw uncompensated meter readings will be provided. | Cleared         |

### Audit outcome

Compliant

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

### Code reference

Clause 3 Schedule 15.3

### Code related audit information

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

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

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

#### **Audit observation**

I confirmed during previous audits that the RM Tool FE and HE processes were compliant and accurate.

#### **Audit commentary**

I confirmed during previous audits that the RM Tool FE and HE processes were compliant and accurate.

#### **Audit outcome**

Compliant

### **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<sub>Px</sub> 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<sub>Px</sub>.*

#### **Audit observation**

I confirmed during previous audits that the RM Tool FE and HE processes were compliant and accurate.

#### **Audit commentary**

I confirmed during previous audits that the RM Tool FE and HE processes were compliant and accurate.

#### **Audit outcome**

Compliant

### **12.12. Forward estimate process (Clause 6 Schedule 15.3)**

#### **Code reference**

*Clause 6 Schedule 15.3*

#### **Code related audit information**

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

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

### **Audit observation**

I confirmed during previous audits that the RM Tool FE and HE processes were compliant and accurate.

### **Audit commentary**

I confirmed during previous audits that the RM Tool FE and HE processes were compliant and accurate.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 7 Schedule 15.3*

### **Code related audit information**

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

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

### **Audit observation**

Most HHR profiles will be changed to RPS and the change will occur at the beginning of a month using an actual meter reading. I confirmed actual readings were present.

### **Audit commentary**

Most HHR profiles will be changed to RPS and the change will occur at the beginning of a month using an actual meter reading. I confirmed actual readings were present.

### **Audit outcome**

Compliant



## 13. SUBMISSION FORMAT AND TIMING

### 13.1. Market Administrator Meter Reading Reports (Clauses 8 & 9 of Schedule 15.2)

#### Code reference

Clause 8 Schedule 15.3

#### Code related audit information

*Provision of meter read frequency reports to the Authority, no later than 20 business days after the end of the month.*

#### Audit observation

JC Consulting will prepare these reports out of the RM Tool, which has been checked and confirmed as compliant.

#### Audit commentary

JC Consulting will prepare these reports out of the RM Tool, which has been checked and confirmed as compliant.

#### Audit outcome

Compliant

### 13.2. 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

Compliance with the requirement to use correct aggregation factors is confirmed. The registry is used as the starting point for submissions.

#### Audit commentary

Compliance with the requirement to use correct aggregation factors is confirmed. The registry is used as the starting point for submissions **Audit outcome**

Compliant

### 13.3. Reporting resolution (Clause 9 Schedule 15.3)

#### Code reference

Clause 9 Schedule 15.3

#### Code related audit information

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

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

#### Audit observation

I verified that the data provided for submission was correctly rounded.

#### Audit commentary

I verified that the data provided for submission was correctly rounded.

#### Audit outcome

Compliant

### 13.4. 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

Submission will occur as NHH for most ICPs. Sufficient end of month or manual readings appear to be present to ensure these targets will be met.

#### Audit commentary

Submission will occur as NHH for most ICPs. Sufficient end of month or manual readings appear to be present to ensure these targets will be met.

#### Audit outcome

Compliant

## CONCLUSION

The audit found that compliance is likely to be achieved, except for a technical non-compliance because the HHR aggregates submission contains volumes instead of billed volumes. One recommendation is made regarding the management of compensation factors in the RM Tool rather than manually applying them.

## PARTICIPANT RESPONSE