

ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT



For

SIMPLY ENERGY LIMITED

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EXECUTIVE SUMMARY

Simply Energy Limited (Simply Energy) intends to commence submitting HHR volumes for meter category one and two HHR certified ICPs using its SELS participant code. Simply Energy intends to complete HHR reconciliation processes for these ICPs.

The SELS participant code currently has no ICPs. ICPs will only be switched to SELS and changed to HHR once there is a reliable source of HHR data. ICPs will be changed back to NHH if there are issues with data provision.

There will be no changes to the HHR submission processes for the SIMP and SELX participant codes; EMS will continue to provide HHR data administration services.

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 Simply Energy 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.

The test system was examined to determine compliance of the file preparation processes. There was only one issue identified. The HHR aggregates file will contain submission information in accordance with the functional specification, not electricity supplied information.

One recommendation is made, to confirm whether inactive days should be excluded from the AV090 submission.

The next audit date is determined by the Authority. I recommend the current next audit date of 28/08/19 is retained because this material change audit did not examine any of the NHH processes.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
HHR aggregates information provision to the reconciliation manager	11.4	15.8	Aggregates file contains submission information.	Strong	Low	1	Investigating
Future Risk Rating						1	

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	Description	Recommendation
HHR aggregates information provision to the reconciliation manager	12.9	Exclusion of dates with no active ICPs from the AV090 HHR volumes.	Confirm with the reconciliation manager whether it is correct to exclude days with no active ICPs from the AV090 submission.

ISSUES

Subject	Section	Description	Issue
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

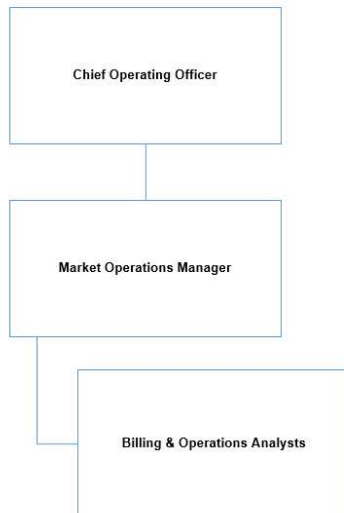
The Electricity Authority's website was reviewed to identify any exemptions relevant to the scope of this audit.

Audit commentary

There are no exemptions in place relevant to the scope of this audit.

1.2. Structure of Organisation

A full organisation chart was viewed, and a summary is provided below.



1.3. Persons involved in this audit

Auditor:

Name	Company
Tara Gannon	Veritek Limited

Simply Energy personnel assisting in this audit were:

Name	Title
Stephen Kemp	Market Operations Manager
Jade Jackson	Project Services Manager

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

Use of agents was discussed with Simply Energy.

Audit commentary

Simply Energy intends to become a HHR data administrator for HHR certified category 1 and 2 meters for its SELS participant code. No agents will be involved for SELS, and metering data is expected to be provided by AMS, FCLM and Smartco as MEPs.

There will be no changes to agents for the SIMP and SELX participant codes; EMS will continue to provide HHR data administration services.

Simply Energy uses the following agents:

- EMS for gathering metering data and reconciliation for NHH ICPs, and SIMP and SELX HHR ICPs;
- Datacol for NHH meter reading; and
- Wells for NHH meter reading

Northpower has recently begun providing manual meter readings for their substations, because Simply Energy's other NHH meter readers cannot gain access to read the meters.

Simply Energy understands their obligations in relation to this clause.

1.5. Hardware and Software

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

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

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

1.6. Breaches or Breach Allegations

The Authority provided information on alleged breaches since the 2018 audit, and I confirmed that no alleged breaches relevant to the scope of this audit have occurred.

1.7. ICP Data

SELS

A registry list as at 28/05/19 was provided, and confirmed that no ICPs are currently supplied by the SELS participant code. There are 36 decommissioned ICPs with SELS recorded as the trader.

SELX

SELX ICPs are not affected by this material change and fall outside the scope of the audit.

SIMP

SIMP ICPs are not affected by this material change and fall outside the scope of the audit.

1.8. Authorisation Received

Simply Energy and the Authority provided all information requested directly.

1.9. Scope of Audit

Simply Energy intends to commence submitting HHR volumes for meter category one and two HHR certified ICPs using its SELS participant code. The SELS code currently has no customers, and ICPs will switch in once approval is received. There will be no changes to the HHR submission processes for the SIMP and SELX participant codes; EMS will continue to provide HHR data administration services.

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 Simply Energy 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.

The table below shows the tasks under clause 15.38 of part 15 for which Simply Energy requires certification. No agents will be involved for SELS HHR processes; all meters will have category 1 or 2 and metering data is expected to be provided by AMS, FCLM, and Smartco as MEPs.

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
(a) - Maintaining registry information and performing customer and embedded generator switching	EMS for part of clause 11 of schedule 11.1 only (registry discrepancies)	
(b) – Gathering and storing raw meter data	Datacol – NHH Wells – NHH EMS – HHR (for SIMP and SELX)	AMS Arc Innovations (Arc) Metrix

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
		Smartco The Lines Company (FCLM) WEL Networks
(c)(i) - Creation and management of HHR volume information	EMS (for SIMP and SELX)	
(c)(ii) - Creation and management of NHH volume information	EMS	
(d) – Calculation of ICP days & delivery of a report under clause 15.6	EMS – NHH EMS – HHR (for SIMP and SELX)	
(da) - delivery of electricity supplied information under clause 15.7		
(e) – Provision of submission information for reconciliation	EMS – NHH EMS – HHR (for SIMP and SELX)	

1.10. Summary of previous audit

Simply Energy provided a copy of their previous audit report conducted in August 2018 by Tara Gannon of Veritek Limited. The previous findings specifically relevant to this audit, which examines newly created processes for HHR submission are shown below:

Subject	Section	Clause	Non-compliance	Status
HHR aggregates information provision to the reconciliation manager	11.4	15.8	Aggregates file contains submission information. Generation only ICPs were temporarily excluded from the HHR aggregates file.	Still existing Cleared

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 10.6, 11.2, 15.2

Code related audit information

A participant must take all practicable steps to ensure that information that the participant is required to provide is:

- *complete and accurate*
- *not misleading or deceptive*
- *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 examined the additional validation steps required for the management of HHR ICPs.

Audit commentary

The registry validation process for NHH ICPs will not change, and HHR registry data is already validated as part of Simply Energy's existing validation processes.

Before becoming a SELS HHR ICP, Simply Energy requires the following conditions to be met:

1. the meter category must be 1 or 2, and HHR certified; and
2. HHR data must be consistently received.

Simply Energy intends to ensure NHH meter readings are available on the day of a profile change from NHH to HHR.

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 a number of sections in this report and compliance is confirmed.

Audit outcome

Compliant

2.3. Data transmission (Clause 20 Schedule 15.2)

Code reference

Clause 20 Schedule 15.2

Code related audit information

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 for the person who performed the activity (clause 21(4)(c)).*

Audit observation

A complete audit trail was checked for all data gathering, validation and processing functions.

Audit commentary

A complete audit trail was viewed for all data gathering, validation and processing functions. The logs of these activities include the activity identifier, date and time and an operator identifier.

I confirmed the original data is retained during the estimation and correction processes. Once actual data is loaded, it cannot be deleted.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 1 or more metering installations for the point of connection.*

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

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

Code reference

Clause 10.33(1)

Code related audit information

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

- *for a point of connection to the grid – the grid owner has approved the connection*

- *for an NSP that is not a point of connection to the grid - the relevant distributor has approved the connection.*
- *for a point of connection that is an ICP, but is not as NSP:*
- *the reconciliation participant is recorded in the registry as the trader responsible for the ICP*
- *if the ICP has metered load, 1 or more certified metering installations are in place*
- *if the ICP has not previously been electrically connected, the relevant distributor has given written approval of the temporary electrical connection.*

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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:

- *for a point of connection to the grid – the grid owner has approved the connection*
- *for an NSP that is not a point of connection to the grid - the relevant distributor has approved the connection.*
- *for a point of connection that is an ICP, but is not as NSP:*
- *the reconciliation participant is recorded in the registry as the trader responsible for the ICP*
- *if the ICP has metered load, 1 or more certified metering installations are in place*
- *if the ICP has not previously been electrically connected, the relevant distributor has given written approval of the temporary electrical connection.*

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 5 business days after the change.

Audit observation

I checked this area in relation to HHR specific fields.

Audit commentary

Existing processes to change the registry information for NHH and HHR ICPs will continue.

Simply Energy has processes to ensure that the correct submission types and profiles are recorded on the registry.

Audit outcome

Compliant

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 5 business days of trading (clause 9(2)).

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

Audit observation

I checked this area in relation to HHR specific fields.

Audit commentary

Existing processes to provide registry information for NHH and HHR ICPs will continue.

Before becoming a SELS HHR ICP, Simply Energy requires the following conditions to be met:

1. the meter category must be 1 or 2, and HHR certified; and
2. HHR data must be consistently received.

Simply Energy has processes to ensure that the correct submission types and profiles are recorded on the registry. If an ICP is found to have unmetered load, it will be changed back to NHH.

Audit outcome

Compliant

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

Code reference

Clause 9 (1(k) of Schedule 11.1

Code related audit information

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 whether SELS ICPs with unmetered load would be submitted as HHR or NHH.

Audit commentary

Simply Energy has unmetered load validation in place.

NHH submission will occur for all ICPs with unmetered load. If unmetered load is identified for a HHR ICP it will be changed back to NHH.

Audit outcome

Compliant

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

Code reference

Clause 17 Schedule 11.1

Code related audit information

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

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

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

- the ICP has only 1 customer, embedded generator, or direct purchaser (clause 17(2)(a))
- the electricity consumed is quantified by a metering installation or a method of calculation approved by the Authority (clause 17(2)(b)).

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

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

Code reference

Clause 2 Schedule 11.3

Code related audit information

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

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

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 5 business days after the date of notification. The losing trader must then:

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

When establishing an event date for clause 4, the losing trader may disregard every event date established by the losing trader for an ICP for which when the losing trader received notice from the registry manager under clause 22(a) the losing trader had been responsible for less than 2 months.

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 5 business days after the event date, the losing trader must complete the switch by:

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 4 calendar months of

the registry manager giving the gaining trader written notice of having received information about the switch completion, 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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 5 business days after receiving final information from the registry manager, may provide the losing trader with a switch event meter reading from that meter. The losing trader must use that switch event meter reading.*

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 2 business days after the arrangement comes into effect.

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

- *a proposed event date (clause 9(2)(a)); and*
- *that the switch type is "MI" (clause 9(2)(b); and*
- *one or more profile codes of a profile at the ICP. (clause 9(2)(c))*

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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
 - o final information as required under clause 11; or
- 10(1)(b) If the losing trader does not accept the event date proposed by the gaining trader, the losing trader must acknowledge the switch request to the registry manager and determine a different event date that—
 - o is not earlier than the gaining trader’s proposed event date, and
 - o is no later than 10 business days after the date the losing trader receives notice; or
- 10(1)(c) request that the switch be withdrawn in accordance with clause 17.

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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, then within 10 business days of receiving notice the losing trader must also complete the switch by providing to the registry manager as described in subclause (1)(a):

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 four calendar months of the date the registry manager gives the gaining trader written notice of having received information about the switch completion, 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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

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

Code reference

Clause 14 Schedule 11.3

Code related audit information

The gaining trader switch process applies when a trader has an arrangement with a customer or embedded generator to trade electricity at an ICP at which the losing trader trades electricity with the customer or embedded generator, and one of the following applies at the ICP:

- *the gaining trader will trade electricity through a half hour metering installation that is a category 3 or higher metering installation; or*
- *the gaining trader will trade electricity through a non-AMI half hour metering installation and the losing trader trades electricity through a non-AMI non half hour metering installation; or*
- *the gaining trader will trade electricity through a non-AMI non half hour metering installation and the losing trader trades electricity through a non-AMI half hour metering installation*

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 3 business days, after receiving the valid switch response code, by advising the registry manager of the event date.

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

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

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 2 calendar months after the event date of the switch.

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

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 reviewed the processes to identify shared unmetered load for HHR ICPs.

Audit commentary

Simply Energy has unmetered load validation in place. NHH submission will occur for all ICPs with unmetered load.

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

I reviewed the processes to for unmetered load for HHR ICPs.

Audit commentary

Simply Energy has unmetered load validation in place. NHH submission will occur for all ICPs with unmetered load.

Audit outcome

Compliant

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

Code reference

Clause 10.14 (5)

Code related audit information

If the unmetered load limit is exceeded the retailer must:

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

Audit observation

I reviewed the processes to for unmetered load for HHR ICPs.

Audit commentary

Simply Energy has unmetered load validation in place. NHH submission will occur for all ICPs with unmetered load.

Audit outcome

Compliant

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

Code reference

Clause 11 Schedule 15.3, Clause 15.37B

Code related audit information

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

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

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

Audit observation

Simply Energy does not supply any distributed unmetered load.

Audit commentary

Simply Energy does not supply any distributed unmetered load.

Audit outcome

Not applicable

6. GATHERING RAW METER DATA

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

Code reference

Clause 10.13, Clause 10.24 and Clause 15.13

Code related audit information

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

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

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

- *there is 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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 in the registry .

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

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

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

2(6) – The interrogation systems must record:

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

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

Code reference

Clause 7(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 metered ICPs.

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

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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

SELS will only supply HHR certified category 1 and 2 meters. Metering data is expected to be provided by AMS, FCLM, and Smartco as MEPs.

There will be no changes for SIMP or SELX.

Audit commentary

All data will be provided by MEPs and agents. Their back office is considered the services access interface.

Audit outcome

Compliant

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

Code reference

Clause 11(2) Schedule 15.2

Code related audit information

The following information is collected during each interrogation:

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

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

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

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

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

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

Audit observation

SELS will only supply HHR certified category 1 and 2 meters. Metering data is expected to be provided by AMS, FCLM, and Smartco as MEPs.

There will be no changes for SIMP or SELX.

Audit commentary

Interrogation will be conducted by MEPs and agents not by Simply Energy.

Audit outcome

Compliant

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

Code reference

Clause 11(3) Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

SELS will only supply HHR certified category 1 and 2 meters. Metering data is expected to be provided by AMS, FCLM, and Smartco as MEPs.

There will be no changes for SIMP or SELX.

Audit commentary

Interrogation will be conducted by MEPs and agents not by Simply Energy.

Audit outcome

Compliant

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

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

Audit observation

SELS will only supply HHR certified category 1 and 2 meters. Metering data is expected to be provided by AMS, FCLM, and Smartco as MEPs.

There will be no changes for SIMP or SELX.

Audit commentary

MEPs and agents are responsible for trading period duration.

Audit outcome

Compliant

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

Code reference

Clause 18 Schedule 15.2

Code related audit information

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

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

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

Audit observation

Processes to archive and store raw meter data were reviewed.

Audit commentary

Compliance with this clause has been demonstrated by the MEPs.

When this data reaches Simply Energy's systems, the level of security is robust, and data cannot be accessed by unauthorised personnel.

Simply Energy intends to retain data for at least 48 months.

Compliance with clause 18.3 of schedule 15.2 was examined, which requires that ".....meter readings cannot be modified without an audit trail being created." Readings cannot be modified without an audit trail being created. Readings are imported into a raw data table and any adjustments or corrections are made to working data, not raw data.

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 addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

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 a reconciliation participant detects errors while validating non-half hour meter readings, the reconciliation participant must:

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

19(1)(b) - replace the original meter reading the second meter reading (even if the second meter reading is at a different date)

19(1A) if a reconciliation participant detects errors while validating non half hour meter readings, but the reconciliation participant cannot confirm the original meter reading or replace it with a meter reading from another interrogation, the reconciliation participant must:

- *substitute the original meter reading with an estimated reading that is marked as an estimate;*
- and*
- *subsequently replace the estimated reading in accordance with clause 4(2)*

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

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

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

If a reconciliation participant detects errors while validating half hour meter readings, the reconciliation participant must correct the meter readings as follows:

19(2)(a) - if the relevant metering installation has a check meter or data storage device, substitute the original meter reading with data from the check meter or data storage device; or

19(2)(b) - if the relevant metering installation does not have a check meter or data storage device, substitute the original meter reading with data from another period provided:

- (i) The total of all substituted intervals matches the total consumption recorded on a meter, if available; and*
- (ii) The reconciliation participant considers the pattern of consumption to be materially similar to the period in error*

Audit observation

I conducted a walkthrough of the process to determine compliance, and viewed testing.

Audit commentary

If meter data is unavailable it is estimated according to the process described in **section 9.4**. Any estimates will be based on register readings on either side of the relevant period (where available) and profiled based on a similar period.

If updated meter data becomes available, it will be imported and used to produce revision submissions. This is typically expected to occur where data is temporarily estimated when actual data is not available.

Multipliers are stored at meter level, and any changes will flow through to revision submissions. Multiplier exceptions will be identified through Simply Energy's registry validation and consumption validation processes.

In the event of a stopped or faulty meter, the HHR data will be invalidated and an estimate will be created.

Corrections and estimates will be identified per trading period. Only missing or incorrect data will be adjusted, not actual data.

Estimated data will be replaced with actuals as part of the correction process, but raw meter data is not over-written. The before and after versions are both available.

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

A reconciliation participant may use error compensation and loss compensation as part of the process of determining accurate data. Whichever methodology is used, the reconciliation participant must document the compensation process and comply with audit trail requirements set out in the Code.

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

8.4. Correction of HHR and NHH raw meter data (Clause 19(4) and (5) Schedule 15.2)

Code reference

Clause 19(4) and (5) 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:

19(5)(a)- the date of the correction or alteration

19(5)(b)- the time of the correction or alteration

19(5)(c)- the operator identifier for the person within the reconciliation participant who made the correction or alteration

19(5)(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

19(5)(e)- the technique used to arrive at the corrected data

19(5)(f)- the reason for the correction or alteration.

Audit observation

Corrections are discussed in **section 8.2**, which confirmed that raw meter data is not overwritten as part of the correction process. Audit trails are discussed in **section 2.4**.

Raw meter data retention for MEPs and agents was reviewed as part of their own audits.

Audit commentary

Compliance with this clause has been demonstrated by Simply Energy's MEPs and agents.

Audit trails are compliant with the requirements of this clause.

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 9.4**.

Audit commentary

Readings are clearly identified as required by this clause. They are identified at trading period level, not at a daily level.

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

I conducted a walk-through of the processes from data provision to submission.

Audit commentary

Volume information is based on validated data and if this is not available, estimated or corrected data is used. All estimated or corrected data is replaced with actual data as soon as it is available. Reporting is in place to identify missing HHR data.

Audit outcome

Compliant

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

Code reference

Clause 3(5) Schedule 15.2

Code related audit information

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

Audit observation

I conducted a walk-through of the processes from data provision to submission.

Audit commentary

Data is provided with three decimal places and is only rounded at the time of preparation of submission files.

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

Documentation on the estimation process was reviewed. I conducted a walkthrough to determine compliance.

Audit commentary

Simply Energy confirmed that MEPs will not provide any estimated data.

Estimates will be calculated using register readings either side of the relevant period to ensure total consumption is correct. If readings are unavailable, they will be estimated based on the historic consumption profile for the ICP. The profile will be based on a historic similar period, or if unavailable, historic GR020 profiles.

Corrections and estimates will be identified per trading period. Only missing or incorrect data will be adjusted, not actual data. Estimates will be replaced by actual data if it becomes available at a later date.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

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

Code reference

Clause 17 Schedule 15.2

Code related audit information

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

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

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

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

17(4)(c) - checks of unexpected zero 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 reviewed process documentation for the validation process.

Audit commentary

Simply Energy carries out the same billing validation as used for NHH ICPs. This includes high and low consumption to achieve compliance with 17(4)(d). Reporting is in place for missing data. Files with incorrect dates or times will be identified at the time of loading and two identical files cannot be loaded.

Event reporting will be provided and managed by Simply Energy.

Audit outcome

Compliant

10. PROVISION OF METERING INFORMATION TO THE GRID OWNER 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 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

The NSP table on the registry was reviewed.

Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

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 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 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

The NSP table on the registry was reviewed.

Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

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

The NSP table on the registry was reviewed.

Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

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 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

The NSP table on the registry was reviewed.

Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

Audit outcome

Not applicable

11. PROVISION OF SUBMISSION INFORMATION FOR RECONCILIATION

11.1. Buying and selling notifications (Clause 15.3)

Code reference

Clause 15.3

Code related audit information

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

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Compliant

11.2. Calculation of ICP days (Clause 15.6)

Code reference

Clause 15.6

Code related audit information

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

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

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

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

Audit observation

The calculation of ICP days was demonstrated in the test system.

Audit commentary

The ICP days calculation is correct.

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 addition of HHR management systems and processes, and I reviewed testing of the AV120 report for HHR ICPs.

Audit commentary

This area will not change with the addition of HHR management systems and processes. Testing confirmed that HHR billed consumption is included in the AV120 report.

Audit outcome

Compliant

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 conducted a walkthrough of the HHR aggregates file preparation and compared an example to the HHR vols and ICP days files.

Audit commentary

Simply Energy will prepare a HHR Aggregates file at ICP level based on submission information. This was demonstrated in the test system, including confirmation that the file format was correct and a sample of volumes matched to the raw meter data.

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

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

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

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

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

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

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

Simply Energy reviews the GR090 ICP missing files, and takes action as required to ensure that ICPs are correctly included or excluded in submission information for SIMP and SELX. SELS will be added to this process.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 11.4</p> <p>With: Clause 15.8 of part 15</p> <p>From: 30-May-19</p> <p>To: 30-May-19</p>	<p>Aggregates file contains submission information.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as strong because the aggregates file is correct compared to the functional specification.</p> <p>There is no impact on settlement because the aggregates file is only used for reporting, therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
There is a misalignment between the Code requirements and the RM file specification. It is a problem known to the Authority and we are awaiting the Authority to resolve this.		30/05/2019	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
Electricity Authority to correct wording in the Code.		Unsure of when this will occur.	

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 daylight-saving process was demonstrated.

Audit commentary

The daylight-saving adjustment process is compliant.

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

The process to create HHR submissions was demonstrated, along with the revision process.

Audit commentary

The process is compliant. The HHR vols, HHR aggregates and ICP days files were checked in the test system and they were accurate compared to the raw meter data file. Simply Energy demonstrated that when estimates or corrections are present, they are replaced with actual data when it is available.

Simply Energy reviews the GR090 ICP missing files, and takes action as required to ensure that ICPs are correctly included or excluded in submission information for SIMP and SELX. SELS will be added to this process.

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 in the registry for the relevant consumption period at the time the reconciliation participant assembles the submission information. Volume information must be derived in accordance with Schedule 15.2.

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Simply Energy reviews the GR090 ICP missing files, and takes action as required to ensure that ICPs are correctly included or excluded in submission information for SIMP and SELX. SELS will be added to this process.

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

The registry list and NSP table were reviewed.

Audit commentary

Simply Energy is not a grid owner; compliance was not assessed.

Audit outcome

Not applicable

12.5. Provision of NSP submission information (Clause 15.10)

Code reference

Clause 15.10

Code related audit information

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

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

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

Simply Energy is not a local or embedded network owner; compliance was not assessed.

Audit outcome

Not applicable

12.6. Grid connected generation (Clause 15.11)

Code reference

Clause 15.11

Code related audit information

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

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

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

Simply Energy is not a grid connected generator; compliance was not assessed.

Audit outcome

Not applicable

12.7. Accuracy of submission information (Clause 15.12)

Code reference

Clause 15.12

Code related audit information

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

Audit observation

I conducted a walkthrough of the process for the provision of submission information.

Audit commentary

The correction and estimation processes are compliant, and I confirmed that corrections flow through to the relevant submission files.

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).

The relevant reconciliation participant must, at the earliest opportunity, and no later than the month 14 revision cycle, replace volume information created using estimated readings with volume information created using validated meter readings.

If, despite having used reasonable endeavours for at least 12 months, a reconciliation participant has been unable to obtain a validated meter reading, the reconciliation participant must replace volume information created using an estimated reading with volume information created using a permanent estimate in place of a validated meter reading.

Audit observation

I conducted a walkthrough of the process for the provision of HHR submission information.

Audit commentary

The correction and estimation processes are compliant, and I confirmed that corrections flow through to the relevant submission 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 for each ICP must comprise the following:

- half hour volume information for the total metered quantity of electricity 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) any half hour volume information for the ICP; or
 - b) any 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 in 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

I conducted a walkthrough of the process for the provision of HHR submission information.

Audit commentary

The system and processes are compliant. Validation will be in place to ensure the accuracy of HHR submission. All ICPs will have a continuous submission type of NHH or HHR. ICPs will be returned to NHH submission type if HHR AMI meter data is unable to be obtained, or unmetered load is found to be connected.

Test results showed that where one ICP was connected to an NSP, and it was made inactive for part of a month, the inactive days were excluded from the HHR volumes submission. According to the reconciliation manager functional specification version 9.26 for the AV090 report:

6. There should be entries for every day in the month or where a trading notification has been started/ended during the month from/to the start/end trading period of the notification, for the same NSP, reconciliation type, participant, profile, loss category, flow direction and dedicated NSP.

The reconciliation manager functional specification version 9.26 for AV160 trading notifications indicates that the first and last day for the trading notification relate to days that the trader was “present” at the NSP:

In order to allow the Reconciliation Manager to accurately maintain trading notifications records, the Registry supplies the Reconciliation Manager with a file indicating the first and last dates at which participants were present at each NSP. The file is compared with the existing records in the system and the discrepancies are merged.

I have interpreted this to mean that these inactive periods are expected to be included in the submission. I recommend that this is followed up with the reconciliation manager to confirm whether they require inactive periods to be included in the AV090 report, if there are no active ICPs for the combination of aggregation factors on those days.

Description	Recommendation	Audited party comment	Remedial action
Exclusion of dates with no active ICPs from the AV090 HHR volumes	Confirm with the reconciliation manager whether it is correct to exclude days with no active ICPs from the AV090 submission.	Simply Energy has tested this in the RM UAT environment by ending the trade notification at the NSP for the period of time when ICP was inactive and then restarting the trade notification again. Then when testing the HHR VOLS file the RM system still expected 31 days for the month, as opposed to 22 based on Trade Notifications. So it appears there is an issue here with the RM system and its functionality.	Investigating

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

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

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

Code reference

Clause 4 and 5 Schedule 15.3

Code related audit information

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

If a seasonal adjustment shape is not available, the methodology for preparing an historical estimate of volume information for each ICP must be the same as in clause 4, except that the relevant quantities kWh_{px} must be prorated as determined by the reconciliation participant using its own methodology or on a flat shape basis using the relevant number of days that are within the consumption period and within the period covered by kWh_{px} .

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

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

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

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

Code reference

Clause 7 Schedule 15.3

Code related audit information

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

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

Audit observation

The profile change process was confirmed during the audit.

Audit commentary

Simply Energy will ensure profile changes only occur from NHH to HHR when there is a reliable source of HHR data and when there is a register read available for midnight on the day prior to the profile change.

Audit outcome

Compliant

13. SUBMISSION FORMAT AND TIMING

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

Code reference

Clause 8 Schedule 15.3

Code related audit information

For each category 3 of higher metering installation, a reconciliation participant must provide half hour submission information to the reconciliation manager.

For each category 1 or category 2 metering installation, a reconciliation participant must provide to the reconciliation manager:

- *Half hour submission information; or*
- *Non half hour submission information; or*
- *A combination of half hour submission information and non half hour submission information*

However, a reconciliation participant may instead use a profile if:

- *The reconciliation participant is using a profile approved in accordance with clause Schedule 15.5; and*
- *The approved profile allows the reconciliation participant to provide half hour submission information from a non half hour metering installation; and*
- *The reconciliation participant provides submission information that complies with the requirements set out in the approved profile.*

Half hour submission information provided to the reconciliation manager must be aggregated to the following levels:

- *NSP code*
- *reconciliation type*
- *profile*
- *loss category code*
- *flow direction*
- *dedicated NSP*
- *trading period*

The non half hour submission information that a reconciliation participant submits must be aggregated to the following levels:

- *NSP code*
- *reconciliation type*
- *profile*
- *loss category code*
- *flow direction*
- *dedicated NSP*
- *consumption period or day*

Audit observation

The aggregation process will not change. The only change will be the addition of HHR submission files, which were examined during the audit.

Audit commentary

The HHR submission files are compliant. The HHR vols, HHR aggregates, and ICP days files all align.

Audit outcome

Compliant

13.2. Reporting resolution (Clause 9 Schedule 15.3)

Code reference

Clause 9 Schedule 15.3

Code related audit information

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

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

Audit observation

I reviewed the rounding of data.

Audit commentary

Data is correctly rounded at the time of file preparation to two decimal places.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 15.3

Code related audit information

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

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

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

Audit observation

This area will not change with the addition of HHR management systems and processes.

Audit commentary

This area will not change with the addition of HHR management systems and processes.

Audit outcome

Not applicable

CONCLUSION

Simply Energy intends to commence submitting HHR volumes for meter category one and two HHR certified ICPs using its SELS participant code. Simply Energy intends to complete HHR reconciliation processes for these ICPs.

The SELS participant code currently has no ICPs. ICPs will only be switched to SELS and changed to HHR once there is a reliable source of HHR data. ICPs will be changed back to NHH if there are issues with data provision.

There will be no changes to HHR submission processes for the SIMP and SELX participant codes; EMS will continue to provide HHR data administration services.

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 Simply Energy 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.

The test system was examined to determine compliance of the file preparation processes. There was only one issue identified. The HHR aggregates file will contain submission information in accordance with the functional specification, not electricity supplied information.

One recommendation is made, to confirm whether inactive days should be excluded from the AV090 submission.

The next audit date is determined by the Authority. I recommend the current next audit date of 28/08/19 is retained because this material change audit did not examine any of the NHH processes.

PARTICIPANT RESPONSE

Simply Energy have reviewed this report and their comments are contained within its body.