ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT

VERITEK

For

SIMPLY ENERGY LIMITED

Prepared by: Tara Gannon

Date audit commenced: 22 July 2019

Date audit report completed: 28 August 2019

Audit report due date: 28 August 2019

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EXECUTIVE SUMMARY

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of **Simply Energy Limited (Simply Energy),** to support their application for renewal of certification in accordance with clauses 5 and 7 of schedule 15.1. The audit was conducted in accordance with the Guideline for Reconciliation Participant Audits version 7.2

Simply Energy has used three participant codes during the audit period (SIMP, SELS and SELX), and also acts as an agent for other participants. All codes use the same systems and processes. Unless otherwise specified, the processes and non-compliances described in the report relate to all codes.

Simply Energy has made improvements to their processes since the 2018 audit, including:

- changes to the customer read processes to distinguish customer readings validated against a set of validated readings from another source, from unvalidated customer readings;
- monitoring of consumption on inactive ICPs where reads are received;
- developing a process to record and report bridged consumption and processing a correction to clear non-compliance identified during the 2018 audit; and
- automated application of AN codes to improve accuracy, the hierarchy will require some minor changes to ensure future compliance for unmetered and disconnected ICPs.

Some key areas of non-compliance were identified:

- a small number of inaccuracies in switching files and registry updates, largely due to manual data processing errors - the nature and quantity of the errors meant they have a low impact on reconciliation and other participants;
- there were a small number of late registry updates and late switching files, mainly caused by delays in receiving the information needed to process the file or update;
- the Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification where the last two actual validated readings are less than 21 days apart;
- read attainment requirements were not met for all NHH ICPs; and
- some minor submission accuracy issues were identified including incorrect labelling of historic estimate as forward estimate when seasonal adjusted shape values (SASV) are unavailable for the profile, zeroing did not occur for some revisions, and two unvalidated customer readings which were treated as actual readings by the historic estimate process.

The audit found 34 non-compliance issues, which is a decrease from the previous audit. I note that the number of non-compliances and total audit risk rating is inflated by some minor non-compliances affecting one or two ICPs which are recorded in several sections of the report. For example, one ICP with an incorrect status update to active caused non-compliance in three report sections, and the two customer readings which were incorrectly treated also caused non-compliance in three sections.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The future risk rating score is 50, resulting in an indicative audit frequency of six months. I found that many of non-compliances were caused by small numbers of exceptions and had a low impact, and controls were strong or moderate. Considering this, along with Simply Energy's comments and proposed actions, I recommend a next audit period of 12 months.

The matters raised are shown in the tables below:

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Relevant information	2.1	15.2	*SIMP* • The profile change for 0000033597EA225 was processed effective from 16/01/19 instead of 15/01/19 and requires correction. • Two ICPs had incorrect inactive status reason codes applied. • Three ICPs temporarily had incorrect ANZSIC codes assigned. *SELX* • Two ICPs temporarily had incorrect ANZSIC codes assigned.	Strong	Low	1	Identified
Audit trails	2.4	21 Schedule 15.2	EDMI's IE2 and DQM audit trails do not record the operator identifier for the person who completed the activity; operator identifiers correspond to a user group not an individual.	Strong	Low	1	Investigating
Retailer responsibility for electricity conveyed - access to metering installations	2.6	10.7(2), (4),(5) and (6)	*SELX* Access was unable to be arranged for the MEP to re-certify the meter for ICP 0089251350PC2BF.	Strong	Low	1	Identified
Electrical Connection of Point of Connection	2.11	10.33A	*SIMP* One new connection was not certified within five business days of electrical connection. *SELX* Nine reconnections were not certified within five business days of electrical connection.	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Changes to registry information	3.3	10 Sch 11.1	*SIMP* • 73 late status updates. • 54 late MEP nominations. • 20 late trader updates. *SELX* • Four late status updates. • One late MEP nomination. • 17 late trader updates.	Moderate	Low	2	Identified
Provision of information to the registry manager	3.5	9 Sch 11.1	*SIMP* • 46 late updates for new connections. • 0009502003LNDB9 had an incorrect status applied and was corrected during the audit. *SELX* • One late update for a new connection.	Moderate	Low	2	Investigating
ANZSIC codes	3.6	9 (1(k)) of Sch 11.1	*SIMP* Three ICPs temporarily had incorrect ANZSIC codes assigned. *SELX* Two ICPs temporarily had incorrect ANZSIC codes assigned.	Strong	Low	1	Cleared
Management of "active" status	3.8	17 Sch 11.1	*SIMP* 0009502003LNDB9 had an incorrect status applied and was corrected during the audit.	Strong	Low	1	Cleared
Management of "inactive" status	3.9	19 Sch 11.1	*SIMP* Two ICPs had incorrect inactive status reason codes applied.	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Losing trader response to switch request and event dates - standard switch	4.2	3 and 4 Sch 11.3	*SIMP* Less than 50% of AN proposed event dates were within five business days of the NT receipt date. For all ANs which did not have dates within five business days of NT receipt, the proposed event date matched the gaining trader's requested date.	Strong	Low	1	Identified
Losing trader must provide final information - standard switch	4.3	5 Sch 11.3	*SIMP* • Three late CS files for transfer switches. • Three transfer CS files with incorrect switch event read types. • Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification. *SELX* • Three transfer CS files with incorrect last actual read dates. • Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification.	Weak	Low	3	Investigating
Retailers must use same reading - standard switch	4.4	6(1) and 6A Sch 11.3	*SIMP* • One late RR file for a transfer switch..	Strong	Low	1	Identified
Gaining trader informs registry of switch request - switch move	4.7	9 Sch 11.3	*SELS* Five NTs had an incorrect switch type applied. *SELX* Four NTs had an incorrect switch type applied.	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Losing trader provides information - switch move	4.8	10(1) Sch 11.3	*SELX* An incorrect AN response code was provided for one ICP. OC was applied instead of AD.	Strong	Low	1	Identified
Losing trader must provide final information - switch move	4.10	11 Sch 11.3	*SIMP* • Seven late CS files for switch moves. • Three switch move CS files with incorrect last actual read dates. • One switch move CS files with an incorrect switch event read type. • Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification. *SELX* • Three late CS files for switch moves. • Two switch move CS files with incorrect last actual read dates. • One switch move CS files with an incorrect switch event read type. • Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification.	Weak	Low	3	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Gaining trader changes to switch meter reading - switch move	4.11	12 Sch 11.3	*SIMP* • Four late switch move RR files. • One switch move RR was not supported by two validated actual readings. *SELX* • One late switch move RR file. • For one ICP, the readings in DataHub did not reflect the outcome of the RR process.	Moderate	Low	2	Identified
Gaining trader informs registry of switch request - gaining trader switch	4.12	14 Sch 11.3	*SIMP* One HH NT was issued 26 business days after pre-conditions were cleared. The initial registry update failed, and the file was resent.	Moderate	Low	2	Investigating
Losing trader provision of information - gaining trader switch	4.13	15 Sch 11.3	*SIMP* One HH AN contained the AD (advanced metering) code but should have contained the AA (accept and acknowledge code).	Strong	Low	1	Identified
Withdrawal of switch requests	4.15	17 and 18 Sch 11.3	*SIMP* Ten late NW files. *SELX* Two late NW files.	Strong	Low	1	Identified
Collection of information by certified reconciliation participant	6.5	2 Schedule 15.2	FCLM does not usually provide a screen shot confirming time differences for meters which are manually read using MV90. If this information is not provided, EDMI is unable compare the system time to the meter time.	Strong	Low	1	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Derivation of meter readings	6.6	3(1), 3(2) and 5 Sch 15.2	Two ICPs had customer readings which were not validated against a set of readings from another source but were treated as validated readings by the reconciliation process.	Strong	Low	1	Identified
Interrogate meters once	6.8	7(1) and (2) Sch 15.2	*SIMP* For at least three ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELX* For four ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Moderate	Low	2	Identified
NHH meters 90% read rate	6.10	9(1) and (2) Sch 15.2	*SELX* For at least one ICP unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Strong	Low	1	Identified
Correction of HHR metering information	8.2	19(2) Sch 15.2	*SELS* Actual HHR data may not be applied for FCLM meters where part of a day of data is provided, and then a replacement file is issued.	Moderate	Low	2	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Identification of readings	9.1	3(3) Sch 15.2	*SIMP* At least four switch event readings were incorrectly classified as estimated or actual. Two unvalidated customer readings were treated as actual by the historic estimate process. *SELX* At least two actual validated switch event readings were incorrectly classified as estimated.	Moderate	Low	2	Identified
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	For EDMI's manual downloads, the meter event information is not imported into IE2 and is not reviewed and sent to the retailer.	Moderate	Low	2	
Buying and selling notifications	11.1	15.3	*SIMP* Three trading notifications were not provided. *SELX* 17 trading notifications were not provided.	Strong	Low	1	Identified
HHR aggregates information provision to the reconciliation manager	11.4	15.8	HHR aggregates file does not contain electricity supplied information.	Strong	Low	1	Identified
Allocation of submission information	12.3	15.5	*SIMP* Zero lines were not inserted for the some AV080 submissions.	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Accuracy of submission information	12.7	15.12	Historic estimate may be labelled as forward estimate where SASV are not available. *SIMP* • Zero lines were not inserted for some AV080 submissions. • Two customer readings were treated as validated without being validated against a set of reads from another source.	Moderate	Low	2	Identified
Permanence of meter readings for reconciliation	12.8	4 Sch 15.2	Some estimates are not replaced at R14.	Moderate	Low	2	Identified
Historical estimates and forward estimates	12.10	3 Sch 15.3	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Moderate	Low	2	Identified
Forward estimate process	12.12	6 Sch 15.3	*SIMP* The accuracy threshold was not met for all revisions for April 2018, May 2018, June 2018 and October 2018.	Moderate	Low	2	Identified
Historical estimate reporting to RM	13.3	10 Sch 15.3	*SIMP* Historic estimate targets were not met for all months and revisions. *SELX* Historic estimate targets were not met for all months and revisions.	Strong	Low	1	Identified
Future Risk Rating						50	

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
ICPs at new or ready status for 24 months	3.10	Monitoring of new and ready ICPs	I recommend Simply Energy run a registry list six monthly with: Status: 000 or 999 Proposed trader: SIMP, SELX, SELS End date: the day the report is run and compare the results to the ICPs Simply Energy expects to be at "new" or "ready" status. Any ICPs which appear to have been assigned in error can then be checked with the distributor.
Losing trader response to switch request and event dates - standard switch	4.2	AN response code hierarchy	Consider adding the MU (unmetered supply) and OC (occupied premises) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.
Correction of HHR metering information	8.2	HHR data replacement	Develop a process to ensure that validated actual data is applied for reconciliation where it is available.
Electronic meter readings and estimated readings	9.6	Checks for unexpected zeros	Develop a check to identify unexpected zero values for SELS.

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.

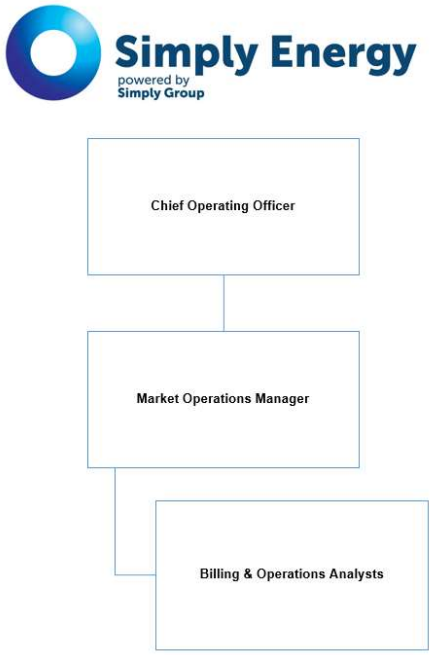
Audit observation

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



1.3. Persons involved in this audit

Auditor:

Name	Company
Tara Gannon	Veritek Limited

Simply Energy personnel assisting with this audit were:

Name	Title
Brendon Blacklaws	Business Analyst
Dallas Tui	Billing & Operations Analyst
Hiros Bhaskaran	Business Intelligence Developer
Mark Thompson	Pricing and Billing Services Manager
Nilani Guruge	Billing & Operations Analyst
Stephen Kemp	Market Operations Manager
Thephin Kumpraewpan	System Administrator

EMS personnel assisting with this audit were:

Name	Title
Sunny Feng	Data Analyst

1.4. Use of Agents (Clause 15.34)

Code reference

Clause 15.34

Code related audit information

A reconciliation participant who uses an agent

- *remains responsible for the 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 has engaged the agents listed in the audit scope section. They understand their obligations and all functions conducted by agents have been subject to audit.

- EMS, EDMI and AMS gather HHR metering data and EMS completes HHR reconciliation for SIMP and SELX, and NHH reconciliation for all codes.
- Wells provides NHH metering data.

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

NHH AMI data is provided by AMS, Arc, FCLM, Metrix, Smartco, The Lines Company (FCLM), and WEL Networks as MEPs.

Datacol no longer supplies NHH meter readings to Simply Energy.

1.5. Hardware and Software

Simply Energy's processes use the following systems:

- 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 NHH ICPs.
- SELS HHR reconciliation submissions are created using DataHub.
- SalesForce is used for the management of ICP and customer information.

Backup is cloud based, and access to systems is restricted using logins and passwords.

EMS' systems and backup processes are described in EMS' agent audit report.

1.6. Breaches or Breach Allegations

There has been one self-reported breach allegation relevant to the scope of this audit:

Ref	Clauses breached	Code	Description	Outcome
1905SIMP1 (26/06/19)	Part 10 clause 10.7	SELX	ICP 0089251350PC2BF is a Category 2 NHH site which has CT's that have expired certification. In order to re-certify the site, the MEP has advised that the CT's need to be replaced, and the meter board also needs to be upgraded. The end customer has refused access to have the Meter and CT's replaced. Therefore, Simply Energy is trading on a non-compliant meter.	The breach is being reviewed and has been referred to the Compliance Committee. Simply Energy followed up with AMS in July 2019 to attempt to arrange recertification.

1.7. ICP Data

SIMP

The active ICPs from the list file are summarised by meter category in the table below. The 2019 list file was dated 06/05/19. 25 of the 29 ICPs with a blank or 9 metering category have unmetered load recorded. The other four ICPs are metered, and MEP nominations have been made and accepted.

Metering Category	2019	2018	2017	2016	2015
1	1,141	1,139	1,102	589	493
2	118	152	157	78	64
3	24	30	39	21	17
4	13	21	21	10	6
5	5	5	5	5	2
9	9	2	21	-	-
Blank	20	22	39	63	25

Status	Number of ICPs (2019)	Number of ICPs (2018)	Number of ICPs (2017)	Number of ICPs (2016)	Number of ICPs (2015)
Active (2,0)	1,330	1,371	1,081	766	607
Inactive – new connection in progress (1,12)	24	3	-	1	4
Inactive – electrically disconnected vacant property (1,4)	19	16	14	6	8
Inactive – electrically disconnected remotely by AMI meter (1,7)	4	2	-	-	-
Inactive – electrically disconnected at pole fuse (1,8)	5	4	1	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	3	1	3	1	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	3	-	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	4	-	12	13	7
Inactive – reconciled elsewhere (1,5)	-	1	1	1	1
Decommissioned (3)	395	331	272	158	135

SELS

The active ICPs from the list file are summarised by meter category in the table below, based on a registry list dated 06/05/19. ICPs will only be switched to SELS and changed to HHR once there is a reliable source of HHR data. ICPs will be returned to NHH if there are issues with data provision.

Metering Category	2019
1	5
2	-
3	-
4	-
5	-
9	-
Blank	-

Status	Number of ICPs (2019)
Active (2,0)	5
Inactive – new connection in progress (1,12)	-
Inactive – electrically disconnected vacant property (1,4)	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	-
Inactive – electrically disconnected at pole fuse (1,8)	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-
Inactive – electrically disconnected at meter box fuse (1,10)	-
Inactive – electrically disconnected at meter box switch (1,11)	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-
Inactive – reconciled elsewhere (1,5)	-
Decommissioned (3)	36

SELX

The active ICPs from the list file are summarised by meter category in the table below. The 2019 list file was dated 06/05/19. The five ICPs with a blank metering category are unmetered SB ICPs.

Metering Category	2019	2018	2017
1	781	242	13
2	45	23	-
3	5	-	-
4	2	-	-
5	-	-	-
9	-	-	-
Blank	5	-	-

Status	Number of ICPs (2019)	Number of ICPs (2018)	Number of ICPs (2017)
Active (2,0)	838	265	13
Inactive – new connection in progress (1,12)	-	-	-
Inactive – electrically disconnected vacant property (1,4)	3	1	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	1	1	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	1	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-
Inactive – reconciled elsewhere (1,5)	1	-	-
Decommissioned (3)	1	1	-

1.8. Authorisation Received

Simply Energy, EMS and the Electricity Authority provided all information required directly.

1.9. Scope of Audit

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of Simply Energy, to support their application for renewal of certification in accordance with clauses 5 and 7 of schedule 15.1. The audit was conducted in accordance with the Guideline for Reconciliation Participant Audits version 7.2.

Simply Energy has three participant codes (SIMP, SELX, and SELS), and also acts as an agent for other participants. Unless stated otherwise in the report, all codes use the same systems and processes to achieve compliance with the code.

The table below shows the tasks under clause 15.38 of part 15, for which Simply Energy requires certification. This table also lists those agents who assist with these tasks:

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	Wells – NHH Northpower – NHH EMS – HHR (for SIMP and SELX) AMS – HHR EDMI - HHR	AMS Arc Innovations (Arc) FCLM Metrix Smartco The Lines Company (FCLM) WEL Networks
(c)(iii) - Creation and management of HHR & NHH volume information	EMS (for SIMP and SELX)	
(d)(i) - Calculation of ICP days	EMS	
(d)(ii) - delivery of electricity supplied information under clause 15.7	EMS – NHH EMS – HHR (for SIMP and SELX)	
(d)(iii) - delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8		
(e) - Provision of submission information for reconciliation	EMS – NHH EMS – HHR (for SIMP and SELX)	

The functions conducted by Simply Energy were audited at their premises in Wellington on 22 and 23 July 2019, and the functions performed by EMS were checked at EMS' offices on 22 July 2019. EMS, EDMI and AMS' HHR agent audits will be submitted with this report.

The MEPs provide AMI data as MEPs not agents, and the MEPs are subject to their own audit regime.

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 summary tables below show the statuses of the non-compliances and recommendations raised in the previous audit. Further comment is made in the relevant sections of this report.

Subject	Section	Clause	Non-compliance	Status
Relevant information	2.1	10.6, 11.2, 15.2	One SIMP ICP had an incorrect ANZSIC code recorded. One inactive SELX ICP had an incorrect end date.	Still existing, some incorrect data was identified.
Electrical Connection of Point of Connection	2.11	10.33A	Eight SIMP new connections did not have their meters certified within five business days for electrical connection. Four SIMP reconnections had expired certification recorded on the registry when they were reconnected. For all four it appears the MEP information recorded on the registry is incorrect. One SIMP ICP did not have its meter recertified when it was unbridged.	Still existing, some new connections and reconnections were not certified on time. Cleared.
Changes to registry information	3.3	10 Schedule 11.1	24 late status updates for SIMP. 33 late MEP nominations for SIMP and one late MEP nomination for SELX.	Still existing, some late updates occurred.
Provision of information to the registry manager	3.5	9 Schedule 11.1	21 SIMP and one SELX status update were not processed within five business days of the event on the Registry.	Still existing, some late updates occurred.
ANZSIC codes	3.6	9 (1(k)) of Schedule 11.1	One SIMP ICP had an incorrect ANZSIC code recorded.	Cleared, but some other ICPs had incorrect ANZSIC codes.
Management of "inactive" status	3.9	19 Schedule 11.1	One inactive SELX ICP had an incorrect end date.	Cleared, but some inactive status updates had incorrect status reason codes applied.

Subject	Section	Clause	Non-compliance	Status
Losing trader response to switch request and event dates - standard switch	4.2	3 and 4 Schedule 11.3	An incorrect AN response code was provided for two SIMP ICPs with AMI metering. AA was applied instead of AD.	Cleared, but some issues with AN event dates were identified.
Losing trader must provide final information - standard switch	4.3	5 Schedule 11.3	One SELX and 12 SIMP transfer CS files contained incorrect estimated daily consumption. Two late CS files for SIMP transfer switches.	Still existing.
Retailers must use same reading - standard switch	4.4	6(1) and 6A Schedule 11.3	One late RR file for a SIMP transfer switch. One SELX RR was not supported by two validated actual reads.	Still existing. Cleared.
Gaining trader informs registry of switch request - switch move	4.7	9 Schedule 11.3	One SIMP NT file was issued late.	Cleared, but some NTs were issued with an incorrect switch type.
Losing trader provides information - switch move	4.8	10(1) Schedule 11.3	An incorrect AN response code was provided for two SIMP ICPs which were vacant. OC was applied instead of AD.	Still existing.
Losing trader must provide final information - switch move	4.10	11 Schedule 11.3	One SELX and 10 SIMP switch move CS files contained incorrect estimated daily consumption. Five late CS files for SIMP switch moves.	Still existing.
Gaining trader changes to switch meter reading - switch move	4.11	12 Schedule 11.3	Two late RR files for SIMP switch moves. Two SIMP RRs were not supported by two validated actual reads.	Still existing.
Gaining trader to advise the registry manager - gaining trader switch	4.14	16 Schedule 11.3	Three late CS files for SIMP HH switches.	Cleared.
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	Four late NW files for SIMP.	Still existing.

Subject	Section	Clause	Non-compliance	Status
Electricity conveyed & notification by embedded generators	6.1	10.13, Clause 10.24 and 15.13	One SIMP meter was bridged for two days.	Cleared.
Derivation of meter readings	6.6	3(1), 3(2) and 5 Schedule 15.2	Datacol does not complete phase failure checks. Five customer reads for SIMP ICPs were treated as validated without being validated against a set of reads from another source.	Cleared. Still existing, but improvements have been made.
NHH meters interrogated annually	6.9	8(1) and (2) Schedule 15.2	The best endeavours requirement was not met for one SIMP ICP which was unread for 12 months.	Cleared.
Correction of NHH meter readings	8.1	19(1) Schedule 15.2	One correction for a SIMP bridged meter was not processed.	Cleared.
Identification of readings	9.1	3(3) Schedule 15.2	Five customer reads for SIMP ICPs were treated as validated without being validated against a set of reads from another source.	Still existing, but improvements have been made.
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	Event log information is not received from Arc. Event log information provided by Metrix and WEL Networks is not routinely reviewed.	Cleared. Cleared.
Buying and selling notifications	11.1	15.3	No trading notification was provided for SFI profile for SELX.	Still existing.
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.
Creation of submission information	12.2	15.4	Alleged breach 1801SIMP1 was recorded for late provision of revision information.	Cleared.

Subject	Section	Clause	Non-compliance	Status
Accuracy of submission information	12.7	15.12	One correction for a SIMP bridged meter was not processed. The unmetered load submission for SIMP ICP 0000028893WE540 contained a calculation error in January 2018. Historic estimate may be labelled as forward estimate where SASV are not available. Five customer reads for SIMP ICPs were treated as validated without being validated against a set of reads from another source. Alleged breach 1801SIMP1 was recorded for late provision of revision information.	Cleared. Cleared. Still existing. Still existing. Cleared.
Permanence of meter readings for reconciliation	12.8	4 Schedule 15.2	Not all estimates replaced by permanent estimates at R14.	Still existing.
Historical estimates and forward estimates	12.10	3 Schedule 15.3	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Still existing.
Historical estimate reporting to RM	13.3	10 Schedule 15.3	HE targets not met for some NSPs for some revisions for SIMP.	Still existing.

Subject	Section	Clause	Recommendation	Status
Electrical Connection of Point of Connection	2.11	Arrange for incorrect or out of date meter certification details on the registry to be updated by the MEP.	Query the meter certification details recorded on the registry for ICP 0148915035LCB73 and 0002221241WFB99 with the MEPs.	Cleared, the MEP has updated the meter certification details on the registry.
Management of "inactive" status	3.9	Consumption while inactive	Check readings received for disconnected ICPs, to determine whether consumption while inactive has occurred.	Cleared, readings for inactive ICPs are reviewed if received.

Subject	Section	Clause	Recommendation	Status
Losing trader must provide final information - standard switch	4.3	Monitoring of compliance with switching timeframes	Monitor timeframes using the SalesForce Dashboard rather than the registry switch breach report. The registry switch breach report does not always calculate the correct number of days before a switch must be completed and reliance on it can lead to breaches for late switching files.	Cleared, timeliness is now monitored using the switch breach report and SalesForce dashboard.
Electricity conveyed & notification by embedded generators	6.1	Arrange for incorrect meter details on the registry to be updated by the MEP	Query the flow directions recorded on the registry for ICPs 0000046001TC684, 0000096001TCAD5 and 0000100001NR87B with the MEPs.	Cleared, the MEPs have updated the registry for these ICPs.
Electricity conveyed & notification by embedded generators	6.1	Confirm whether generation is present for ICP 0006679048RN8AB with the distributor	Confirm whether generation is present for ICP 0006679048RN8AB, then arrange for the registry and metering to be updated as necessary.	Cleared.
Forward estimate process	12.12	Default forward estimate	The default forward estimate of 20 kWh may be too high or low for some ICPs. Discuss the feasibility of being able to set or override the forward estimate at ICP level.	Discussed, but it was not feasible to implement the change.

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 10.6, 11.2, 15.2

Code related audit information

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

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

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

Audit observation

The process to find and correct incorrect information was examined, and the registry validation process was examined in detail in relation to the achievement of this requirement. The SIMP (06/05/19), SELX (06/05/19), and SELS (10/06/19) registry list files were examined to confirm that all information was correct and not misleading.

Audit commentary

Registry updates are processed directly on the registry using the web interface, and SalesForce is updated at the same time. Registry acknowledgement files are not imported into SalesForce and are reviewed manually to identify any failed updates or errors.

Simply Energy ensures that registry information is complete and accurate using its SalesForce dashboards. SalesForce is also used to manage workflows and ensure that registry updates are processed on time.

The SalesForce Trader Audit Dashboard checks information for each trader against the registry and is worked through prior to business day four and 13. The checks include:

- **Don't know ANZSIC codes**, which are checked and updated;
- **ICPs with estimated switch in reads with an AMI meter**, which are checked to determine whether a read renegotiation is required;
- **ICPs that need to be set up in MADRAS,** which identifies new connections and switch ins needing to be created in MADRAS, which are then checked and updated;
- **Unmetered load on metered ICPs**, which are checked to ensure that any unmetered load is recorded and reconciled, as part of this process the unmetered load details are checked on the registry;
- **ICPs with "inactive new connection in progress status"**, are checked daily, the dashboard shows whether the MEP has accepted an MEP nomination; and
- **ICPs with "inactive" status**, which are checked periodically to ensure they are genuinely disconnected.

The SalesForce NHH meter registry dashboard detects changes to metering details on the registry, and prompts users to check the data and process updates as necessary.

The SalesForce Operations Registry Update screen alerts users when data maintained by another participant changes on the registry, including distributor and MEP populated data. The user then checks

and updates SalesForce and DataHub as necessary and ensures that changes flow through to MADRAS. This process identifies any changes to unmetered load, NSP, or distributed generation details.

The SalesForce MADRAS dashboard identifies inconsistencies with the data sent to EMS, and prior to submissions, ICP level data is compared to the registry to identify any discrepancies. These pre-submission checks are discussed in **section 12.3**.

A monthly report is run to check ICPs with an installation type of B or G. The ICPs are checked to determine whether generation is present, compliant metering is installed, and profiles are correct.

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

SIMP

The SIMP list file was analysed and I found the following:

Item No.	Issue	2019	2018	2017	Comments
1	Status mismatch between registry and Simply Energy	6	-	-	0009502003LNDB9 had an incorrect status applied and was corrected during the audit. See **section 3.8**. Two ICPs had incorrect inactive status reason codes applied. See **section 3.9**.
2	Active with no MEP and unmetered flag = N	4	4	6	Four ICPs are active and metered, with no MEP. In all cases SIMP's MEP nomination had been accepted, but the MEP had not updated the registry.
3	Incorrect submission flag or profile	2	-	-	ICP 0000000516NTE49 had NHH and HHR submission type recorded, with metering category 3. The ICP has now switched out, and the HHR load was submitted as HHR and unmetered load was submitted as NHH. The profile change for 0000033597EA225 was processed effective from 16/01/19 instead of 15/01/19 and requires correction.
4	Active with blank ANZSIC codes	4	-	-	Four active ICPs have a blank ANZSIC code, all are embedded network residual load ICPs, and this is acceptable. Refer to **section 3.6**.
5	Active with ANZSIC "T99" not stated	-	6	-	Compliant.
6	Active with ANZSIC "T994" don't know	-	-	-	Compliant.
7	Active with an incorrect ANZSIC code	3	1	-	Three ICPs temporarily had incorrect ANZSIC codes assigned. See **section 3.6**.
8	Category 9 but Active with MEP and UML "N"	-	-	-	All category 9 meters have an inactive status, or unmetered load installed.

Item No.	Issue	2019	2018	2017	Comments
9	ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	-	All ICPs with distributor unmetered load populated, also have retailer unmetered load populated.
10	ICPs with unmetered load flag Y but load is recorded as zero	-	-	-	All unmetered ICPs have unmetered kWh recorded apart from SB ICPs, which correctly have unmetered kWh of zero recorded.
11	ICPs with incorrect shared unmetered load	-	-	-	Compliant.
12	ICPs with Distributed Generation indicated but no DG profile	-	-	-	ICPs with distributed generation indicated all have HHR or RPS PV1 profiles.

SELS

The SELS list file was analysed and I found the following:

Item No.	Issue	2019	Comments
1	Status mismatch between registry and Simply Energy	-	Compliant.
2	Active with no MEP and unmetered flag = N	-	Compliant.
3	Incorrect submission flag	-	Compliant.
4	Active with blank ANZSIC codes	-	Compliant.
5	Active with ANZSIC “T999” not stated	-	Compliant.
6	Active with ANZSIC “T994” don’t know	-	Compliant.
7	Active with an incorrect ANZSIC code	-	Compliant.
8	Category 9 but Active with MEP and UML “N”	-	All ICPs are metered.
9	ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	All ICPs are metered.
10	ICPs with unmetered load flag Y but load is recorded as zero	-	No ICPs have unmetered load.

Item No.	Issue	2019	Comments
11	ICPs with incorrect shared unmetered load	-	No ICPs have shared unmetered load.
12	ICPs with Distributed Generation indicated but no DG profile	-	No ICPs have generation capacity.

SELX

The SELX list file was analysed and I found the following:

Item No.	Issue	2019	2018	2017	Comments
1	Status mismatch between registry and Simply Energy	-	1	-	Compliant.
2	Active with no MEP and unmetered flag = N	-	-	-	Compliant.
3	Incorrect submission flag		-	-	All ICPs appear to have submission types consistent with their profile and metering.
4	Active with blank ANZSIC codes	-	-	-	Five active ICPs have a blank ANZSIC code, all are embedded network residual load ICPs, and this is acceptable. Refer to **section 3.6**.
5	Active with ANZSIC "T999" not stated	-	-	-	Compliant.
6	Active with ANZSIC "T994" don't know	-	-	-	Compliant.
7	Active with an incorrect ANZSIC code	2	-	-	Two ICPs temporarily had incorrect ANZSIC code assigned. See **section 3.**6.
8	Category 9 but Active with MEP and UML "N"	-	-	-	Compliant.
9	ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	-	No ICPs have distributed unmetered load populated.
10	ICPs with unmetered load flag Y but load is recorded as zero	-	-	-	All unmetered ICPs are SB ICPs, which correctly have unmetered kWh of zero recorded.
11	ICPs with incorrect shared unmetered load	-	-	-	No ICPs have shared unmetered load.

Item No.	Issue	2019	2018	2017	Comments
12	ICPs with Distributed Generation indicated but no DG profile	1	-	-	One ICP has distributed generation indicated but no generation profile. Refer to **section 6.1**.

Incorrect data which was not identified and corrected through Simply Energy's data validation processes prior to the on-site audit is recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: Clause 15.2 From: May-19	*SIMP* • The profile change for 0000033597EA225 was processed effective from 16/01/19 instead of 15/01/19 and requires correction. • Two ICPs had incorrect inactive status reason codes applied. • Three ICPs temporarily had incorrect ANZSIC codes assigned. *SELX* • Two ICPs temporarily had incorrect ANZSIC codes assigned. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating
Low	The controls are recorded as strong because they are sufficient to ensure that most information is correct, and the errors identified appear to be isolated. The audit risk rating is low because the incorrect data has a low impact, and some of the incorrect data has already been corrected.

Actions taken to resolve the issue	Completion date	Remedial action status
0000033597EA225 has now had the effective date corrected. 0000033281EA605 ICP with wrong status used has been corrected. Incorrect ANZSIC codes have been updated.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
The numbers of non compliances are small based on the number of changes we do so no updates to processes are being considered.	14/08/2019	

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

NHH

Simply Energy's agents and MEPs provide NHH data as shown on the table below:

MEP or agent	Transfer method	Transfer frequency
AMS	SFTP	Daily
Arc	SFTP	Monthly
FCLM	SFTP	Weekly on Tuesday
Metrix	SFTP	Daily
Northpower	PDF form attached to an email	Every 2-3 months
Smartco	SFTP	Daily
WEL Networks	Registry SFTP	Daily, processed by Simply Energy at month end
Wells	SFTP	Daily

Northpower reads are keyed directly into Sales Force and then imported into DataHub. WASN NHH reads are imported via a csv file directly to Datahub. All other NHH readings are loaded into the Datawarehouse, then exported to DataHub. DataHub's validated (published) reads are exported back to the Datawarehouse, and then to AXOS billing engine and EMS' MADRAS. Changed reads are provided to EMS at least weekly, and switch event, meter change, and NSP change readings are all provided to EMS by Simply Energy.

To confirm the process to receive NHH reads, I reviewed documentation on the file movement process and traced a diverse sample of readings for 17 ICPs from the source files to the validated readings in DataHub. The sample included reads provided by each provider.

The process to transfer reads to EMS was discussed with Simply Energy and EMS. I also traced a sample of readings for historic estimate calculations to DataHub and switch event readings on the registry, to confirm that the validated readings were received and applied by EMS.

HHR

For SIMP and SELX, EMS receives HHR readings and volumes from AMS and EDMI as Simply Energy's agent and provides a copy to Simply Energy via SFTP. A SQL job collects the file and uploads it to DataHub and the Datawarehouse.

For SELS, HHR readings are loaded directly into DataHub, and are then imported into the Datawarehouse. After further validation they are exported to the AXOS billing engine. To confirm the HHR process, I traced a sample of HHR data from HERM files to DataHub, and then through to the HHR aggregates and volumes submissions for AMS and FCLM.

Audit commentary

NHH readings

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

I traced a sample of readings for 17 ICPs from the source files to DataHub, and a sample of readings for from the MADRAS historic estimate calculations to DataHub and switch event readings on the registry. All reads were consistent.

HHR readings

Compliance is with this clause is recorded in EMS' agent report for SIMP and SELX.

Compliance is confirmed for the sample of readings and volumes checked for SELS.

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. I reviewed audit trails for a small sample of events. Large samples were not necessary because audit trail fields are expected to be the same for every transaction of the same type.

Audit commentary

Compliance is recorded in EMS, Wells, and AMS' audit reports.

EDMI's agent audit recorded that their audit trails do not record the operator identifier for the person who completed the activity; operator identifiers correspond to a user group not an individual. From 1 November 2018, the code wording was clarified to confirm that the operator identifier recorded in audit trails should reflect the operator identifier for the person who performed the activity. The operator identifiers correspond to a user group, rather than an individual user, and this is recorded as non-compliance below.

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

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.4 With: Clause 21 Schedule 15.2 From: 01-Jun-18 To: 29-May-19	EDMI's IE2 and DQM audit trails do not record the operator identifier for the person who completed the activity; operator identifiers correspond to a user group not an individual. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as strong and the impact as low. Audit trails are available and contain the required information, but the person who processed the change is not identifiable within the audit trail because there is only one operator identifier. A small number of users have access. For the sample of audit trails reviewed, the person responsible for processing the change was identified through supporting information in Fresh Desk.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy is working with EDMI to understand the impacts of system changes that maybe necessary to be compliant with this clause.	30/09/2019	Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
There is nothing further to add here.	26/08/2019	

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

Code reference

Clause 10.4

Code related audit information

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

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

Audit observation

I reviewed Simply Energy's current terms and conditions.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

- *the Authority*
- *an ATH*
- *an auditor*
- *an MEP*
- *a gaining metering equipment provider.*

The trader must use its best endeavours to provide access:

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

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

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

Audit observation

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

Audit commentary

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

There has been one self-reported breach allegation relevant to the scope of this audit during the audit period:

Ref	Clauses breached	Code	Description	Outcome
1905SIMP1 (26/06/19)	Part 10 clause 10.7	SELX	ICP 0089251350PC2BF is a Category 2 NHH site which has CT's that have expired certification. In order to re-certify the site, the MEP has advised that the CT's need to be replaced, and the meter board also needs to be upgraded. The end customer has refused access to have the Meter and CT's replaced. Therefore, Simply Energy is trading on a non-compliant meter.	The breach is being reviewed and has been referred to the Compliance Committee. Simply Energy followed up with AMS in July 2019 to attempt to arrange recertification.

No other issues in relation to providing access to metering were identified.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.6 With: Clause 10.7(2),(4),(5) and (6) From: 26-Jun-19 To: 23-Jul-19	*SELX* Access was unable to be arranged for the MEP to re-certify the meter for ICP 0089251350PC2BF. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are assessed to be strong. Simply Energy has clauses in their customer contract which require the customer to grant access and has attempted to assist AMS to gain access. The impact is assessed to be low. Uncertified metering installations are likely to be less accurate than certified metering installations, so there could be a minor impact on settlement. Only one ICP is affected.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy has continued to work with the end customer and the MEP with the aim of ensuring this ICP has compliant metering.	16/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Simply Energy has continued to work with the end customer and the MEP with the aim of ensuring this ICP has compliant metering.	16/08/2019	

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

The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files were examined to confirm compliance. Loss compensation processes were discussed.

Audit commentary

Loss compensation is not required for any of Simply Energy's ICPs.

Audit outcome

Compliant

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

Code reference

Clause 11.15B

Code related audit information

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

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

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

Audit observation

I reviewed Simply Energy's current terms and conditions.

Audit commentary

Simply Energy's terms and conditions include assignment by the Electricity Authority in the event of retailer default.

Audit outcome

Compliant

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

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

Audit observation

The new connection process was examined in detail to evaluate the strength of controls. The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files and event detail reports (01/07/18 to 30/05/19) were analysed to confirm process compliance and that controls are functioning as expected.

The new connection job template was viewed.

Audit commentary

The new connection process is compliant and contains a step for Simply Energy to accept responsibility. I checked 15 new connections for SIMP and all new connections for SELX, and in all cases, Simply Energy had accepted responsibility. No new connections were completed for SELS. Responsibility is accepted for each individual ICP, and there are no blanket responsibility acceptances in place.

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

Simply Energy's new connection process requires an MEP to be selected. Where FCLM is the MEP, Simply Energy completes the nomination when the ICP is moved to "inactive new connection in progress status". For other MEPs, Simply Energy claims the ICP with "active" status and nominates the MEP as soon as paperwork is received. Most new connections are NHH and have FCLM as the MEP.

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

Connections with unmetered load are relatively rare, and no unmetered new connections were identified during the audit period.

I checked the metering details for all active ICPs to confirm that an MEP and metering or unmetered load details were recorded:

SIMP	Four active SIMP ICPs had no metering or unmetered load details recorded on the registry list. In all cases the ICPs were metered and SIMP's MEP nomination had been accepted, but the MEP had not updated the registry.
SELS	All active SELS ICPs are metered.
SELX	All active SELX ICPs have metering or unmetered load details recorded.

Audit outcome

Compliant

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

The new connection process was examined in detail to evaluate the strength of controls.

The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) and SIMP, SELX and SELS event detail reports (01/07/18 to 30/05/19) were analysed to confirm process compliance and that controls are functioning as expected.

Audit commentary

If a temporary electrical connection is required, Simply Energy will ensure that the ICP is claimed so that they are recorded as responsible for the ICP in the registry.

SIMP	Review of the registry list identified two ICPs with meter certification dates prior to the initial electrical connection date. The ICPs were connected to an embedded network which did not become active until 01/10/18 and were not temporarily electrically connected.
SELS	No potential temporary electrical connections were identified.
SELX	No potential temporary electrical connections were identified.

Audit outcome

Compliant

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

The new connection and reconnection processes were examined in detail to evaluate the strength of controls.

The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files, meter installation details reports, and event detail reports for 01/07/18 to 30/05/19 were analysed to confirm process compliance and that controls are functioning as expected.

Audit commentary

Active ICPs without metering

The registry lists were reviewed to determine whether all active ICPs had metering or unmetered load details recorded.

SIMP Four active SIMP ICPs have no metering or unmetered load details recorded. In all cases the ICPs are metered and SIMP's MEP nomination had been accepted, but the MEP had not updated the registry.

SELS All active SELS ICPs are metered.

SELX All active SELX ICPs have metering or unmetered load details recorded.

New connections

Simply Energy's new connection job template states that certification is required and requests a load bank be taken if the site is not connected. Staff monitor this and contact the MEP if certification is not received promptly.

SIMP Two of the 158 new connections were not certified within five business days of initial electrical connection.

- ICP 0016719117CB8FA was certified late because there was no load at the time of meter installation, and full certification was not completed until energy was being consumed.
- Certification for ICP 0009502003LNDB9 was not genuinely late. The ICP was claimed with "active" status on 08/03/19 but should have been claimed as "inactive new connection in progress" and updated to "active" on 20/03/19, which was also the meter certification date. The status error was corrected after being identified during the audit, and recorded as non-compliance in **sections 2.1**, **3.5** and **3.8**.

SELS No new connections were completed for SELS.

SELX All new connections were certified within five business days of reconnection.

Reconnections

Where an uncertified meter requires reconnection, Simply Energy normally attempts to arrange a meter replacement or recertification at the time of reconnection.

SIMP All reconnections were certified within five business days of the reconnection date.

Reconnected ICPs which did not have current full certification at the time of the 2018 audit were re-checked, and now have full certification.

SELS No reconnections were completed for SELS.

SELX Nine reconnections had expired interim meter certification. In all cases, Simply Energy had attempted to replace the meter with AMI metering on reconnection so that certification could be completed, but the customer declined the request to upgrade their metering and the meters remained uncertified.

All other reconnections were certified within five business days of the reconnection date.

Bridged meters

No bridging occurred during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.11 With: Clause 10.33A From: 13-Jul-18 To: 22-Feb-19	*SIMP* One new connection was not certified within five business days of electrical connection. *SELX* Nine reconnections were not certified within five business days of electrical connection. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are strong because there are processes in place to request meter certification or meter replacement for both new connections and reconnections. Because certification is an MEP responsibility and Simply Energy requires customer consent before replacing a meter, Simply Energy sometimes cannot achieve compliance. Uncertified metering installations are likely to be less accurate than certified metering installations, so there could be a minor impact on settlement. The audit risk rating is recorded as low because the number and proportion of connections affected is low.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are strong controls in place. The issues were across only a few sites.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Simply Energy agrees that there are strong controls in place. The issues were across only a few sites.	14/08/2019	

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

The process to ensure an arrangement is in place before trading commences on a network was examined.

The registry list was reviewed to identify any new networks SIMP, SELX, or SELS began trading on during the audit period.

Audit commentary

Networks must be recorded in SalesForce before ICPs can be assigned to them.

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

Audit outcome

Compliant

2.13. Arrangements for metering equipment provision (Clause 10.36)

Code reference

Clause 10.36

Code related audit information

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

Audit observation

The process to ensure an arrangement is in place with the metering equipment provider before an ICP can be created or switched in was checked.

The registry list was reviewed to identify any new MEPs SIMP, SELX, or SELS began using during the audit period.

Audit commentary

MEPs must be recorded in SalesForce before ICPs can be assigned to them.

Intellihub confirmed that their meters are covered under Simply Energy's MEP agreement with Metrix. Simply Energy intends to treat the meters as non-AMI and read them manually until Intellihub is able to provide AMI readings. The arrangements in place meet the requirements of clause 10.36.

Compliant arrangements are in place for all other MEPs.

Audit outcome

Compliant

3. MAINTAINING REGISTRY INFORMATION

3.1. Obtaining ICP identifiers (Clause 11.3)

Code reference

Clause 11.3

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.7(2)

Code related audit information

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

Audit observation

The new connection, MEP nomination, and switching processes were examined in detail.

The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files, meter installation details reports, and event detail reports for 01/07/18 to 30/05/19 were analysed to confirm process compliance and that controls are functioning as expected.

This clause links directly to **sections 3.3** and **3.5** below, where findings on the timeliness of updates are recorded.

Audit commentary

The new connection process is detailed in **sections 2.9** and **3.5**. The process in place ensures that trader information is populated as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 11.1

Code related audit information

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

Audit observation

The process to manage status changes is discussed in detail in **sections 3.8** and **3.9** below. The process to manage MEP nominations and trader updates was discussed.

In this section I have examined the event detail reports for 01/07/18 to 30/05/19, to identify all late status updates, MEP nominations, and trader updates. To determine the reasons for the late updates, I examined:

- all late status updates to active;
- the ten latest status updates to inactive ready for decommissioning, and all late updates to inactive status for other reasons;
- the ten latest MEP nominations; and
- the ten latest trader updates.

Audit commentary

A sample of late updates for all codes were reviewed to determine why they were late:

- all late status updates to active were checked and were caused by delays in receiving paperwork or confirming the date the ICP was reconnected;
- the ten latest status updates to inactive ready for decommissioning were checked, and were caused by late receipt of paperwork, or delays in confirming the ICP was to be decommissioned and/or the correct date for decommissioning or ICP amalgamation;
- all late updates to inactive status for reasons other than decommissioning were checked, they were caused by late or incomplete paperwork being provided, or delays in confirming that the ICP was disconnected;

- the ten latest MEP nominations were checked and were caused by late confirmation that the metering was installed, or corrections because the ICP had initial been claimed by the wrong Simply Energy code due to a data processing error; and
- the ten latest trader updates were data corrections or delayed by backdated switches.

The tables below set out the timeliness of registry updates for each code.

SIMP

Event	Year	Total ICPs	ICPs Notified Within 5 Days	ICPs Notified Greater Than 5 Days	Average Notification Days	Percentage Compliant
Status updates						
Changes to active - reconnections	2014	65	46	19	8.6	71%
	2015	158	145	13	2.6	92%
	2016	95	30	65	30.27	32%
	2017	70	41	29	7	59%
	2018	120	106	14	4	88%
	2019	**22**	**15**	**7**	**8**	**68%**
Change to de-energised vacant (1,4)	2014	3	1	2	5.3	33%
	2015	1	1	0	0	100%
	2016	8	8	0	1.4	100%
	2017	10	9	1	3	90%
	2018	12	12	-	2	100%
	2019	**8**	**5**	**3**	**5**	**63%**
Change to de-energised - reconciled elsewhere (1,5)	2014	10	0	10	38.6	0%
	2015	12	5	7	25.5	42%
	2017	2	0	2	437	0%
	2018	-	-	-	-	-
	2019	**-**	**-**	**-**	**-**	**-**
Change to de-energised ready for	2014	3	1	2	5	33%
	2015	16	4	12	107	25%

Event	Year	Total ICPs	ICPs Notified Within 5 Days	ICPs Notified Greater Than 5 Days	Average Notification Days	Percentage Compliant
decommissioning (1,6)	2016	21	7	14	31	33%
	2017	7	4	3	83	57%
	2018	7	-	7	40	0%
	2019	**106**	**46**	**60**	**32**	**43%**
Change to de-energised remotely by AMI meter (1,7)	2018	3	3	-	1	100%
	2019	**6**	**5**	**1**	**5**	**83%**
Change to de-energised at pole (1,8)	2017	1	1	-	2	100%
	2018	5	2	3	12	40%
	2019	**3**	**3**	**-**	**1**	**100%**
Change to de-energised at meter (1,9)	2016	2	0	2	7	0%
	2017	2	1	1	74	50%
	2018	-	-	-	-	100%
	2019	**3**	**-**	**3**	**23**	**0%**
Change to de-energised at meter box fuse (1,10)	**2019**	**1**	**1**	**-**	**1**	**100%**
Trader updates						
MEP nomination	2018	354	321	33	4	91%
	2019	**581**	**527**	**54**	**2**	**91%**
Trader updates (excluding MEP nominations and NT updates)	**2019**	**74**	**54**	**20**	**7**	**73%**

SELS

No status updates, MEP nominations, or trader updates (excluding NT updates) occurred during the period.

SELX

Event	Year	Total ICPs	ICPs Notified Within 5 Days	ICPs Notified Greater Than 5 Days	Average Notification Days	Percentage Compliant
Status updates						
Changes to active - reconnections (2,0)	2018	2	2	-	4	100%
	2019	**16**	**14**	**2**	**2**	**88%**
Change to de-energised vacant (1,4)	**2019**	**4**	**3**	**1**	**39**	**75%**
Change to de-energised ready for decommissioning (1,6)	2018	1	1	-	1	100%
	2019	**1**	**-**	**1**	**157**	**0%**
Change to de-energised remotely by AMI meter (1,7)	2018	1	1	-	1	100%
	2019	**1**	**1**	**-**	**1**	**100%**
Change to de-energised at pole (1,8)	**2019**	**2**	**2**	**-**	**1**	**100%**
Change to de-energised at meter (1,9)	**2019**	**1**	**1**	**-**	**1**	**100%**
Trader updates						
MEP nomination	2018	8	7	1	4	88%
	2019	**42**	**41**	**1**	**1**	**98%**
Trader updates (excluding MEP nominations and NT updates)	**2019**	**199**	**182**	**17**	**7**	**91%**

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.3 With: Clause 10 Schedule 11.1 From: 19-Jul-18 To: 20-May-19	*SIMP* • 73 late status updates. • 54 late MEP nominations. • 20 late trader updates. *SELX* • Four late status updates. • One late MEP nomination. • 17 late trader updates. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	Controls are rated as moderate, because most status updates and MEP nominations were processed on time and most of the delays were minor. The impact is assessed to be low, and I saw evidence that some of the late updates were to correct information.

Actions taken to resolve the issue	Completion date	Remedial action status
We have changed our new connection processes in the past few years and that has seen a significant improvement in MEP Nominations timings.	31/07/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Simply Energy will investigate the late status updates to understand if we can make further process improvements to our compliance numbers	30/11/2019	

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)):*
    - *arrange for a final interrogation to take place prior to or upon meter removal (clause 11.18(3)(a)); and*
    - *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

Retailers responsibility to nominate and record the MEP in the registry

The new connection process was discussed and the SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files were examined to confirm whether all active ICPs have an MEP recorded.

The event detail reports for 01/07/18 to 30/05/19 were reviewed to identify any rejected MEP nominations. The timeliness of MEP nominations is discussed in **section 3.3**.

ICP decommissioning

The process for the decommissioning of ICPs was examined. The event detail reports for 01/07/18 to 30/05/19 were reviewed to identify all ICPs that were decommissioned during the period, and a diverse sample of ten decommissioned ICPs were checked to prove the process and confirm the controls in place.

Audit commentary

Retailers responsibility to nominate and record the MEP in the registry

MEP nominations are processed as required and rejected MEP nominations are monitored and acted upon.

SIMP Four active SIMP ICPs have no metering or unmetered load details recorded. In all cases the ICPs are metered and SIMP's MEP nomination had been accepted, but the MEP had not updated the registry.

No MEP nominations were rejected.

SELS All active SELS ICPs are metered, and no MEP nominations were made.

SELX All active SELX ICPs have metering or unmetered load details recorded, and no MEP nominations were rejected.

ICP decommissioning

Simply Energy continues with their obligations under this clause. ICPs that are vacant and active, or inactive are still maintained in Simply Energy's systems.

When an ICP is decommissioned, an attempt is made to read the meter at the time of removal. If this is not possible then the last actual meter reading is used. Simply Energy also advise the MEP responsible that a site is to be decommissioned, and usually request the meter is removed.

SIMP A sample of nine decommissioned ICPs were checked. If the ICP had been metered, the MEP was notified, and Simply Energy attempted to obtain a final reading. For one of the ICPs, the

meter was removed before Simply Energy became aware of the decommissioning and it was not possible to obtain an actual reading.

SELS No ICPs were decommissioned during the period.

SELX One SELX ICP was decommissioned. The MEP was notified, and Simply Energy attempted to obtain a final reading. Because the meter was removed before Simply Energy became aware of the decommissioning, it was not possible to obtain an actual reading.

Audit outcome

Compliant

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

Code reference

Clause 9 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The new connection process was examined in detail.

In this section I have examined the event detail reports for 01/07/18 to 30/05/19, to identify all late updates for new connections. I used the extreme case sample methodology to examine the ten latest, or all late status updates for each participant code.

Audit commentary

The new connection process is described in detail in **section 2.9**.

Timeliness of status updates

SIMP

The table below shows that the registry was not updated within five business days for 46 of the 168 new connections.

Event	Year	Total ICPs	ICPs Notified Within 5 Days	ICPs Notified Greater Than 5 Days	Average Notification Days	Percentage Compliant
Changes to active-new connections	2014	35	14	21	21.4	40%
	2015	104	78	26	6.9	75%
	2016	37	15	22	30.8	41%
	2017	151	126	25	5	83%
	2018	183	162	21	4	86%
	2019	**168**	**122**	**46**	**5**	**73%**
Change to de-energised NC in progress (1,12)	2016	1	0	1	30	0%
	2017	4	1	3	24	25%
	2018	4	4	-	1	100%
	2019	**143**	**140**	**3**	**1**	**98%**

The ten latest status updates to active were reviewed and found to be caused by delays in receiving metering information or processing the information once it was received. ICP 0009502003LNDB9 was claimed with "active" status on 08/03/19 but should have been claimed as "inactive new connection in progress" and updated to "active" on 20/03/19. The status error was corrected after being identified during the audit and is recorded as non-compliance in **sections 2.1** and **3.8**.

Ten of the late updates to active did not have an "inactive new connection in progress" record, and also had a late MEP nomination.

All late updates to "inactive new connection in progress" status were made prior to the initial electrical connection date, and compliance is confirmed.

SELS

No status updates occurred during the period.

SELX

The table below shows that the registry was not updated within five business days for one of the two new connections.

Event	Year	Total ICPs	ICPs Notified Within 5 Days	ICPs Notified Greater Than 5 Days	Average Notification Days	Percentage Compliant
Changes to active-new connections	2017	-	-	-	-	100%
	2018	2	1	1	9	50%
	2019	**2**	**1**	**1**	**7.5**	**50%**
Change to de-energised NC in progress (1,12)	2017	-	-	-	-	100%
	2018	-	-	-	-	100%
	2019	**5**	**4**	**1**	**4**	**80%**

The late status update to active was reviewed. SIMP was initially set as the proposed trader and claimed the ICP, but it should have been claimed by SELX. There was a delay while events were reversed so SELX could claim the ICP and make it active.

The late update to "inactive new connection in progress" status was made prior to the initial electrical connection date, and compliance is confirmed.

Accuracy of status updates

SIMP The active date for new connections was matched to the initial electrical connection date and meter certification date for the 158 new ICPs which were created and became active during the audit period. I identified eight ICPs with active date discrepancies. The active dates applied were correct apart from ICP 0009502003LNDB9, which was claimed with "active" status on 08/03/19 but should have been claimed as "inactive new connection in progress" and updated to "active" on 20/03/19. The status error was corrected after being identified during the audit and is recorded as non-compliance in **sections 2.1** and **3.8**.

All HHR new connections and ten NHH new connections were checked for accuracy, and no further issues were identified.

SELS No status updates occurred during the period.

SELX The active date for new connections was matched to the initial electrical connection date and meter certification date for both new connections which became active during the audit period. No discrepancies were identified, and the new connection updates were confirmed to be accurate.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.5 With: Clause 9 Schedule 11.1 From: 15-Aug-18 To: 14-May-19	*SIMP* • 46 late updates for new connections. • 0009502003LNDB9 had an incorrect status applied and was corrected during the audit. *SELX* • One late update for a new connection. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	The controls are moderate, and the impact is low. Most status updates were processed on time, but there is some room for improvement. Most of the delays were minor and for valid reasons. The incorrect status update was corrected.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy will investigate in detail the 46 late updates.	30/09/2019	Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
After this investigation we will determine what changes we can make to our existing processes	30/11/2019	

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

Code reference

Clause 9 (1(k) of Schedule 11.1

Code related audit information

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

Audit observation

The process to capture and manage ANZISC codes was examined. The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files were reviewed to check ANZSIC codes, including:

- identifying and checking any ICPs with blank or unknown (T99 series) ANZSIC codes; and
- identifying and checking any ICPs with meter category 3 or higher and a domestic ANZSIC code.

I selected a sample of 15 active SELX ICPs across the six most popular ANZSIC codes, 25 active SIMP ICPs across the 11 most popular ANZSIC codes, and all SELS ICPs to confirm the validity of the codes applied.

Audit commentary

ANZSIC codes are usually checked on switch in, and T99 series ANZSIC codes are identified and corrected as discussed in **section 2.1**.

SIMP Four active SIMP ICPs have a blank ANZSIC code. All are embedded network residual load ICPs, and this is acceptable. No ICPs have T99 series or blank ANZSIC codes.

Apartment building ICP 0000508585CEF21 had meter category 3 and a domestic ANZSIC code correctly applied.

ANZSIC codes for a diverse sample of 25 ICPs were checked, and 22 were confirmed to be correct. ICPs 0450318044LC6FE, 1001150582CK7BF, and 0000003314NTA2A had incorrect ANZSIC codes applied. ICPs 0450318044LC6FE and 0000003314NTA2A were updated following investigation during the audit, and ICP 1001150582CK7BF switched out prior to the on-site audit.

The 2018 audit found that 0000170292UN556 had an incorrect ANZSIC code recorded. The ANZSIC code has been correctly updated to C141.

SELS All active SELS ICPs had correct ANZSIC codes recorded. No ICPs have T99 series ANZSIC codes.

SELX Five active SELX ICPs have a blank ANZSIC code, all are embedded network residual load ICPs, and this is acceptable. No ICPs have T99 series or blank ANZSIC codes.

ICP 0000033673EAA96 had meter category 3 and a domestic ANZSIC code. The code was incorrectly recorded and was updated to A01 during the audit.

ANZSIC codes for a diverse sample of 15 ICPs were checked, and 14 were confirmed to be correct. ICP 1001103807LC54F had become vacant since the ANZSIC code was assigned and was updated during the audit.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.6 With: Clause 9 (1(k)) of Schedule 11.1 From: 06-May-19 To: 06-May-19	*SIMP* Three ICPs temporarily had incorrect ANZSIC codes assigned. *SELX* Two ICPs temporarily had an incorrect ANZSIC code assigned. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as strong, because they are sufficient to ensure that most ANZSIC codes are recorded correctly. The audit risk rating is low, because the incorrect ANZSIC codes have been corrected and a small number of exceptions were identified.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are strong controls in place.	23/07/2019	Cleared
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	14/08/2019	

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

Code reference

Clause 9(1)(f) of Schedule 11.1

Code related audit information

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

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

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

Audit observation

The process to manage unmetered load was examined. The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files were examined to identify all active ICPs with unmetered load where:

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

Audit commentary

Any new unmetered load or changes to existing unmetered load will be identified through the validation checks described in **section 2.1**.

SIMP SIMP supplies 30 active ICPs with unmetered load recorded. All unmetered ICPs have unmetered flag set to Y and daily unmetered kWh recorded apart from SB ICPs, which correctly have unmetered kWh of zero recorded.

The distributor had provided unmetered load details in a format that enabled the daily unmetered kWh to be recalculated for 24 ICPs. For each ICP my recalculation was within ±0.02 kWh with the daily unmetered kWh populated on the registry by Simply Energy.

All ICPs with distributor unmetered load recorded also had trader unmetered load details.

SELS No active ICPs have unmetered load connected. Simply Energy intends to settle any unmetered load associated with SELS ICPs as NHH.

SELX SELX supplies five SB ICPs, which correctly have unmetered kWh of zero recorded. No SELX ICPs have distributor unmetered load details recorded.

Audit outcome

Compliant

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

Code reference

Clause 17 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The new connection process was examined in detail and is discussed in **sections 2.9**.

The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files, meter installation details reports, and event detail reports for 01/07/18 to 30/05/19 were analysed to confirm process compliance and that controls are functioning as expected.

Findings on the timeliness of status updates to "active" are recorded in **sections 3.3** and **3.5**.

Audit commentary

Simply Energy changes the status of an ICP to "active" once confirmation has been received from a contractor. The status is updated on the registry using the web interface.

Before being given an "active" status the trader is required to ensure that the ICP has only one customer, embedded generator, or direct purchaser; and that the electricity consumed is quantified by a metering installation(s) or other Authority approved method of calculation. SalesForce will not allow more than one party per ICP nor will it allow an ICP to become "active" without either a meter or a dummy meter (for unmetered load).

The accuracy of status updates to "active" were checked for each code:

SIMP

As discussed in **section 3.5**, the new connection status updates were correct apart from ICP 0009502003LNDB9, which was claimed with "active" status on 08/03/19 but should have been claimed as "inactive new connection in progress" and updated to "active" on 20/03/19. The status error was corrected after being identified during the audit.

A sample of seven reconnection updates were checked for accuracy and found to be correct.

ICP 0200110002PN4D0 is at "inactive new connection in progress" status but has an initial electrical connection date populated. Simply Energy provided confirmation from the electrician that the ICP was not connected or ready to be connected, and the status applied is correct.

SELS No status updates occurred during the period, and no ICPs are at "inactive new connection in progress" status.

SELX As discussed in **section 3.5**, all new connection status updates were checked and found to be correct.

A sample of two reconnection updates were checked and found to be correct. No ICPs are at "inactive new connection in progress" status.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.8 With: Clause 17 Schedule 11.1 From: 08-Mar-19 To: 20-Mar-19	*SIMP* 0009502003LNDB9 had an incorrect status applied and was corrected during the audit. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong. This appears to be an isolated manual processing error. The impact is low, because one ICP was affected and the records have been corrected.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are strong controls in place.	31/07/2019	Cleared
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	14/08/2019	

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

Code reference

Clause 19 Schedule 11.1

Code related audit information

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

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

Audit observation

The process to manage ICPs at "inactive" status was examined.

The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files and event detail reports for 01/07/18 to 30/05/19 were analysed to confirm process compliance and that controls are functioning as expected.

A sample of at least five ICPs at each "inactive" status (or all ICPs if less than five were available) were checked using the typical characteristics methodology.

Findings on the timeliness of status updates to "inactive" are recorded in **section 3.3**.

Audit commentary

Simply Energy supplies 38 SIMP, and five SELX ICPs which are "inactive" for reasons other than "inactive new connection in progress" or "inactive reconciled elsewhere".

Simply Energy changes the status of an ICP to "inactive" once confirmation has been received from a contractor. The status is updated on the registry using the web interface.

The 2018 audit found that disconnected ICPs do not normally receive meter readings. An end date is entered in DataHub and MADRAS when ICPs are disconnected, and an import error will be created for any reads received after disconnection. Simply Energy has modified their process, and now reviews any reads received after the end date and takes corrective action if consumption while disconnected is identified. This includes confirming whether the consumption is genuine and updating the ICP status and data stream dates if necessary. No "inactive" ICPs with consumption were identified during the audit period, but I saw evidence that readings for "inactive" sites were checked when they were received.

Simply Energy do still request that Wells stop manually reading meters once they become disconnected, but do not routinely ask the MEPs to stop reading ICPs. I note that reads are often unable to be obtained by the MEPs where the meter is disconnected.

The accuracy of status updates to "inactive" were checked for each code:

SIMP I reviewed the accuracy of dates and status reason codes for a sample of 24 disconnections. All were processed correctly apart from:

- ICP 0000033281EA605 (15/12/2018) which was disconnected at the pole fuse, but the 1,9 ("electrically disconnected due to meter disconnected") status reason was applied.
- ICP 0000006371KPD89 (10/10/18) which should have had "inactive new connection in progress" status, but the 1,10 ("electrically disconnected at meter box fuse") status reason was applied.

No ICPs have been at "inactive new connection in progress" status for more than two years. As discussed in **section 3.8**, ICP 0200110002PN4D0 is at "inactive new connection in progress" status and has an initial electrical connection date populated. The status was confirmed to be correct, because the ICP is not connected yet.

SELS No ICPs are at inactive statuses.

SELX I reviewed the accuracy of dates and status reason codes for a sample of four disconnections and confirmed that they had been applied appropriately. No ICPs are at "inactive new connection in progress" status.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.9 With: Clause 19 Schedule 11.1 From: 10-Oct-18 To: 17-Dec-18	*SIMP* Two ICPs had incorrect inactive status reason codes applied. Potential impact: Low Actual impact: None Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong. The incorrect codes were manually selected when processing the registry updates. All other information relating to the status update was processed correctly. The impact is low. The correct status code was applied, and the status reason does not affect settlement. There could have potentially been an impact on other participants if one of the ICPs had switched to another retailer who attempted to reconnect it.

Actions taken to resolve the issue	Completion date	Remedial action status
0000033281EA605 has now had the inactive reason updated.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	14/08/2019	

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

Audit observation

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

I analysed a registry lists of ICPs with "new" or "ready" status and SIMP, SELS, or SELX as the proposed trader as at 06/05/19, and reviewed processes to monitor new connections.

Audit commentary

New connections are monitored on the SalesForce dashboard, as described in **section 2.1**. Workflows are used to manage the new connections process. Open jobs are monitored, and the registry is updated as soon as paperwork is received. Late paperwork is followed up.

Simply Energy have not received any recent emails from distributors requesting information on ICPs which have been at "new" or "ready" status for more than two years. These are handled on a case by case basis as they are received.

ICPs at new or ready status were reviewed:

SIMP The registry list showed 45 ICPs at "new" status and 352 ICPs at "ready" status.

- No ICPs have been at "new" status for more than two years.
- Eight ICPs have been at "ready" status for more than two years. Three of the ICPs are no longer required and have been decommissioned. Simply Energy has not received applications for the other five ICPs and believes they may have been assigned as the proposed retailer in error.

SELS No ICPs at "new" or "ready" status were identified.

SELX No ICPs at "new" or "ready" status were identified.

I recommend that Simply Energy periodically runs a registry list to identify ICPs that have been assigned to their codes in error and advises the distributor.

Description	Recommendation	Audited party comment	Remedial action
Monitoring of new and ready ICPs	I recommend Simply Energy run a registry list six monthly with: Status: 000 or 999 Proposed trader: SIMP, SELX, SELS End date: the day the report is run and compare the results to the ICPs Simply Energy expects to be at "new" or "ready" status. Any ICPs which appear to have been assigned in error can then be checked with the distributor.	Simply Energy will implement a monthly process to review ICPs in this status of 000 or 999 from August 2019.	Identified

Audit outcome

Compliant

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

The switch gain process was examined to determine when Simply Energy deem all conditions to be met. A typical sample of five ICPs per code (or all if less than five were available) were checked to confirm that these were notified to the registry within two business days, and that the correct switch type was selected.

Audit commentary

Simply Energy's processes are compliant with the requirements of the Section 36M of the Fair Trading Act 1986. NT files are sent as soon as all pre-conditions are met, and the withdrawal process is used if the customer changes their mind.

Transfer switch type is applied where a customer is transferring between retailers at an address. This information is collected as part of the customer application process.

SIMP The five NT files checked were sent within two business days of pre-conditions being cleared, and the correct switch type was selected.

I checked the metering category for the 234 transfer switch ICPs where this information was available on the registry list, and found none had metering categories of three or above.

SELS The NT file checked was sent within two business days of pre-conditions being cleared, and the correct switch type was selected. The SELS transfer switch ICP did not have a metering category of three or above.

SELX The five NT files checked were sent within two business days of pre-conditions being cleared, and the correct switch type was selected.

I checked the metering category for the 399 transfer switch ICPs where this information was available on the registry list, and found none had metering categories of three or above.

Audit outcome

Compliant

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

Code reference

Clauses 3 and 4 Schedule 11.3

Code related audit information

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

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

When establishing an event date for clause 4, the losing trader 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 two months.

Audit observation

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify AN files issued by Simply Energy during the audit period, and:

- a sample of two ANs per response code were reviewed to determine whether the codes had been correctly applied; and
- assess compliance with the requirement to meet the setting of event dates requirement.

The switch breach report was examined for the audit period.

Audit commentary

AN timeliness

The timeliness of AN files is monitored using the switch breach report.

SIMP	The switch breach report did not record any late AN files.
SELS	No AN files were issued for transfer switches.
SELX	The switch breach report did not record any late AN files.

AN Content

The process to determine AN codes has been automated during the audit period. AD (advanced metering) is applied if an AMI meter is present, and AA (accept and acknowledge) is applied if AMI metering is not present. The CO (contracted customer) and MP (metering is pre-paid) codes do not apply for Simply Energy. I recommend Simply Energy review the hierarchy and add the MU (unmetered supply) and OC (occupied premises) codes, so that they are applied in preference to AA to ensure future compliance.

Description	Recommendation	Audited party comment	Remedial action
AN response code hierarchy	Consider adding the MU (unmetered supply) and OC (occupied premises) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.	SE will implement the MU unmetered supply code to our automated process by 30 November 2019. The OC code solution is more complex to automate and would need further investigation.	Investigating

The accuracy of AN content was checked for each code:

SIMP The correct AN codes were applied for the sample of four files checked.

The event detail report was reviewed for all 32 transfer ANs to assess compliance with the setting of event dates requirements.

- 12 (38%) had a proposed event date within five business days of the NT receipt date.
- All had proposed event dates within ten business days of the NT receipt date.

Where the proposed event date was more than five business days after the NT receipt date, Simply Energy's proposed AN date matched the gaining trader's requested date.

SELS No AN files were issued for transfer switches.

SELX The correct AN codes were applied for the sample of four files checked.

The event detail report was reviewed for all 26 transfer ANs to assess compliance with the setting of event dates requirements.

- 15 (58%) had a proposed event date within five business days of the NT receipt date.
- All had proposed event dates within ten business days of the NT receipt date.

Where the proposed event date was more than five business days after the NT receipt date, Simply Energy's proposed AN date matched the gaining trader's requested date.

Audit outcome

Compliant

Non-compliance	Description
Audit Ref: 4.2 With: Clauses 3 and 4 Schedule 11.3 From: 21-Nov-18 To: 03-May-19	*SIMP* Less than 50% of AN proposed event dates were within five business days of the NT receipt date. For all ANs which did not have dates within five business days of NT receipt, the proposed event date matched the gaining trader's requested date. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as strong and the impact is low, because Simply Energy had applied the gaining trader's requested date, and all proposed event dates were within ten business days of NT receipt.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are strong controls in place.	22/07/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Process in place and reinforced.	22/07/2019	

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

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify CS files issued by Simply Energy during the audit period.

The process to manage the sending of the CS file within five business days was examined, and the switch breach history report for the audit period was reviewed to identify late CS files.

The accuracy of the content of CS files was confirmed by checking a sample of ten files. The content checked included:

- correct identification of meter readings and correct date of last meter reading;
- accuracy of meter readings; and
- accuracy of average daily consumption.

CS files with an average daily kWh that was negative, zero, or over 200 kWh were identified. A sample of 15 of these CS files were checked to determine whether the average daily consumption was correct.

The DataHub Online help document was viewed to confirm the methodology to calculate average daily consumption.

Audit commentary

CS timeliness

Switch timeliness is monitored using the SalesForce dashboard and the switch breach report.

SIMP The switch breach report recorded four late CS files for transfer switches. Three of the late files were genuine and were caused by a miscalculation of when transfer CS files are due. Simply Energy has since checked the switching rules and confirmed the acceptable timeframes for transfer switches.

SELS No CS files were issued for transfer switches.

SELX The switch breach report did not record any late CS files for transfer switches.

CS content

CS files are created using an ETL (extract, transform, load process) from information contained in Sales Force and DataHub.

Average daily consumption is calculated in DataHub as the consumption between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. If there is insufficient history to calculate the average daily consumption using readings, it will be estimated at 55 kWh per day. These values are noted as Forward Estimate Daily kWh in Sales Force. In the switch loss process this estimated value is from Datahub is updated in SalesForce then automatically copied to the Average Daily kWh field for inclusion in the CS file.

The registry functional specification requires estimated daily kWh to be based on the average daily consumption for the last read to read period. Where the last read to read period is less than 21 days, the average daily consumption recorded will not be calculated according to the registry functional specification.

The content of CS files was checked for each code:

SIMP Analysis of the estimated daily kWh on the event detail report identified:

- 35 transfer switches with estimated daily kWh of zero;
- 16 transfer switches with estimated daily kWh of over 200 kWh; and
- No transfer switches with estimated daily kWh of less than zero.

I checked five files with zero and five with estimated daily kWh over 200 kWh. I found that the consumption appeared reasonable based on the read history but did not always reflect the consumption between the last two validated actual reads.

The accuracy of the content of CS files was confirmed by checking a sample of five transfer switches. In addition to the estimated daily consumption not always being calculated based on the last two validated actual reads, the following discrepancies were identified:

- **0110121116AP8C3 (event date 01/11/18) -** the switch event reading was estimated but was recorded as actual in the CS file;
- **0002623580WF5CE (event date 25/02/19) -** the switch event reading was taken from a rounded actual reading at 23.59.59 on 24/02/19 but was recorded as an estimate; and

- **0005930661WED77 (event date 01/04/19) -** the switch event reading was taken from a rounded actual reading at 23.59.59 on 31/03/19 but was recorded as an estimate.

SELS No CS files were issued for transfer switches.

SELX Analysis of the estimated daily kWh on the event detail report identified:

- two transfer switches with estimated daily kWh of zero;
- three transfer switches with estimated daily kWh of over 200 kWh; and
- no transfer switches with estimated daily kWh of less than zero.

I checked the two files with zero and three with estimated daily kWh over 200 kWh. I found that the consumption appeared reasonable based on the read history but did not always reflect the consumption between the last two validated actual reads.

The accuracy of the content of CS files was confirmed by checking a sample of five transfer switches. In addition to the estimated daily consumption not always being calculated based on the last two validated actual reads, the following discrepancies were identified:

- **0001112512PCAD9 (event date 30/01/19) -** the last actual read date was recorded as 29/01/19 but should have been 28/01/19;
- **0001750430PC7BF (event date 15/08/18) -** the last actual read date was recorded as 13/08/18 but should have been 14/08/18; and
- **1001157605CK85C (event date 21/12/18) -** the last actual read date was recorded as 12/12/18 but should have been 20/12/18.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.3 With: Clause 5 Schedule 11.3 From: 01-Jul-18 To: 23-Jul-19	*SIMP* • Three late CS files for transfer switches. • Three transfer CS files with incorrect switch event read types. • Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification. *SELX* • Three transfer CS files with incorrect last actual read dates. • Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification. Potential impact: Low Actual impact: Low Audit history: Once Controls: Weak Breach risk rating: 3

Audit risk rating	Rationale for audit risk rating
Low	Controls are rated as weak, because some file content was incorrect and the process to calculate estimated daily consumption is not consistent with the registry functional specification where the last two validated readings are less than 21 days apart. The audit risk rating is low, and the incorrect data has a low impact. The average daily consumption appeared reasonable. There is no impact on settlement and a minor impact on other participants.

Actions taken to resolve the issue	Completion date	Remedial action status
A new process was implemented in Dec 18, with an error in details which led to this issue occurring. The process was resolved July 19.	22/07/2019	Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Enhancements to support the reporting of the average daily consumption to be based on the last two actual reads will be investigated.	30/11/2019	

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 2 validated meter readings.

- *the losing trader can choose not to accept the reading however must advise the gaining trader no later than 5 business days after receiving the switch event meter reading from the gaining trader (clause 6A(a)); or*
- *if the losing trader notifies its acceptance or does not provide any response, the losing trader must use the switch event meter reading supplied by the gaining trader. (clause 6A(b)).*

Audit observation

The process for the management of read requests was examined.

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify all read change requests and acknowledgements during the audit period.

The content of a diverse sample of ten RR files and all AC files were examined.

I also checked a sample of ten estimated CS readings provided by other traders where no RR was issued to determine whether the correct readings were recorded in DataHub.

The switch breach report was reviewed to identify late RR and AC files.

Audit commentary

Timeliness of RR and AC files

Read changes are tracked using the SalesForce dashboard.

SIMP The switch breach report recorded one late RR file and no late AC files for transfer switches. The RR file was delayed while Simply Energy obtained actual readings to support the RR file. While the file was technically late, Simply Energy is compliant with the requirement to provide complete and accurate information.

SELS No RR or AC files were issued during the period.

SELX The switch breach report did not record any late RR or AC files for transfer switches.

Content of RR and AC files

In cases where Simply Energy is the gaining trader and they dispute the switch meter reading because the validated meter reading or permanent estimate provided by the losing trader differs by 200 kWh or more, they attempt to negotiate a changed switch meter reading which is supported by validated meter readings.

Advanced meters which have switched in on an estimate reading are checked against AMI data to determine whether a read change is required, as discussed in **section 2.1**. Other read changes are identified through the read validation processes discussed in **section 9.5**.

Read changes are processed manually, and DataHub is manually updated to ensure that it reflects the outcome of the read renegotiation process.

SIMP 19 RR files were issued for transfer switches; 15 were accepted and four were rejected. A sample of four files were checked, including the rejected requests. There was a genuine reason for the RRs, and they were supported by at least two validated readings. DataHub reflected the outcome of the read renegotiation process for all ICPs. One AC was issued for a transfer switch and accepted the other trader's request. I confirmed that the correct reading was recorded in DataHub.

Review of five transfer CS files with estimated reads where no RR was issued, confirmed that the correct readings were recorded in DataHub.

SELS No RR or AC files were issued during the period, and no CS files were received during the period.

SELX Four RR files were issued for transfer switches; two were accepted when first issued and one was accepted on reissue with different readings. All files were checked, and I found there was a genuine reason for the RRs, they were supported by at least two validated

readings, and the reads recorded in Simply Energy's system reflected the outcome of the RR process.

No AC files were issued for transfer switches.

Review of five transfer CS files with estimated reads where no RR was issued confirmed that the correct readings were recorded in DataHub.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.4 With: Clause 6(1) and 6A Schedule 11.3 From: 14-Nov-18 To: 14-Mar-19	*SIMP* • One late RR file for a transfer switch. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong as they are sufficient to mitigate the risk of non-compliance most of the time. The impact is assessed to be low, based on the small number of exceptions identified.

Actions taken to resolve the issue	Completion date	Remedial action status
The reads were reflected accurately in Madras for reconciliation but due to the small volume difference we chose not to re invoice.	14/07/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Simply Energy are focusing on obtaining reads promptly. With time this will reduce the late RR files.	14/08/2019	

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

Code reference

Clause 6(2) and (3) Schedule 11.3

Code related audit information

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

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

Audit observation

The process for the management of read requests was examined.

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify all read change requests and acknowledgements during the audit period where Clause 6(2) and (3) of Schedule 11.3 applied.

Audit commentary

Simply Energy is aware of the requirements of Clause 6(2) and (3) of Schedule 11.3.

SIMP	Clause 6(2) and (3) of schedule 11.3 did not apply for any of the read change requests issued or received.
SELS	No RR or AC files were issued during the period.
SELX	Clause 6(2) and (3) of schedule 11.3 did not apply for any of the read change requests issued or received.

Audit outcome

Compliant

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

Code reference

Clause 7 Schedule 11.3

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 9 Schedule 11.3

Code related audit information

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

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

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

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

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

Audit observation

The switch gain process was examined to determine when Simply Energy deem all conditions to be met. A typical sample of five ICPs per code were checked to confirm that these were notified to the registry within two business days, and that the correct switch type was selected.

Audit commentary

Simply Energy's processes are compliant with the requirements of the Section 36M of the Fair Trading Act 1986. NT files are sent as soon as all pre-conditions are met, and the withdrawal process is used if the customer changes their mind.

Switch move is applied where a new customer is moving into an address. This information is collected as part of the customer application process.

SIMP The five NT files checked were sent within two business days of pre-conditions being cleared, and the correct switch type was selected.

I checked the metering category for the 316 switch move ICPs where this information was available on the registry list, and found none had metering categories of three or above.

SELS The five NT files checked were sent within two business days of pre-conditions being cleared. The correct switch type was not selected for the five NTs. The customers were not moving into the address, but switch move was selected to allow a back dated switch between SIMP and SELS to occur without causing non-compliance for SIMP when the switch was completed.

None of the SELS switch move ICPs had a metering category of three or above.

SELX The five NT files checked were sent within two business days of pre-conditions being cleared. The correct switch type was not selected for four of the five NTs. The customers were not moving into the address, but switch move was selected to allow a back dated switch between SIMP and SELX to occur without causing non-compliance for SIMP when the switch was completed.

I checked the metering category for the 339 switch move ICPs where this information was available on the registry list, and found none had metering categories of three or above.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.7 With: Clause 9 Schedule 11.3 From: 20-Feb-19 To: 04-Jun-19	*SELS* Five NTs had an incorrect switch type applied. *SELX* Four NTs had an incorrect switch type applied. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong and the impact as low. The affected ICPs belonged to family and friends of the Simply Energy team and were moving between Simply Energy's codes. There was no impact on the customer or other participants, and Simply Energy applied the switch type to enable a backdated switch without breaching other switching rules.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are strong controls in place.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	14/08/2019	

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:*
  - *confirmation of the switch event date; and*
  - *a valid switch response code; and*
  - *final information as required under clause 11; or*
- *10(1)(b) If the losing trader does not accept the event date proposed by the gaining trader, the losing trader must acknowledge the switch request to the registry manager and determine a different event date that—*
  - *is not earlier than the gaining trader's proposed event date, and*

- *is no later than 10 business days after the date the losing trader receives notice; or*

- *10(1)(c) request that the switch be withdrawn in accordance with clause 17.*

Audit observation

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify AN files issued by Simply Energy during the audit period, and:

- a sample of two ANs per response code were reviewed to determine whether the codes had been correctly applied; and
- assess compliance with the requirement to meet the setting of event dates requirement.

The switch breach report was examined for the audit period.

Audit commentary

AN timeliness

The timeliness of AN files is monitored using the switch breach report.

SIMP The switch breach report did not record any late AN files.

SELS No AN files were issued for transfer switches.

SELX The switch breach report did not record any late AN files.

AN Content

As discussed in **section 4.2**, the process to determine AN codes has been automated during the audit period, and I recommend Simply Energy review the hierarchy and add the MU (unmetered supply) and OC (occupied premises) codes to their hierarchy.

The accuracy of AN content was checked for each code:

SIMP The correct AN codes were applied for the sample of four files checked.

The event detail report was reviewed for all 30 switch move ANs to assess compliance with the setting of event dates requirements.

- All ANs had proposed event dates within ten business days of the NT receipt date.
- No ANs has a proposed event date before the gaining trader's requested date.

SELS No AN files were issued for transfer switches.

SELX The correct AN codes were applied for four of the five files checked. ICP 0042250435PC6C4 had the OC (occupied premises) code applied but was not occupied and AD (advanced metering) should have been used. This is recorded as non-compliance below.

The event detail report was reviewed for all 25 switch move ANs to assess compliance with the setting of event dates requirements.

- All ANs had proposed event dates within ten business days of the NT receipt date.
- No ANs has a proposed event date before the gaining trader's requested date.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.8 With: Clause 10(1) Schedule 11.3 From: 06-Jul-18 To: 06-Jul-18	*SELX* An incorrect AN response code was provided for one ICP. OC was applied instead of AD. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong. The issue occurred early in the audit period and the application of AN codes is now automated. The impact is assessed to be low because only one incorrect AN code was identified.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are strong controls in place.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	31/01/2020	

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

Event detail reports for 01/07/18 to 30/05/19 were reviewed to assess compliance.

Audit commentary

Event dates and switch completion were reviewed for each code:

SIMP Analysis found all switch move ANs had a valid switch response code, and event dates were compliant. Switches were completed as required by this clause.

SELS No AN or CS files were issued for switch moves.

SELX Analysis found all switch move ANs had a valid switch response code, and event dates were compliant. Switches were completed as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 11 Schedule 11.3

Code related audit information

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

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

Audit observation

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify CS files issued by Simply Energy during the audit period.

The process to manage the sending of the CS file within five business days was examined, and the switch breach history report for the audit period was reviewed to identify late CS files.

The accuracy of the content of CS files was confirmed by checking a sample of ten files. The content checked included:

- correct identification of meter readings and correct date of last meter reading;
- accuracy of meter readings; and
- accuracy of average daily consumption.

CS files with an average daily kWh that was negative, zero, or over 200 kWh were identified. A sample of 15 of these CS files were checked to determine whether the average daily consumption was correct.

The DataHub Online help document was viewed to confirm the methodology to calculate average daily consumption.

Audit commentary

CS timeliness

Switch timeliness is monitored using the SalesForce dashboard and the switch breach report.

SIMP The switch breach report recorded 11 late CS files for switch moves. Seven of the late files were genuine and were caused by a miscalculation of when switch move CS files are due. Simply Energy has since checked the switching rules and confirmed the acceptable timeframes for switch moves.

SELS No CS files were issued for switch moves.

SELX The switch breach report recorded four late CS files for switch moves. Three of the late files were genuine and were caused by a miscalculation of when switch move CS files are due.

CS content

CS files are created using an ETL (extract, transform, load process) from information contained in Sales Force and DataHub.

As discussed in **section 4.3**, the registry functional specification requires estimated daily kWh to be based on the average daily consumption for the last read to read period. Average daily consumption is calculated in DataHub as the consumption between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. If there is insufficient history to calculate the average daily consumption using readings, it will be estimated at 55 kWh per day. Where the last read to read period is less than 21 days, the average daily consumption recorded will not be calculated according to the registry functional specification.

The content of CS files was checked for each code:

SIMP Analysis of the estimated daily kWh on the event detail report identified:

- eight switch moves with estimated daily kWh of zero;
- 78 switch moves with estimated daily kWh of over 200 kWh; and
- no switch moves with estimated daily kWh of less than zero.

I checked five files with zero and five with estimated daily kWh over 200 kWh. I found that the consumption appeared reasonable based on the read history but did not always reflect the consumption between the last two validated actual reads.

The accuracy of the content of CS files was confirmed by checking a sample of five switch moves. In addition to the estimated daily consumption not always being calculated based on the last two validated actual reads, the following discrepancies were identified:

- **0104090032TCCD6 (event date 01/10/18) -** the last actual read date was recorded as 30/09/18 but should have been 29/09/18;
- **0110111550PSC9E (event date 25/03/19) -** the last actual read date was recorded as 24/03/19 but should have been 12/02/19;
- **0110200016AP51E (event date 28/11/18) -** the switch event read is recorded as an actual reading of zero, but this is the install read from 23/11/18, a read was not obtained so consumption for the ICP was unknown, and the read type should have been recorded as estimate; and
- **0110200047AP153 (event date 17/11/18) -** the last actual read date was recorded as 16/01/18 but should have been 16/11/18.

SELS No CS files were issued for transfer switches.

SELX Analysis of the estimated daily kWh on the event detail report identified:

- eight switch moves with estimated daily kWh of zero; and
- no switch moves with estimated daily kWh of over 200 kWh, or less than zero.

I checked five files with zero and found that the estimated daily consumption was correctly recorded.

The accuracy of the content of CS files was confirmed by checking a sample of five switch moves. In addition to the estimated daily consumption not always being calculated based on the last two validated actual reads, the following discrepancies were identified:

- **0084061200PCBC3 (event date 23/02/19) -** the switch event reading was an actual reading at 23.59.59 on 22/02/19 but was recorded as an estimate; and
- **0001036089PC5CE (event date 26/04/19) -** the last actual read date was recorded as 05/09/18 but should have been 04/09/18, and the switch event reading was recorded as an actual reading but should have been an estimate.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.10 With: Clause 11 Schedule 11.3 From: 01-Jul-18 To: 23-Jul-19	*SIMP* • Seven late CS files for switch moves. • Three switch move CS files with incorrect last actual read dates. • One switch move CS files with an incorrect switch event read type. • Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification. *SELX* • Three late CS files for switch moves. • Two switch move CS files with incorrect last actual read dates. • One switch move CS files with an incorrect switch event read type. • Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as weak, because some file content was incorrect and the process to calculate estimated daily consumption is not consistent with the registry functional specification where the last two validated readings are less than 21 days apart. The audit risk rating is low, and the incorrect data has a low impact. The average daily consumption appeared reasonable. There is no impact on settlement and a minor impact on other participants.

Actions taken to resolve the issue	Completion date	Remedial action status
A new process was implemented in Dec 18, with an error in details which led to this issue occuring. The process was resolved July 19.	15/07/2019	Investigating

Preventative actions taken to ensure no further issues will occur	Completion date	
Enhancements to support the reporting of the average daily consumption to be based on the last two actual reads will be investigated.	30/11/2019	

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

Code reference

Clause 12 Schedule 11.3

Code related audit information

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

- *if the switch meter reading established by the gaining trader differs by less than 200 kWh from that provided by the losing trader, both traders must use the switch event meter reading provided by the gaining trader (clause 12(2)(a)); or*
- *if the switch event meter reading provided by the losing trader differs by 200 kWh or more from a value established by the gaining trader, the gaining trader may dispute the switch meter reading. In this case, the gaining trader, within 4 calendar months of the 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

The process for the management of read requests was examined.

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify all read change requests and acknowledgements during the audit period.

The content of a diverse sample of ten RR files and all AC files were examined.

I also checked a sample of ten estimated CS readings provided by other traders where no RR was issued to determine whether the correct readings were recorded in DataHub.

The switch breach report was reviewed to identify late RR and AC files.

Audit commentary

Timeliness of RR and AC files

Read changes are tracked using the SalesForce dashboard.

SIMP The switch breach report recorded ten late RR files and no late AC files for switch moves. Four of the RR files were genuinely late because of the time taken for Simply Energy to obtain actual readings to support the RR file. While the files were technically late, Simply Energy is compliant with the requirement to provide complete and accurate information.

SELS No RR or AC files were issued during the period.

SELX The switch breach report recorded one late RR file and no late AC files for switch moves. The RR file was delayed while Simply Energy obtained actual readings to support the RR file.

Content of RR and AC files

As discussed in **section 4.3**, in cases where Simply Energy is the gaining trader and they dispute the switch meter reading because the validated meter reading or permanent estimate provided by the losing trader differs by 200 kWh or more, they attempt to negotiate a changed switch meter reading which is supported by validated meter readings.

Read changes are processed manually, and DataHub is manually updated to ensure that it reflects the outcome of the read renegotiation process.

SIMP 33 RR files were issued for switch moves; 26 were accepted and seven were rejected. A sample of five rejected files were checked and found there was a genuine reason for the RRs, and the reads recorded in DataHub reflected the outcome of the RR process.

One RR was not supported by two actual readings. ICP 0406084890LCD75 (event date 21/10/18) was supported by a meter removal read only. This is recorded as non-compliance below.

18 AC files were issued for switch moves; 15 were acceptances and three were rejections. The switch was subsequently withdrawn for one of the rejected read changes. A sample of five files were checked including the rejected files, and I confirmed that DataHub reflected the correct outcome of the RR process.

Review of five switch move CS files with estimated reads where no RR was issued confirmed that the correct readings were recorded in Simply Energy's systems.

SELS No RR or AC files were issued during the period, and no CS files were received.

SELX Eleven RR files were issued for switch moves; all were accepted. A sample of five files were checked and found there was a genuine reason for the RRs, they were supported by at least two validated readings, and the reads recorded in DataHub reflected the outcome of the RR process.

Two AC files were issued for transfer switches, both were acceptances. I confirmed that Simply Energy's system reflected the correct outcome of the RR process for one RR, but for ICP 0084384402PCBA9 (event date 12/12/18) one reading was recorded incorrectly. Because the reading resulted in negative consumption it was not validated, and was not applied.

Meter	DataHub reading	Agreed reading	Difference (kWh)
05A03841	8224	8222	-2
05A03845	35549	35549	-0
05A03846	27040	27040	0
05A03847	57873	57873	0

Review of five switch move CS files with estimated reads where no RR was issued confirmed that the correct readings were recorded in DataHub.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.11 With: Clause 6(1) and 6A Schedule 11.3 From: 09-Oct-18 To: 12-Apr-19	*SIMP* • Four late switch move RR files. • One switch move RR was not supported by two validated actual readings. *SELX* • One late switch move RR file. • For one ICP, the readings in DataHub did not reflect the outcome of the RR process. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate as they are sufficient to mitigate the risk of non-compliance most of the time. The impact is assessed to be low, based on the small number of exceptions identified. The impact of the incorrectly recorded reading is 2 kWh.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy is aware that the controls are noted as moderate but believes it has the controls in place currently to capture the majority of issues. The difference in volume on the one SELX ICP was 2 kWh which was also below the original switch read, as it was so low we chose not to dispute original switch read and therefore the difference was not invoiced nor reconciled.	14/08/2019	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
We are comfortable with the current controls in place.	14/08/2019	

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 anon-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 three 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

The switch gain process was examined to determine when Simply Energy deem all conditions to be met. A typical sample of five ICPs per code (or all if less than five were available) were checked to confirm that these were notified to the registry within three business days, and that the correct switch type was selected.

Audit commentary

Simply Energy's processes are compliant with the requirements of the Section 36M of the Fair Trading Act 1986. The withdrawal process is used if the customer changes their mind.

SIMP Four of the five NT files checked were sent within three business days of pre-conditions being cleared, all five files had the correct switch type selected.

The NT for ICP 0000014104KP43D was issued 26 business days after pre-conditions were cleared. The original NT failed to be updated on the registry, and the issue was not detected through the manual review of registry acknowledgement files described in **section 2.1**.

SELS No HH NT files were sent.

SELX The five NT files checked were sent within three business days of pre-conditions being cleared, and the correct switch type was selected.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.12 With: Clause 14 Schedule 11.3 From: 18-Jun-18 To: 24-Jul-18	*SIMP* One HH NT was issued 26 business days after pre-conditions were cleared. The initial registry update failed, and the file was resent. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate, the file was sent to the registry on time but was not updated, and the failure was not identified promptly through Simply Energy's monitoring processes. The impact is assessed to be low because only one late file was identified.

Actions taken to resolve the issue	Completion date	Remedial action status
Process in place and reinforced.	22/7/2019	Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Investigating automation of the Registry Acknowledgement files.	30/11/2019	

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

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify AN files issued by Simply Energy during the audit period. All AN codes were reviewed to determine whether the codes had been correctly applied.

The switch breach detail reports were examined for the audit period.

Audit commentary

AN timeliness

SIMP	The switch breach report did not record any late AN files.
SELS	No AN files were issued for HH switches.
SELX	The switch breach report did not record any late AN files.

AN Content

SIMP	AN response codes were checked for all 32 HH switches. ICP 0004560030TCE0C had the AD (advanced metering) response code applied but does not have AMI metering installed and was not expected to undergo a meter change. This is recorded as non-compliance below. Simply Energy has since updated their AN response codes to be applied automatically to prevent recurrence of this issue.
SELS	No AN files were issued for HH switches.
SELX	No AN files were issued for HH switches.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.13 With: Clause 15 Schedule 11.3 From: 14-Sep-18 To: 14-Sep-18	*SIMP* One HH AN contained the AD (advanced metering) code but should have contained the AA (accept and acknowledge code). Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong. The issue occurred early in the audit period and the application of AN codes is now automated. The impact is assessed to be low because only one incorrect AN code was identified.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are strong controls in place.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	14/08/2019	

4.14. Gaining trader to advise the registry manager - gaining trader switch (Clause 16 Schedule 11.3)

Code reference

Clause 16 Schedule 11.3

Code related audit information

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

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

> *16(a)- give the losing trader or MEP for the ICP an opportunity to interrogate the metering installation immediately before the ICP is electrically disconnected or the metering equipment is removed; or*
>
> *16(b)- carry out an interrogation and, no later than five business days after the metering installation is electrically disconnected or removed, advise the losing trader of the results and metering component numbers for each data channel in the metering installation.*

Audit observation

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify HH CS files issued by Simply Energy during the audit period. All HH CS files were reviewed.

The switch breach detail reports were examined for the audit period.

Audit commentary

CS timeliness

HH switches are monitored using the SalesForce dashboard each day, and CS files are sent once the AN has been received from the losing trader.

SIMP	The switch breach report did not record any late CS files for HH switches.
SELS	No CS files were issued for HH switches.
SELX	The switch breach report did not record any late CS files for HH switches.

CS Content

SIMP	Six HH CS files were issued, and the content was correct.
SELS	No CS files were issued for HH switches.
SELX	Eight HH CS files were issued, and the content was correct.

Audit outcome

Compliant

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

Code reference

Clauses 17 and 18 Schedule 11.3

Code related audit information

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

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

- *for each ICP, the trader withdrawing the switch request must provide the registry manager with (clause 18(c)):*
  - *the participant identifier of the trader making the withdrawal request (clause 18(c)(i)); and*
  - *the withdrawal advisory code published by the Authority (clause 18(c)(ii))*
- *within five 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 two business days after receiving notice from the registry manager in accordance with clause 22(b), the losing trader must comply*

with clauses 3,5,10 and 11 (whichever is appropriate) and the gaining trader must comply with clause 16 (clause 18(f))

Audit observation

The switch withdrawal process was examined.

Event detail reports for 01/07/18 to 30/05/19 were reviewed to:

- identify all switch withdrawal requests issued by Simply Energy; the content of a sample of at least two NWs per withdrawal code (or all if less than two were available) and participant code were checked, including 11 rejected files.
- identify all switch withdrawal acknowledgements issued by Simply Energy; a sample of five (or all) rejections were checked for each participant code.
- confirm timeliness of switch requests, as this is not currently being identified in the switch breach report.

The switch breach reports were checked for any late NW or AW files.

Audit commentary

NW and AW timeliness

SIMP Ten of the 136 NWs were issued more than two calendar months after the event date. I found that the files were delayed while Simply Energy confirmed that the withdrawal was required. In two cases where an ICP had switched in more than once, the earlier switch event date was withdrawn in error, and the switches were reinstated.

The switch breach report did not record any late NW or AW files.

SELS No NWs were issued by SELS.

One AW was issued within five business days of an NW being issued by another trader and was accepted.

SELX Two of the 61 NWs were issued more than two calendar months after the event date. I found that one file was delayed while Simply Energy confirmed that the withdrawal was required, and the other was delayed because the wrong retailer code was used to request the switch and a backdated withdrawal was required.

The switch breach report did not record any late NW or AW files.

NW and AW content

SIMP The content of 15 NW files was checked, and in all cases, the withdrawal reasons provided by Simply Energy were accurate.

Nine of the 140 AW files issued were rejections. I reviewed a sample of five rejections and found they were validly rejected.

SELS No NWs were issued by SELS.

One AW was issued within five business days of an NW being issued by another trader and was accepted.

SELX The content of 15 NW files was checked, and in all cases, the withdrawal reasons provided by Simply Energy were accurate.

11 of the 189 AW files issued were rejections. I reviewed a sample of five rejections and found they were validly rejected.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.15 With: Clauses 17 and 18 Schedule 11.3 From: 03-Sep-18 To: 15-May-19	*SIMP* Ten late NW files. *SELX* Two late NW files. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are strong. The sample of late NWs checked found that in most cases the delay was due to an investigation being completed prior to issuing the withdrawal request. Further training has been provided to prevent invalidly issued for earlier switch events. The impact is assessed to be low because a small proportion of NWs were issued late.

Actions taken to resolve the issue	Completion date	Remedial action status
Process has been updated to question any withdrawals requested prior to 60 days old.	22/07/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	14/08/2019	

4.16. Metering information (Clause 21 Schedule 11.3)

Code reference

Clause 21 Schedule 11.3

Code related audit information

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

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

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

Audit observation

The meter reading process in relation to meter reads for switching purposes was examined.

Audit commentary

The reads applied in switching files were examined in **section 4.3** for standard switches, **section 4.10** for switch moves, and **sections 4.4** and **4.11** for read changes. The meter readings used in the switching process are validated meter readings or permanent estimates.

Simply Energy's policy regarding the management of meter reading expenses is compliant for all codes.

Audit outcome

Compliant

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

Code reference

Clause 11.15AA to 11.15AB

Code related audit information

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

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

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

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

Audit observation

The Electricity Registry switch save protected retailer list was examined, and confirmed that none of the Simply Energy codes are save protected.

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

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify any withdrawn switches with a CX code applied prior to the switch completion date, where the other retailer was switch save protected.

Audit commentary

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

SIMP No NWs were issued with a CX withdrawal reason code prior to completion of the switch.

SELS No NWs were issued.

SELX No NWs were issued with a CX withdrawal reason code prior to completion of the switch.

Audit outcome

Compliant

5. MAINTENANCE OF UNMETERED LOAD

5.1. Maintaining shared unmetered load (Clause 11.14)

Code reference

Clause 11.14

Code related audit information

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

> *11.14(2) - The distributor must give written notice to the traders responsible for the ICPs across which the unmetered load is shared, of the ICP identifiers of the ICPs.*
>
> *11.14(3) - A trader who receives such a notification from a distributor must give written notice to the distributor if it wishes to add or omit any ICP from the ICPs across which unmetered load is to be shared.*
>
> *11.14(4) - A distributor who receives such a notification of changes from the trader under (3) must give written notice to the registry manager and each trader responsible for any of the ICPs across which the unmetered load is shared.*
>
> *11.14(5) - If a distributor becomes aware of any change to the capacity of a shared unmetered load ICP or if a shared unmetered load ICP is decommissioned, it must give written notice to all traders affected by that change as soon as practicable after that change or decommissioning.*
>
> *11.14(6) - Each trader who receives such a notification must, as soon as practicable after receiving the notification, adjust the unmetered load information for each ICP in the list for which it is responsible to ensure that the entire shared unmetered load is shared equally across each ICP.*
>
> *11.14(7) - A trader must take responsibility for shared unmetered load assigned to an ICP for which the trader becomes responsible as a result of a switch in accordance with Part 11.*
>
> *11.14(8) - A trader must not relinquish responsibility for shared unmetered load assigned to an ICP if there would then be no ICPs left across which that load could be shared.*
>
> *11.14(9) - A trader can change the status of an ICP across which the unmetered load is shared to inactive status, as referred to in clause 19 of Schedule 11.1. In that case, the trader is not required to give written notice to the distributor of the change. The amount of electricity attributable to that ICP becomes UFE.*

Audit observation

The process to identify and monitor unmetered load was discussed.

The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files were examined to identify all active ICPs with shared unmetered load. I checked the accuracy of the unmetered daily kWh.

Audit commentary

Any new unmetered load will be identified through the validation checks described in **section 2.1**.

SIMP	One ICP with shared unmetered load is supplied, and I confirmed that the daily unmetered kWh was consistent with the distributor's unmetered load details.
SELS	No ICPs with shared unmetered load are currently supplied.
SELX	No ICPs with shared unmetered load are currently supplied.

Audit outcome

Compliant

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

Code reference

Clause 10.14 (2)(b)

Code related audit information

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

Audit observation

The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files were examined to identify all active ICPs with unmetered load over 3,000 kWh per annum.

Audit commentary

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

SIMP	SIMP supplies 30 active ICPs with unmetered load recorded. None have unmetered load over 3,000 kWh per annum.
SELS	No ICPs with unmetered load are currently supplied.
SELX	SELX supplies five unmetered SB ICPs. No ICPs have unmetered load over 3,000 kWh per annum.

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:*
    - *the date the limit was calculated or estimated to have been exceeded*
    - *the details of the corrective measures that the retailer proposes to take or is taking to reduce the unmetered load.*

Audit observation

The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files were examined to identify all active ICPs with unmetered load over 3,000 kWh per annum.

Audit commentary

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

SIMP	SIMP supplies 30 active ICPs with unmetered load recorded. None have unmetered load over 3,000 kWh per annum.
SELS	No ICPs with unmetered load are currently supplied.
SELX	SELX supplies five unmetered SB ICPs. No ICPs have unmetered load over 3,000 kWh per annum.

Audit outcome

Compliant

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

Code reference

Clause 11 Schedule 15.3, Clause 15.37B

Code related audit information

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

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

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

Audit observation

Processes for distributed unmetered load were discussed.

Audit commentary

Simply Energy does not supply any distributed unmetered load.

Simply Energy is aware of the requirements for DUML, including tracking of load changes as discussed in the Authority's memo dated 18/06/19. If any DUML load switches in, they intend to settle the load as NHH.

Audit outcome

Compliant

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

Processes to ensure metering is installed and unmetered load is quantified were examined.

The process to manage distributed generation was examined. The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files were examined to identify all ICPs where the Distributor has indicated distributed generation. This was further broken down to identify any ICPs with a non-distributed generation profile. The metering configuration for these ICPs was analysed to confirm if an injection channel was present and therefore distributed generation is present.

Processes for bridged meters were reviewed.

Audit commentary

Metering installations installed

Simply Energy's new connection process includes a check that metering is installed before energisation occurs, and that any unmetered load is quantified. Subtraction is not used to determine submission information.

SIMP Four active SIMP ICPs have no metering or unmetered load details recorded. In all cases the ICPs are metered and SIMP's MEP nomination had been accepted, but the MEP had not updated the registry.

SELS All active SELS ICPs have metering details recorded.

SELX All active SELX ICPs have metering or unmetered load details recorded.

Generation

As discussed in **section 2.1**, a monthly report is run to check ICPs with an installation type of B or G. The ICPs are checked to determine whether generation is present, compliant metering is installed, and profiles are correct.

SIMP Review of the registry list identified 24 active ICPs which had generation capacity recorded.

As found in the 2018 audit, ICP 0000518204NR36D does not have generation metering recorded on the registry but the distributor had recorded generation. Northpower confirmed that because the load taken from the grid exceeds the generation it is not expected that any excess generation would be injected into the network, and an injection register will not be installed. Simply Energy intends to provide notification to the reconciliation manager that gifting will occur for this ICP, to ensure that compliance is achieved in the unlikely event that any generation is injected into the network. The delay in providing notification to the reconciliation manager is not recorded as non-compliance, because to the best of our knowledge, no generation has been gifted to date.

All other ICPs with generation indicated have compliant metering installed, and compliant profiles recorded.

The issues raised in the 2018 audit relating to ICPs 0000046001TC684, 0000096001TCAD5, 0000100001NR87B, and 0006679048RN8AB have been cleared. The first three ICPs now have generation metering installed, and distributor generation details have been removed for 0006679048RN8AB.

SELS SELS has no active ICPs with generation capacity recorded.

SELX Review of the registry list identified 24 active ICPs which had generation capacity.

ICP 0001173611PC6E2 has generation recorded on the registry by the distributor but does not have generation metering or a generation profile recorded. Simply Energy is awaiting confirmation of whether generation is present from the customer and will take action as required once this is received.

All other ICPs with generation indicated have compliant metering installed, and compliant profiles recorded.

Bridged meters

Bridging of meters is against Simply Energy's policies, and no bridging occurred during the audit period.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

- *provide to the grid owner a copy of the metering installation design (before ordering the equipment)*

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

The participant responsible for the metering installation must:

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

Audit observation

The NSP table was reviewed to confirm whether SIMP, SELS, or SELX are responsible for any GIPs.

Audit commentary

Examination of the NSP table found that SIMP, SELS, or SELX are not responsible for any GIPs.

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

Audit observation

The SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files were examined to confirm the profiles used.

The registry list was matched with the meter installation details report, to confirm whether AMI or HHR metering was present or control devices (if present) were certified if required by the profile.

Audit commentary

SIMP	SIMP uses Authority profiles DFP, HHR, RPS, UML and PV1, and non-standard profiles T07 and T23. ICPs with the T07 and T23 profiles require HHR or AMI metering, or a certified control device. All seven ICPs with these profiles have fully certified HHR metering.
SELS	All SELS ICPs have the HHR profile, and do not require a certified control device.
SELX	SIMP uses Authority profiles DFP, HHR, RPS, UML and PV1, and non-standard profiles SFI and SBL. None of the profiles require a certified control device.

Audit outcome

Compliant

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

Code reference

Clause 10.43(2) and (3)

Code related audit information

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

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

Audit observation

Processes relating to defective metering were examined.

Audit commentary

Defective meters are typically identified through the meter reading validation process, or from information provided by the meter reader, agent, the MEP, or the customer. Upon identifying a possible defective meter, a field services job is raised to investigate and resolve the defect and a consumption correction is processed if necessary.

No examples of stopped or faulty meters were identified during the audit period. I reviewed Simply Energy's validation processes in **sections 9.5** and **9.6**, and found they are sufficient to detect potential stopped and faulty meters.

Corrections are discussed in **sections 8.1** and **8.2**.

Audit outcome

Compliant

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

Code reference

Clause 2 Schedule 15.2

Code related audit information

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

> *2(2) - The reconciliation participant must collect raw meter data used to determine volume information from the services interface or the metering installation or from the MEP.*
>
> *2(3) - The reconciliation participant must ensure the interrogation cycle is such that is 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

The data collection process was examined in **section 2.3.**

Data collection and clock synchronisation processes were reviewed as part of the agent and MEP audits. Agents and MEPs are to advise Simply Energy of clock synchronisation discrepancies and adjustments.

Audit commentary

Information used to determine volume information is provided to Simply Energy by MEPs and agents, and compliance has been demonstrated as part of their MEP and agent audits.

Agents monitor clock synchronisation, and this is covered as part of their audits. Non-compliance is recorded in EDMI's agent audit relating to manual downloads for FCLM meters read using MV90. FCLM does not usually provide a screen shot confirming time differences for meters manually read using MV90, therefore EDMI is unable compare the system time to the meter time as required by this clause.

Arc, AMS, Smartco, Metrix, WEL Networks and FCLM all provide clock synchronisation events either as part of their meter event logs, or as a separate email when events occur. I viewed examples for AMS, Smartco, Metrix, and WEL Networks and noted that no action was required. No examples were available for Arc or FCLM during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.5 With: Clause 2 Schedule 15.2 From: 01-Jun-18 To: 29-May-19	FCLM does not usually provide a screen shot confirming time differences for meters which are manually read using MV90. If this information is not provided, EDMI is unable compare the system time to the meter time. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong and the impact as low, because the issue only affects manual downloads for FCLM meters

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy is working with FCLM to understand what changes need to be made to show compliance.	30 September 2019	Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
There is nothing further to add here.	26 August 2019	

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

Code reference

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

Code related audit information

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

All validated meter readings must be derived from meter readings.

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

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

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

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

Audit observation

The data collection process was examined.

Processes to provide meter condition information were reviewed as part of Wells' agent audit. Simply Energy's processes to manage meter condition information were reviewed.

Processes for customer and photo reads were reviewed, and a sample of customer and photo readings were checked in DataHub and MADRAS.

Audit commentary

Derivation of volume and labelling of readings

Review of a diverse sample of meter readings for 11 ICPs read by Wells and Northpower confirmed they are appropriately labelled, and validated readings are derived from meter readings.

Checks conducted when reads are taken

Wells' data collection processes were reviewed as part of their agent audit and found to be compliant.

Wells provides information on meter condition along with the daily reads, and a monthly summary of ICPs with missing and broken seals. Meter condition information is loaded into SalesForce and analysed

along with no read events, and any phone calls or emails from Wells are actioned as they are received. One example of a tampering event was identified and had been appropriately investigated and resolved by Simply Energy. No other events were identified during Wells or Simply Energy's audits.

Northpower checks the reads as they are taken. Northpower's read collection PDF file includes the results of checks of the meter register number and meter condition as required by clause 5 Schedule 15.2. The information is reviewed when the reads are received. No examples of Northpower meter condition events requiring investigation or action were identified during the audit period.

Customer and photo readings

Simply Energy accepts customer readings and photo readings.

If Wells obtains a customer reading, a no read is recorded, and the customer reading is provided as a note in the reading file. No examples of customer readings provided by Wells were identified.

Customers also provide customer and photo readings directly to Simply Energy. At the time of the 2018 audit, all customer and photo readings were treated as actual and sent to EMS to calculate historic estimate.

Simply Energy's processes for customer and customer supplied photo readings changed following the 2018 audit. Customer supplied readings are now entered into DataHub as customer actual if they have been validated against a set of readings from another source, and customer estimate if they have not been validated against a set of actual readings from another source. I checked a sample of six customer supplied readings and found that they had been entered with the correct read type.

Customer actual reads are "published" and sent to EMS for use in the historic estimate calculations, and customer estimate reads are not published and are not expected to be sent to EMS. I found two examples where a customer estimate reading in DataHub had been sent to EMS and was used in the historic estimate process:

- 0008802391MLBD7 (03/06/19 SIMP); and
- 0008802417ML010 (03/06/19 SIMP).

Other customer readings checked were handled correctly; and I saw examples of customer estimate readings which were not sent to MADRAS, and customer actual readings which were sent to MADRAS.

Simply Energy is investigating to determine why the customer estimate readings were sent, and whether the issue is more widespread.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.6 With: Clause 3(1), 3(2) and 5 Schedule 15.2 From: 03-Jun-19 To: 03-Jun-19	At least two ICPs had customer readings which were not validated against a set of readings from another source but were treated as validated readings by the reconciliation process. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating
Low	The controls are assessed to be strong, because the customer and photo read processes have been improved during the audit period. The risk is assessed to be low, as only two exceptions were identified. Simply Energy is carrying out further investigation to determine whether more readings could be affected.

Actions taken to resolve the issue	Completion date	Remedial action status
The two ICPs are in a remote part of New Zealand and we have no issue with the customer providing the reads required.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We will review with Wells if they can provide a meter reader to this area or contract with any independent party for this.	31/10/2019	

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

Code reference

Clause 6 Schedule 15.2

Code related audit information

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

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

Audit observation

The process of the application of meter readings was examined.

Audit commentary

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 except in the case of a switch event meter reading which applies to the end of the day prior to the event date for the losing trader and the start of the event date for the gaining trader as required by this clause.

All AMI systems have a clock synchronisation function, which ensures correct time-stamping. Manual readings taken by Wells and Northpower are applied correctly.

Application of reads was reviewed as part of the historic estimate checks in **section 12.11** and found to be compliant. The content of CS and RR files was examined in **sections 4.3**, **4.4**, **4.10** and **4.11** and the readings provided by Simply Energy were found to be correct.

I checked the process for NHH to HHR meter changes in relation to this clause. If an upgrade to HHR submission coincides with a meter change, Simply Energy's process is to "remove" the NHH meter from the registry and from relevant databases on the day before the meter change, and then the ICP becomes HHR all day on the day of the meter change, with the trading periods up until the meter change being

populated with zeros. Whilst this process achieves accuracy, non-compliance exists because the NHH meter reading is not applied at 2400 on the day of the reading.

Similarly, if an ICP is downgraded, it is treated as HHR until the end of the day the HHR meter is removed with zeros populated for any trading periods after the meter removal. The NHH period begins with the opening read on the NHH meter the following day.

If an upgrade does not coincide with a meter change, the swap between NHH and HHR aligns with the actual volume data. Upgrades and downgrades were reviewed for each code:

SIMP	Review of the event detail report identified one upgrade, and no downgrades. The upgrade did not coincide with a meter change and is compliant.
SELS	I reviewed five upgrades and found they did not coincide with a meter change and were compliant. No downgrades were identified.
SELX	Review of the event detail report did not identify any ICP upgrades or downgrades.

Compliance is recorded in this section because none of the upgrades coincided with a meter change, and there were no downgrades.

Audit outcome

Compliant

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

Code reference

Clause 7(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

The process to manage missed reads was examined, including review of reports used in the process and individual unread ICPs.

Simply Energy provided lists of ICPs not read during the period of supply, where the period of supply had ended during the audit period. A sample of ICPs unread during the period of supply were checked.

Audit commentary

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

Simply Energy monitors read attainment monthly, using the following reports:

- **NRE (no read event) report**
  This report shows ICPs that have received no read event information from Simply Energy's agents. The events are reviewed, and appropriate action is taken. For instance, if the no read event indicates the property is demolished this is queried with the property manager or customer, and if the event indicates a key is required for access Simply Energy contacts the customer to arrange a key.

- **Read KPI report**
  The read KPI report shows AMI meters which have not been read for more than 35 days, and meters which have not been read for more than 80 and 120 days. The report is reviewed, and appropriate action is taken to resolve the issues preventing read attainment with the MEP or customer. The report is prioritised by last actual read date.

If AMI readings cannot be obtained, and the MEP has advised that the communication issues will be difficult to resolve, Simply Energy will move the ICP to a manual Wells reading route.

Read attainment was checked for each code:

SIMP Simply Energy provided a list of 11 ICPs unread during the period of supply, where the period of supply ended after 01/07/18. I checked an extreme case sample of the four ICPs with the longest period of supply which were unread. In one case the best endeavours requirements were met, but in three cases the best endeavours requirements were not met, and exceptional circumstances did not exist.

SELS No ICPs had their period of supply end during the audit period.

SELX Simply Energy provided a list of four ICPs unread during the period of supply, where the period of supply ended after 01/07/18. All were checked and I found the periods of supply were between four and 21 days, and there was insufficient time to obtain an actual reading.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.8 With: Clause 7(1) and (2) Schedule 15.2 From: 24-Jul-17 To: 01-Jul-19	*SIMP* For at least three ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELX* For four ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as moderate. There is a process in place, but compliance is not consistently achieved if the period of supply is short. The impact on settlement from an estimate for a short period is minor, therefore the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
We don't believe based on the small number of ICPs impacted that any changes are required.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	14/08/2019	

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

Code reference

Clause 8(1) and (2) Schedule 15.2

Code related audit information

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

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

Audit observation

The meter reading process was examined. Monthly reports for November 2018 to March 2019 were provided and reviewed to determine whether they met the requirements of clauses 8 and 9 of schedule 15.2.

A sample of ten (or all) ICPs not read in the previous 12 months for each code were reviewed to determine whether reasonable endeavours were used to attain reads, and if exceptional circumstances existed.

Audit commentary

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

Copies of the reports for November 2018 to March 2019 for SIMP and SELX were provided during the audit and were found to be compliant. I viewed emails to confirm that the reports were sent within 20 business days after the end of the month.

SIMP

The monthly reports were reviewed:

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Nov 18	123	14	19	97.80%
Dec 18	124	14	18	97.93%
Jan 19	125	13	17	98.02%
Feb 19	129	12	17	98.05%
Mar 19	129	14	9	98.38%

I reviewed ten SIMP ICPs not read in the previous 12 months as at March 2019 and confirmed that Simply Energy had used their best endeavours to obtain readings.

SELS

No SELS ICPs were supplied as NHH for 12 months or more, and meter reading frequency reports were not required to be submitted.

SELX

The monthly reports were reviewed:

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Nov 18	39	-	-	100.00%
Dec 18	27	-	-	100.00%
Jan 19	24	-	-	100.00%
Feb 19	26	-	-	100.00%
Mar 19	26	-	-	100.00%

All ICPs continuously supplied for at least 12 months had received actual readings.

Audit outcome

Compliant

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

Code reference

Clause 9(1) and (2) Schedule 15.2

Code related audit information

In relation to each NSP, each reconciliation participant must ensure that for each NHH ICP at which the reconciliation participant trades continuously for each 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

The meter reading process was examined. Monthly reports for November 2018 to March 2019 were provided and reviewed.

A sample of ten ICPs not read in the previous four months at NSPs where less than 90% of ICPs were read were reviewed to determine whether exceptional circumstances existed and if Simply Energy had used their best endeavours to obtain readings.

Audit commentary

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

SIMP

The monthly reports were reviewed:

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Nov 18	146	13	54	95.47%
Dec 18	149	15	60	95.17%
Jan 19	151	16	72	94.27%
Feb 19	154	18	75	94.03%
Mar 19	150	14	69	93.99%

I reviewed five unread ICPs at NSPs which did not have at least 90% of ICPs read in the previous four months in March 2019. In all cases, Simply Energy used best endeavours to attempt to obtain readings.

SELS

No SELS ICPs were supplied as NHH for four months or more, and meter reading frequency reports were not required to be submitted.

It is unlikely that ICPs would be supplied using the SELS code for four months or more, but if they are, meter reading frequency reports will be provided.

SELX

The monthly reports were reviewed:

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Nov 18	32	-	7	97.63%
Dec 18	33	3	10	97.40%
Jan 19	30	4	10	97.48%
Feb 19	37	4	9	98.04%
Mar 19	38	4	7	98.58%

I reviewed five unread ICPs at NSPs which did not have at least 90% of ICPs read in the previous four months in March 2019. I found that all the issues preventing read attainment for the affected ICPs have been resolved or are close to being resolved. The best endeavours requirement had not been met within four months for one ICP.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.10 With: Clause 9(1) and (2) Schedule 15.2 From: 01-Dec-18 To: 31-Mar-19	*SELX* For at least one ICP unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are assessed to be strong. A process is in place and the best endeavours requirements are usually met within four months. The impact is assessed to be low. The use of estimates may have a minor impact on settlement. Only NSPs with very small numbers of customers do not achieve 90% read attainment, and overall read attainment is high.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are strong controls in place.	14/08/2019	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
We are comfortable with the current controls in place.	14/08/2019	

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

Code reference

Clause 10 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

NHH readings are provided by MEPs and agents. The data interrogation log requirements were reviewed as part of their agent and MEP audits.

Audit commentary

Compliance with this clause has been demonstrated by Simply Energy's agents and MEPs as part of their own audits.

Audit outcome

Compliant

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

Code reference

Clause 11(1) Schedule 15.2

Code related audit information

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

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

Audit observation

HHR data is collected by AMS and EDMI.

SELS only supplies HHR certified category 1 meters. Metering data is provided by AMS as an MEP.

Audit commentary

Compliance with this clause has been demonstrated by AMS and EDMI as part of their agent audits, and AMS as part of their MEP audit.

Audit outcome

Compliant

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

Code reference

Clause 11(2) Schedule 15.2

Code related audit information

The following information is collected during each interrogation:

> *11(2)(a) - the unique identifier of the data storage device*
>
> *11(2)(b) - the time from the data storage device at the commencement of the download unless the time is within specification and the interrogation log automatically records the time of interrogation*
>
> *11(2)(c) - the metering information, which represents the quantity of electricity conveyed at the point of connection, including the date and time stamp or index marker for each half hour period. This may be limited to the metering information accumulated since the last interrogation*
>
> *11(2)(d) - the event log, which may be limited to the events information accumulated since the last interrogation*
>
> *11(2)(e) - an interrogation log generated by the interrogation software to record details of all interrogations.*

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

Audit observation

HHR data is collected by AMS and EDMI. HHR interrogation data requirements were reviewed as part of their agent audits.

SELS only supplies HHR certified category 1 meters. Metering data is provided by AMS as an MEP.

Audit commentary

Compliance with this clause has been demonstrated by AMS and EDMI as part of their agent audits, and AMS as part of their MEP audit.

Audit outcome

Compliant

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

Code reference

Clause 11(3) Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

HHR data is collected by AMS and EDMI. HHR interrogation log requirements was reviewed as part of their agent audits.

SELS only supplies HHR certified category 1 meters. Metering data is provided by AMS as an MEP.

Audit commentary

Compliance with this clause has been demonstrated by AMS and EDMI as part of their agent audits, and AMS as part of their MEP audit.

Audit outcome

Compliant

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

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

Audit observation

Trading period duration was reviewed as part of the MEP and agent audits.

Audit commentary

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

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 during the agent and MEP audits. I checked that meter readings cannot be modified without an audit trail and viewed archived meter reading data.

Audit commentary

The agents and MEPs are compliant with these clauses.

When this data reaches Simply Energy's systems, the level of security is also robust and unauthorised personnel cannot access raw meter data. I checked that data is retained by Simply Energy for at least 48 months, by viewing raw meter data for 2013 and 2014.

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

Audit outcome

Compliant

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

Code reference

Clause 21(5) Schedule 15.2

Code related audit information

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

Audit observation

Collection of non-metering information was discussed with Simply Energy.

Audit commentary

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

Audit outcome

Not applicable

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

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

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

If 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

Processes for correction of NHH meter readings were reviewed. Examples of corrections were reviewed, including checking that updated consumption data flowed through to revision reconciliation submissions.

Audit commentary

Where errors are detected during validation of non-half hour meter readings, a check reading is performed, or AMI data is checked. If an original meter reading cannot be confirmed it is invalidated and an estimated reading is applied for billing. Estimated readings are ignored by the historic estimate calculation process; if no validated actual readings are available, forward estimate will be created.

If a reading is invalidated before being sent to MADRAS, the read will not be sent. If the reading is invalidated after being sent to MADRAS it will be updated using the read replacement process discussed in **section 12.3**.

Defective meters

Where a meter is found to be stopped or faulty it is replaced. Estimated consumption during the stopped or faulty period is calculated based on the consumption of the replacement meter, or historic consumption prior to the stopped or faulty period and typically added as an estimated meter removal read.

No examples of defective meters were identified during the audit period.

Incorrect multipliers

Multipliers are stored in SalesForce and DataHub based on the metering information held on the registry and are applied to the meter readings.

SIMP	One multiplier correction was identified. The meter with the incorrect multiplier was replaced, and all meter readings were moved to a new meter with the correct multiplier listed. I confirmed that the correction flowed through to reconciliation submissions.
SELS	No multiplier corrections were identified during the audit period.
SELX	No multiplier corrections were identified during the audit period.

Inactive consumption

The 2018 audit found that disconnected ICPs do not normally receive meter readings. An end date is entered in DataHub and MADRAS when ICPs are disconnected, and an import error will be created for any reads received after disconnection. Simply Energy has modified their process, and now reviews any reads received after the end date and takes corrective action if consumption while disconnected is identified. This includes confirming whether the consumption is genuine and updating the ICP status and data stream dates if necessary.

Simply Energy do still request that Wells stop manually reading meters once they become disconnected, but do not routinely ask the MEPs to stop reading ICPs. I note that reads are often unable to be obtained by the MEP where the meter is disconnected.

No inactive ICPs with consumption were identified during the audit period, but I saw evidence that readings for inactive sites were checked when they were received.

Bridged meters

Bridging of meters is against Simply Energy's policies, and no examples of bridged meters were identified during the audit period.

A correction process is followed in the unlikely event bridging occurs. Estimated consumption during the bridged period will be calculated based on the consumption on the replacement meter, or historic consumption prior to the stopped or faulty period. A pseudo meter will be created to record the estimated consumption, so that it is included in reconciliation submissions.

The 2018 audit found the meter for SIMP ICP 0002930026TCB0D was bridged on 20/11/2017 and unbridged on 21/11/2017 but no correction had been processed. I confirmed that a correction has now been processed by creating a pseudo meter, and the estimated consumption for the bridged period was included in reconciliation submissions.

Transposed meters

If transposed meters are identified, they will be corrected using the read renegotiation process if switch reads are affected, or by moving the readings to the correct registers.

No examples of transposed meters were identified during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

If 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

HHR corrections for SIMP and SELX are completed by EMS. EMS' processes were reviewed during their agent audit.

HHR corrections for SELS are completed by Simply Energy, and correction processes were reviewed.

Audit commentary

SIMP & SELX

Compliance with this clause has been demonstrated by EMS as part of their agent audit. I confirmed that no error corrections have been required during the audit period. Estimated data is replaced with actual data if it becomes available at a later date.

SELS

I confirmed that no error corrections have been required during the audit period. Estimated data is replaced with actual data if it becomes available at a later date. The original data is manually invalidated, and then the replacement data is imported, validated, and rebilled.

Occasionally, FCLM provides data for part of a day (e.g. the first six trading periods), and Simply Energy will estimate data for the missing trading periods for billing and reconciliation as required.

When replacement data is provided, FCLM only includes the missing trading periods (e.g. the last 42 trading periods). The data for the affected day is invalidated and replaced with the new file. This results in the data provided in the original file being classified as "missing" because it is missing from the replacement file. DataHub estimates the "missing" data (which was available in original file from FCLM) based on surrounding readings according to the estimation process described in **section 9.4**.

Simply Energy have requested FCLM provide the full day of data in the replacement files, but they have refused.

I recommend that Simply Energy reviews their processes to ensure that actual data is applied where it is available.

Description	Recommendation	Audited party comment	Remedial action
HHR data replacement	Develop a process to ensure that validated actual data is applied for reconciliation where it is available.	Simply Energy has reviewed this issue and is currently investigating the various files that can be used to resolve this issue. Development to will be required.	Identified

Simply Energy confirmed that FCLM do not provide wash up data where a whole day of data was originally missing.

AMS provide full replacement data for any days with missing trading periods, and ICPs with their meters are not affected by this issue.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 8.2 With: Clause 19(2) Schedule 15.2 From: 01-May-19 To: 23-Jul-19	*SELS* Actual HHR data may not be applied for FCLM meters where part of a day of data is provided, and then a replacement file is issued. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as moderate, and the impact as low. Simply Energy has a process to ensure that estimated data is replaced by actual data where a replacement file is issued. The issue affects ICPs where data is initially provided for some trading periods at the beginning of the day, and replacement data is provided only for the missing trading periods at the end of the day. Where a whole day of replacement data is provided the issue does not occur. The impact is low. Simply Energy's estimation process calculates the missing trading periods based on surrounding readings and ensures that the total estimated across the missing periods matches the actual data.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy is currently investigating the various files FCLM can provide to then make the necessary changes to then have compliance on this issue.	22/08/2019	Investigating

Preventative actions taken to ensure no further issues will occur	Completion date	
Once investigation is complete development will commence to resolve this issue.	31/03/2020	

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

Error and loss compensation arrangements were discussed.

Audit commentary

Simply Energy and EMS confirmed that no error or loss compensation arrangements are in place.

Audit outcome

Compliant

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 **sections 8.1** and **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.

Compliant journals for NHH and HHR corrections are created as required by this clause. Corrections to meter reading data are processed in DataHub, and each user has an individual operator identifier which is recorded in the audit trail.

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

A sample of reads and volumes were traced from the source files to Simply Energy's systems in **section 2.3**.

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

Correct identification of estimated reads, and review of the estimation process was completed in **sections 8.1** and **8.2**.

Audit commentary

Readings are clearly identified as required by this clause. NHH readings reviewed during the audit were correctly classified apart from:

SIMP

- **0110121116AP8C3 (event date 01/11/18):** the switch event reading was estimated but was recorded as actual in the CS file.
- **0002623580WF5CE (event date 25/02/19):** the switch event reading was taken from a rounded actual reading at 23.59.59 on 24/02/19 but was recorded as an estimate.
- **0005930661WED77 (event date 01/04/19):** the switch event reading was taken from a rounded actual reading at 23.59.59 on 31/03/19 but was recorded as an estimate.
- **0110200016AP51E (event date 28/11/18):** the switch event read is recorded as an actual reading of zero, but this is the install read from 23/11/18. A read was not obtained so consumption for the ICP was unknown, and the read type should have been recorded as estimate.
- **0008802391MLBD7 (read date 03/06/19):** a customer estimate reading which was not validated against a set of validated readings from another source was sent to MADRAS and used to calculate historic estimate.
- **0008802417ML010 (read date 03/06/19):** a customer estimate reading which was not validated against a set of validated readings from another source was sent to MADRAS and used to calculate historic estimate.

SELX

- **0084061200PCBC3 (event date 23/02/19):** the switch event reading was an actual reading at 23.59.59 on 22/02/19 but was recorded as an estimate.
- **0001036089PC5CE (event date 26/04/19):** the switch event reading was recorded as an actual reading but should have been an estimate.

The incorrect labelling of these readings is recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.1 With: Clause 3(3) Schedule 15.2 From: 01-Nov-18 To: 03-Jun-19	*SIMP* At least four switch event readings were incorrectly classified as estimated or actual. Two unvalidated customer readings were treated as actual by the historic estimate process. *SELX* At least two actual validated switch event readings were incorrectly classified as estimated. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are assessed to be moderate and the impact is assessed to be low. Most readings were correctly classified, and the readings themselves were correct. Simply Energy is carrying out further investigation to determine whether more customer readings could be affected.

Actions taken to resolve the issue	Completion date	Remedial action status
A new process was implemented in Dec 18, with an error in details which led to this issue occurring. The process was resolved July 19.	22/07/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Simply Energy will investigate with Wells if they are able to read the two isolated ICPs.	31/10/2019	

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

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

A sample of submission data was reviewed in **sections 11** and **12**, to confirm that volume was based on readings as required.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 3(5) Schedule 15.2

Code related audit information

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

Audit observation

A sample of submission data was reviewed in **sections 11** and **12**, to confirm that volume was based on readings as required.

NHH data is collected by MEPs and agents, and HHR data is collected by EMS. Compliance was assessed as part of their MEP and agent audits.

Audit commentary

The MEPs retain the raw, unrounded data. Compliance with this clause has been demonstrated by Simply Energy's agents and MEPs as part of their own audits.

Manual meter readings do not record decimal places and are not rounded or truncated on import into DataHub. AMI data is truncated on import into DataHub, readings are recorded to zero decimal places, but the raw meter data is not truncated.

Audit outcome

Compliant

9.4. Half hour estimates (Clause 15 Schedule 15.2)

Code reference

Clause 15 Schedule 15.2

Code related audit information

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

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

Audit observation

HHR estimates for SIMP and SELX are prepared by EMS, and their compliance was assessed as part of their agent audit. One example of a HHR estimate was reviewed.

HHR estimates for SELS are prepared by by Simply Energy, and estimation processes were reviewed.

Audit commentary

SIMP & SELX	Compliance with this clause has been demonstrated by EMS as part of their agent audit. Estimates are based on historic data and meet the reasonable endeavours requirements. Estimated data is replaced with actual data if it becomes available at a later date. One permanent estimate was checked and confirmed to be reasonable.
SELS	Simply Energy creates estimates based on surrounding readings and historic information, and the process meets the reasonable endeavours requirements. Estimates are created mid-month and at the end of the month, to allow time for replacement actual data to be received. Estimated data is replaced with actual data if it becomes available at a later date, as discussed in **section 8.2**.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

I reviewed and observed the NHH data validation process, including checking a sample of reports used for validations and exceptions identified through the validation process. I reviewed the DataHub Online help document.

Audit commentary

Data validation for NHH metering information occurs at multiple levels.

Meter reader validation

As discussed in **section 6.6**, Wells and Northpower validate readings and check meter condition when readings are obtained.

For AMI meters, the MEPs have access to meter event and clock synchronisation information that may identify issues with meter accuracy. The process to receive and review this information is discussed in **sections 6.5** and **9.6**.

Read import and billing validation

Simply Energy's NHH validation process is compliant. The import process checks:

- the reading relates to a valid ICP meter and register; and
- the content of each field is valid and not corrupted, including dates and times.

The meter reading validations checks:

- the reading date falls between the data stream's opening and closing date;
- the reading is consistent with the number of dials recorded;
- whether the reading is higher than previous reads, which identifies negative consumption;
- whether the meter has rolled over; and
- consumption between reads against the estimated forward daily kWh to identify high, low, or zero consumption.

Any ICPs which fail the validation are individually reviewed. The user can manually force a read to pass validation so that it is published and available for reconciliation and billing or leave the read as unvalidated.

Following read validation, billing validation takes place. The billing validations compare invoices for each ICP to the previous month's invoice to identify any anomalies. Any significant variations are investigated.

NHH reads sent to EMS for reconciliation are also validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Simply Energy also validates EMS' records against their own. These validation checks are discussed in **section 12.3**.

Consumption on inactive ICPs

When an ICP becomes disconnected the data stream is end dated in DataHub. If reads are received after the data stream has ended, they will become read import errors. These read import errors are reviewed to determine whether the consumption is genuine, and the ICP status and data stream dates are updated if necessary.

Audit outcome

Compliant

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

Code reference

Clause 17 Schedule 15.2

Code related audit information

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

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

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

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

17(4)(c) - checks of unexpected 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

HHR data validation is completed by EMS and the process was assessed as part of their agent audit.

I reviewed and observed the AMI data validation processes, including checking a sample of data validations and meter event logs. Process documentation was reviewed.

Audit commentary

Electronic data used to determine volume information is provided by MEPs, AMS and EDMI as agents.

This function was examined as part of the MEP and agent audits and found to be compliant, except for EDMI manual downloads. For manual downloads, the meter event information is not imported into IE2 and is not reviewed and sent to the retailer, unless the participant receives data in the PROFVAL file format, which has a separate file of event data sent. This is recorded as non-compliance below.

HHR

SIMP & SELX Compliance with this clause has been demonstrated by AMS as part of their agent audit. Non-compliance is recorded for EDMI below.

SELS SELS supplies some meter category 1 and 2 ICPs which are billed and reconciled as HHR.

The following validations occur:

- A sum check process compares the difference between the midnight readings and the sum of the day's trading periods. Any differences greater than ± 1 kWh fail validation and are investigated.
- Missing data is identified, and estimation processes are run mid-month and at the end of the month, as described in **section 9.4**.
- All ICPs have been supplied as HHR for a short period, and Simply Energy is building up a consumption history to enable comprehensive checks against historic consumption patterns. In the meantime, data is checked against expected values and the previous month's consumption. A Power Query is being developed to compare submission and billed data, as discussed in **section 12.3**.
- Meter events are reviewed according to the AMI process below.
- There is no specific check for unexpected zero values. Unexpected zeros will normally be identified through review of power outage meter events, or low volumes, but I recommend that a separate check for unexpected zeros is added.

Description	Recommendation	Audited party comment	Remedial action
Checks for unexpected zeros	Develop a check to identify unexpected zero values for SELS.	This process will be implemented in the next Reconciliation run.	Identified

AMI

AMI data is validated using the NHH validation process described in **section 9.5**.

Meter event log information is received via SFTP. Arc and FCLM only provide meter event information if events that could affect meter accuracy occur.

The data is currently moved to a folder on Simply Energy's network and manually reviewed. I walked through the review process and viewed procedural documentation to confirm this.

Simply Energy is investigating automation of the review processes and is refining their review procedures. Events that could affect meter accuracy occur rarely, and if found are followed up with the MEP.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.6 With: Clause 17 Schedule 15.2 From: 01-Jun-18 To: 29-May-19	For EDMI's manual downloads, the meter event information is not imported into IE2 and is not reviewed and sent to the retailer. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate, because in most cases meter event data is reviewed and provided to the participant if any events occur. The impact is assessed to be low, because event information is obtained and reviewed for most downloads.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy is working with EDMI to obtain the PROFVAL file so that we can use this to further validate the manual downloads.	30 September 2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We will be working with EDMI to understand what changes they need to make to be compliant.	30 September 2019	

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

Processes to create buying and selling notifications and trading notifications for new profiles applied during the audit period were reviewed.

Audit commentary

Simply Energy do not routinely create trading notifications. They are normally created where EMS advises they are required because file has failed the reconciliation manager's file checker process.

Notifications are only created where Simply Energy begins or ceases trading for all ICPs on an NSP, not where they begin or cease trading using a profile other than HHR, RPS, UML, EG1, or PV1 at an NSP. This is because there is no facility to enter a profile into a trading notification on the reconciliation manager portal.

SIMP	SIMP began trading with the DFP profile at two NSPs. SIMP ceased trading with the DFP profile at eight NSPs, and T07 T23 profiles at one NSP during the audit period. Trading notifications were not provided for CFM0011 (DFP), ASB0661 (T07 T23) or RTB0011 (DFP) because Simply Energy was trading at other ICPs connected to the NSP.
SELS	No trading notifications were required during the period.
SELX	SELS began trading with the DFP profile at five NSPs, the SBL profile at one NSP, and the SFI profile at 30 NSPs during the audit period. SELS ceased trading with the SBL profile at six NSPs during the audit period. Trading notifications were not provided for 17 of these changes, because Simply Energy was trading at other ICPs connected to the NSP.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 11.1 With: Clause 15.3 From: 01-Oct-18 To: 28-Feb-19	*SIMP* Three trading notifications were not provided. *SELX* 17 trading notifications were not provided. Potential impact: None Actual impact: None Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	It was not possible for Simply Energy to create the required trading notifications using the reconciliation manager portal. There is no impact, the reconciliation manager's system recorded the profiles correctly.

Actions taken to resolve the issue	Completion date	Remedial action status
As per the auditors comment there is currently no process for Simply Energy to use as the process on the reconciliation manager portal does not accommodate this.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
No further action required.	14/08/2019	

11.2. Calculation of ICP days (Clause 15.6)

Code reference

Clause 15.6

Code related audit information

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

> *15.6(1)(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period*
>
> *15.6(1)(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.*

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

Audit observation

The process for the calculation of ICP days was examined by checking NSPs with a small number of ICPs to confirm the AV110 ICP days calculation was correct.

I reviewed variances for 18 months of GR100 reports.

Audit commentary

ICP days calculation

ICP days calculations are conducted by EMS for SIMP and SELX, and by Simply Energy for SELS. There is validation in place to ensure MADRAS has correct start and end dates as discussed in **section 12.3**.

SIMP ICP days are calculated by EMS and compliance is recorded in their agent audit report. Review five NHH NSPs and five HHR NSPs with a small number of ICP days confirmed that AV110 submission data was calculated correctly.

SELS ICP days calculations were checked for all NSPs for May and June 2019 and found to be correct.

SELX ICP days are calculated by EMS and compliance is recorded in their agent audit report. Review of five NHH NSPs and five HHR NSPs with a small number of ICP days confirmed that AV110 submission data was calculated correctly.

ICP days comparison

The tables below show the difference between the AV110 ICP days submissions and the RM return file (GR100) for all available revisions for 18 months. Negative percentage figures indicate that the Simply Energy AV110 ICP days figures are higher than those contained on the registry, and positive figures indicate that the registry's figures are higher than those contained in the AV110.

SIMP

Review of the ICP days comparison found that registry ICP days are consistently higher than the submitted ICP days. The differences for October 2018 r7 were checked and are primarily caused by ICP days for 17 SB (embedded network residual load) ICPs. Simply Energy does not submit volumes or ICP days for these ICPs as agreed with the Reconciliation Manager; the volumes are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report). The remainder of the differences relate to timing of switch events, and backdated embedded network start dates.

Month	R1	R3	R7	R14
Nov 2017	-	-	1.06%	0.98%
Dec 2017	-	-	1.05%	1.05%
Jan 2018	-	1.14%	1.04%	1.03%
Feb 2018	1.91%	1.03%	0.93%	1.02%
Mar 2018	1.18%	0.82%	0.55%	0.72%
Apr 2018	0.75%	0.75%	0.53%	-

Month	R1	R3	R7	R14
May 2018	0.94%	0.52%	0.52%	-
Jun 2018	0.38%	0.30%	0.35%	-
Jul 2018	0.21%	0.43%	0.31%	-
Aug 2018	1.79%	0.31%	0.38%	-
Sep 2018	1.52%	0.44%	0.54%	-
Oct 2018	0.47%	-0.62%	-0.84%	-
Nov 2018	0.67%	-0.18%	-	-
Dec 2018	0.11%	-0.31%	-	-
Jan 2019	0.18%	-0.10%	-	-
Feb 2019	-1.78%	-2.49%	-	-
Mar 2019	-2.88%	-	-	-
Apr 2019	-3.18%	-	-	-

SELS

ICP days submissions were compared to the registry information for May and June 2019 and confirmed to be accurate.

SELX

The differences for October 2018 r7 were checked and found to relate to SB ICPs and switch timing.

Month	R1	R3	R7	R14
Nov 2017	-	0.00%	0.00%	0.00%
Dec 2017	-	0.00%	0.00%	0.00%
Jan 2018	0.00%	0.00%	0.00%	0.00%
Feb 2018	1.04%	0.00%	0.00%	0.00%

Month	R1	R3	R7	R14
Mar 2018	0.00%	0.00%	-0.21%	-0.21%
Apr 2018	-0.04%	-0.04%	-0.04%	-
May 2018	1.59%	0.00%	0.00%	-
Jun 2018	0.00%	-0.02%	0.00%	-
Jul 2018	-0.35%	-0.39%	-0.02%	-
Aug 2018	-0.61%	-0.93%	0.00%	-
Sep 2018	-0.56%	0.00%	0.00%	-
Oct 2018	-0.58%	0.06%	-0.36%	-
Nov 2018	-0.16%	-0.21%	-	-
Dec 2018	-0.34%	-0.20%	-	-
Jan 2019	-0.20%	-0.37%	-	-
Feb 2019	-0.32%	-0.84%	-	-
Mar 2019	0.50%	-	-	-
Apr 2019	0.94%	-	-	-

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

The process for the calculation of electricity supplied was examined by checking five NSPs for each code to confirm the AV120 billed calculation was correct.

GR130 reports for January 2017 onwards were reviewed to confirm whether the relationship between billed and submitted data appears reasonable. Simply Energy's own analysis of billed versus submitted data was reviewed.

Audit commentary

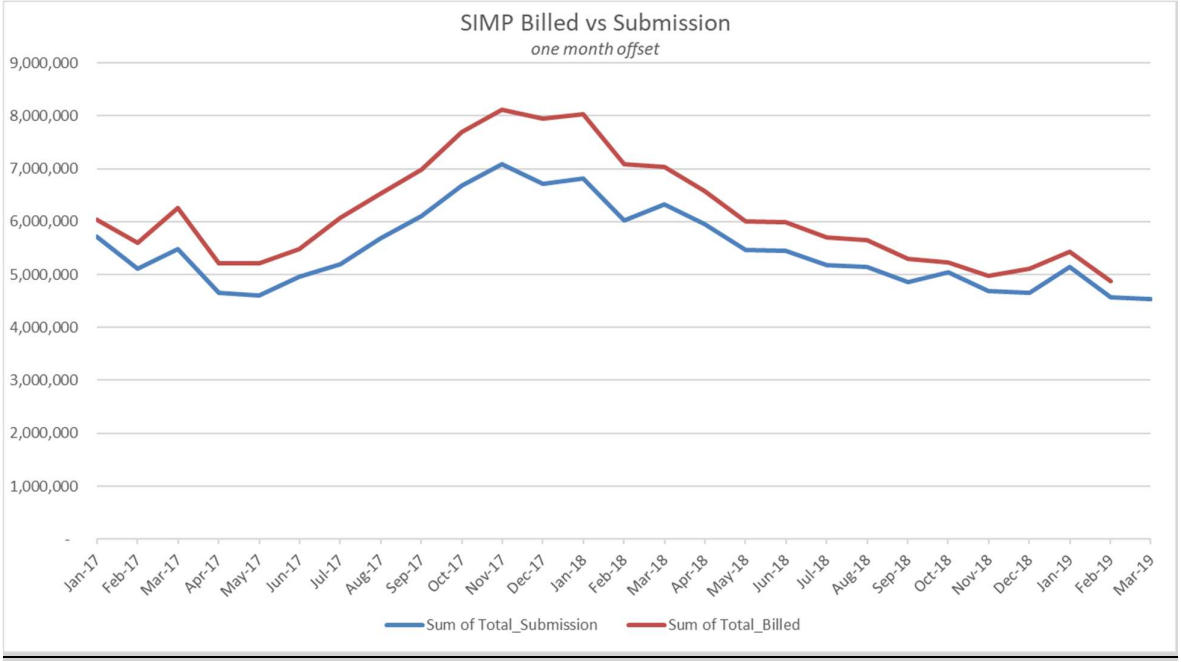
SIMP

The AV120 calculations were checked for a sample of five NSPs with a small number of ICPs and confirmed to be correct.

The chart below shows a comparison between submissions and electricity supplied information.

When the billed and submission periods are aligned, the shape is very close, but billed data is consistently higher. The primary reason for the difference is that the billed data includes unmetered volumes for SB (embedded network residual load) ICPs, and the submission data excludes them. Volumes for these SB ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report). I reviewed the volumes allocated to these ICPs over the audit period and noted that they were typically between 300,000 and 600,000 kWh per month.

Simply Energy's analysis showed that once the differences caused by these SB ICPs are accounted for, the average difference between billed and submitted is 1-3%.



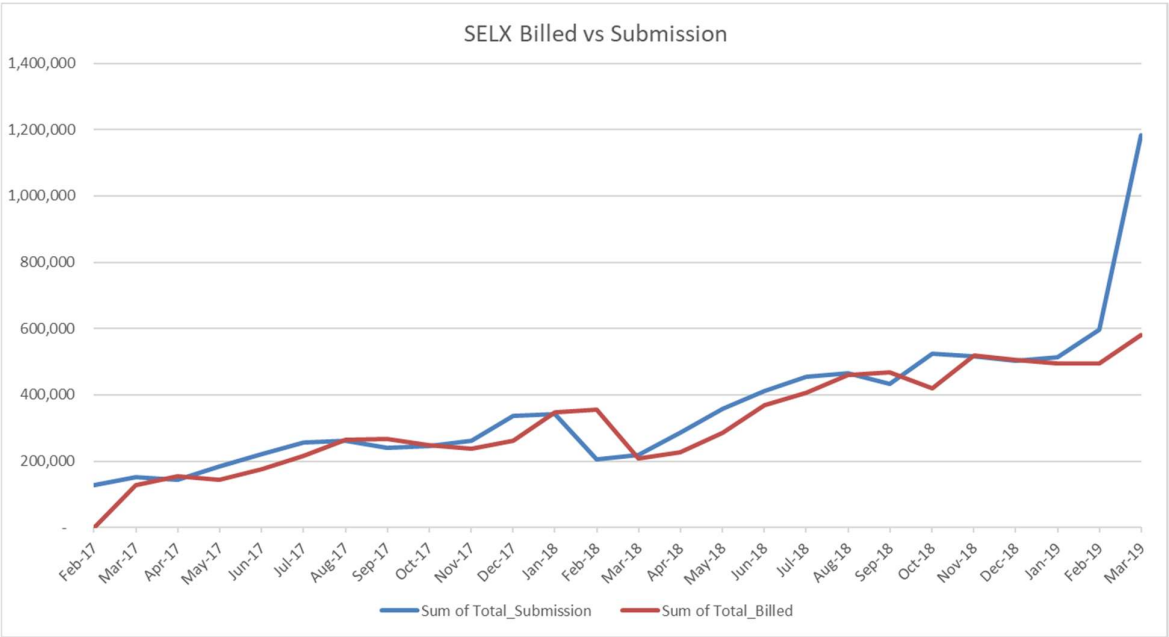
SELS

The AV120 calculations were checked for a sample of five NSPs with a small number of ICPs and confirmed to be correct.

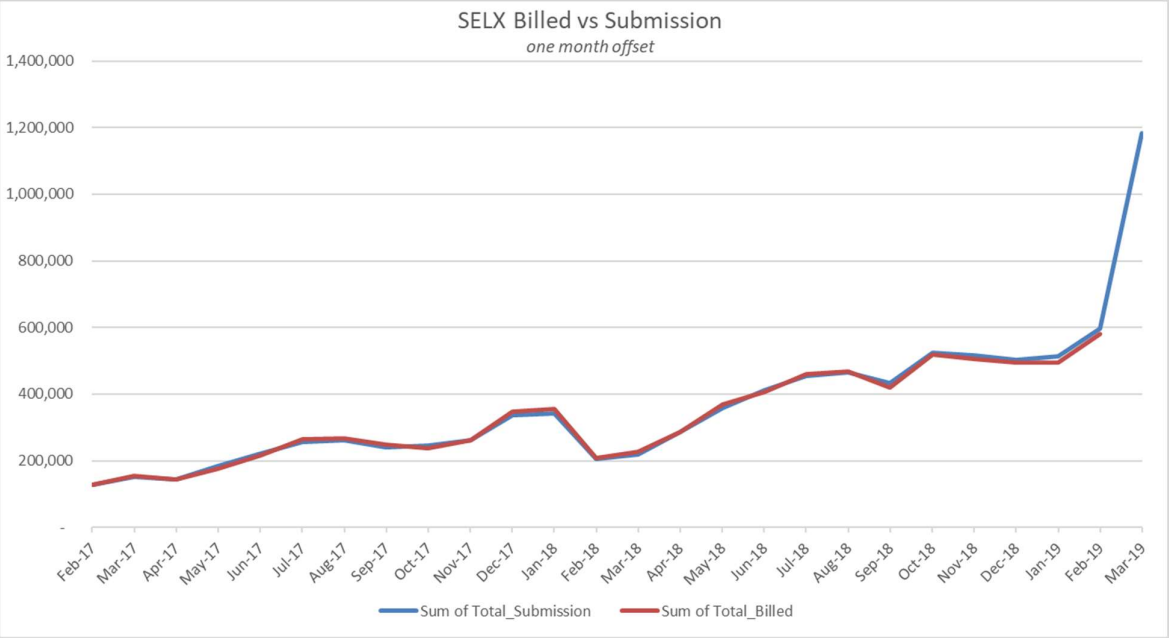
SELX

The AV120 calculations were checked for a sample of five NSPs with a small number of ICPs and confirmed to be correct.

The chart below shows a comparison between submissions and electricity supplied information.



The differences between billed and submitted data appear are caused by timing. When the billed and submission periods are aligned, the relationship between billed and submitted data is very close. Submitted data is 0.8% higher than billed for the period from February 2017 to February 2019. The increase in submission data is caused by customer acquisitions.



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

EMS prepares the HHR submissions for SIMP and SELX and compliance was assessed as part of their agent audit. SIMP prepares HHR submissions for SELS.

I confirmed that the process for the calculation and aggregation of HHR data is correct, by matching HHR aggregates information with the HHR volumes data for a sample of submissions. Aggregates data was also matched to the raw meter reading data for a sample of ICPs.

I checked the GR090 ICP missing files for October 2017 to April 2019 for SIMP and SELX and June 2019 for SELS. All missing ICPs were reviewed.

Audit commentary

HHR aggregates and volumes submissions contain submission information, not electricity supplied information as specified under clause 15.8. Although the reports are consistent with the Reconciliation Manager Functional Specification, this is recorded as non-compliance below.

Simply Energy reviews the GR090 ICP missing reports promptly and investigates and corrects any data discrepancies.

SIMP HHR volumes and aggregates were matched for seven submissions, and I found there were only small rounding differences of less than ± 7 kWh across each submission. During the EMS audit, raw meter data from MV90 was matched against the aggregate submissions.

The GR090 ICP missing files for October 2017 to April 2019 showed 22 ICPs missing from the registry or aggregates submission for some revisions. All differences were checked and found to relate to:

- Timing differences for changes and corrections to NSPs.
- Backdated switches and withdrawals.
- ICP 0003146255BU6E0 generates electricity and is connected to ORO1101. Where constraints apply for ORO1101 the reconciliation manager moves load for ORO1101 to ORO1102, but not the generation. When ICP 0003146255BU6E0 is generating during an outage, Simply Energy instructs EMS to move the load and ICP days for the affected period to ORO1102 so that the generation does not receive a zero price. This can result in an ICP missing difference for the affected period because the ICP appears connected to ORO1101 on the registry.
- Simply Energy asked EMS to include an ICP in the submission information with a zero due to a timing issue, but EMS did not add the ICP to the aggregates file.

I reviewed HHR volumes submissions for August to October 2018 for reasonableness and did not find any evidence of under submission of volumes for these months.

SELS I traced a sample of HHR data from HERM files to DataHub, and then through to the HHR aggregates and volumes submissions for AMS and FCLM. Compliance is confirmed.

The GR090 ICP missing report was reviewed for June 2019 revision 1 and was blank.

Simply Energy produces revision files and submits them if they are different to the previous submission. I viewed test results to confirm that multiplier corrections will be handled correctly.

The material change audit found that where a HHR ICP has inactive status, the inactive trading periods are excluded from the AV090 HHR volumes submission rather being reported with zero consumption.

Because a small number of ICPs are supplied currently, this could result in no submission data being provided for some AV090 aggregation lines for inactive trading periods. For example, if only one ICP was connected to an NSP and it was disconnected from trading period 20 on 05/07/19 to trading period 18 on 07/07/19, these inactive trading periods would be blank in the AV090. The reconciliation manager's system expects a value for each trading period, even if it is zero.

As recommended in the material change audit, Simply Energy has contacted the Authority about this issue, and they have raised it with the reconciliation manager. Simply Energy is awaiting a response before taking further action, and none of the HHR ICPs have become inactive to date.

SELX HHR volumes and aggregates were matched for nine submissions, and I found there were only small rounding differences of less than ± 1.25 kWh across each submission. During the EMS audit, raw meter data from MV90 was matched against the aggregate submissions.

The GR090 ICP missing files for October 2017 to April 2019 showed four ICPs missing from the registry or aggregates submission for some revisions. All differences were checked and found to relate to the ICP being recorded with an incorrect trader code. The ICPs had originally been set up with SELX, but Simply Energy had asked EMS to correct the code to SIMP.

I reviewed HHR volumes submissions for August to October 2018 for reasonableness and did not find any evidence of under submission of volumes for these months.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 11.4 With: Clause 15.8 From: 01-Jul-18 To: 23-Jul-19	HHR aggregates file does not contain electricity supplied information. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The issue relating to content of the aggregates file is an error in the code, Simply Energy is providing submission information as expected.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there is an error in the code and that submission information is being provided as expected..	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	21/08/2019	

12. SUBMISSION COMPUTATION

12.1. Daylight saving adjustment (Clause 15.36)

Code reference

Clause 15.36

Code related audit information

The reconciliation participant must provide submission information to the reconciliation manager that is adjusted for NZDT using 1 of the techniques set out in clause 15.36(3) specified by the Authority.

Audit observation

Daylight saving adjustment is conducted by EMS and was reviewed as part of their agent audit for SIMP and SELX.

Simply Energy performs daylight savings adjustments for SELS.

Audit commentary

SIMP EMS uses the "trading period run on" technique for daylight saving adjustment. Compliance was confirmed in their agent audit.

SELS The May 2018 material change audit confirmed that the trading period run on technique would be used for daylight savings adjustment, and that Simply Energy's process was compliant. SELS began trading as HHR in June 2019, and no daylight savings adjustments have been required to date.

SELX EMS uses the "trading period run on" technique for daylight saving adjustment. Compliance was confirmed in their agent audit.

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 submissions was reviewed.

A sample of submission data was checked, and correction processes were checked in **sections 8.1** and **8.2**.

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

Audit commentary

No alleged breaches were recorded for late provision of submission information. NHH data is reviewed prior to submission as discussed in **section 12.3**.

NHH

SIMP EMS prepares AV080 submissions as Simply Energy's agent. The submission data excludes unmetered volumes for 17 SB (embedded network residual load) ICPs as agreed with the Reconciliation Manager. Volumes for these ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report).

A sample of submission data was checked:

- inactive consumption is only reported if the ICP is returned to active status for the consumption period, no inactive consumption was identified during the audit period;
- vacant ICPs are recorded against a vacant holding account, and consumption reported in the same way as for any active ICP;
- five ICPs with unmetered load, including the ICP with shared unmetered load were checked and confirmed to be reported correctly; and
- five ICPs with distributed generation were checked and confirmed to be reported correctly.

The 2018 audit found an error in the January 2018 unmetered load submission for ICP 0000028893WE540. The January calculation was accidentally based on 28 days instead of 31, which resulted in under submission of 24 kWh. The submission data was corrected and washed up.

SELS EMS prepares AV080 submissions as Simply Energy's agent. A sample of submission data was checked:

- inactive consumption is only reported if the ICP is returned to active status for the consumption period, no inactive consumption was identified during the audit period;
- vacant ICPs are recorded against a vacant holding account, and consumption reported in the same way as for any active ICP;
- no unmetered load is supplied; and
- no distributed generation is supplied.

SELX EMS prepares AV080 submissions as Simply Energy's agent. The submission data excludes unmetered volumes for five SB (embedded network residual load) ICPs as agreed with the Reconciliation Manager. Volumes for these ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report).

A sample of submission data was checked:

- inactive consumption is only reported if the ICP is returned to active status for the consumption period, no inactive consumption was identified during the audit period;
- vacant ICPs are recorded against a vacant holding account, and consumption reported in the same way as for any active ICP;

- only SB ICPs are unmetered, and submission does not occur as described above; and
- five ICPs with distributed generation were checked and confirmed to be reported correctly.

HHR

HHR submissions were reviewed in **section 11.4**, and data is validated prior to submission as discussed in **section 12.3.**

SIMP	EMS prepares AV090 and AV140 submissions as Simply Energy's agent.
SELS	Simply Energy prepares AV090 and AV140 submissions.
SELX	EMS prepares AV090 and AV140 submissions as Simply Energy's agent.

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

Processes to ensure that information used to aggregate the reconciliation reports is complete and accurate were reviewed, including review of reports used for validation, the "MADRAS Reconciliation" procedure, and the "how to extract HHR data for billing" procedure.

The processes to review submissions include:

- validation of Simply Energy data as discussed in **section 2.1;**
- reconciliation of Simply Energy and EMS data; and
- review of the reconciliation reports prior to submission.

The process for aggregating the AV080 was examined by a walk-through of the controls in place, and by checking a sample of NSPs for each code.

A sample of GR170 files were compared to AV080 files to confirm zeroing occurs.

Audit commentary

Simply Energy data checks

Checks to confirm that Simply Energy's data is complete and accurate are discussed in **section 2.1**.

Simply Energy to EMS consistency checks

Updated reads are sent to EMS at least weekly. Each month, Simply Energy asks EMS to clear the reads recorded and resupplies the "published" (validated) readings.

Data consistency checks between EMS' MADRAS records, and Simply Energy's SalesForce and registry list file records are completed prior to business day 4 and business day 13.

- NHH reads sent to EMS for reconciliation are validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Exceptions most commonly occur where EMS has not received the switch reading due to timing, but a subsequent AMI reading has been received, or the read is lower than the previous reading held in MADRAS.
- EMS provides a file with ICP and meter details including start and end dates every second month, which is reconciled to a date ranged registry list file. Any differences are investigated and resolved.
- The GR100 ICP comparison reports received from the reconciliation manager are reviewed, to determine the reasons for any differences and whether data needs to be updated on the registry or in SalesForce, DataHub and MADRAS. The review focusses on the upcoming 14-month revisions and works backwards towards the upcoming 7 and 3-month revisions.
- The MADRAS Dashboard in SalesForce identifies ICPs that require action or need to be checked, including:
    - all accepted RRs which are checked to ensure that EMS and DataHub have the correct reads recorded;
    - ICPs with an unexpected profile for the NSP or configuration;
    - ICPs that are end dated but still have SIMP or SELX recorded as the retailer;
    - ICPs where the start read is inconsistent with the start date;
    - ICPs supplied by an alternate reader with no MADRAS end date;
    - missing work flows, where status changes have occurred, and the data has not yet been sent to MADRAS; this includes ICPs that are end dated but do not have a final reading; and
    - profile GXP checks, which detect unexpected use of the GXP profile.

Review of submission data created by EMS

EMS provides all submission data to Simply Energy for review prior to submission to the reconciliation manager.

I walked through the process to review submission data using the Power Query Validation tool. The tool compares the total submission volume (HHR volumes + NHH volumes + DFP volumes from the GR040) against the billed data and previous submissions for reasonableness.

ICP and meter register level AV080 submission data is provided and reviewed to identify any ICPs with unusually high or low consumption. These outliers are checked to make sure the data is accurate.

Review of submission data created by Simply Energy

Simply Energy creates HHR submission data for SELS, and the validation process is discussed in **section 9.6**. Simply Energy intends to create a Power Query Validation tool for SELS, which will compare volumes for each submission against previous submissions and AV120 information. In the meantime, this comparison is completed manually.

Aggregation of submission data

The aggregation and zeroing of submission data was reviewed for each code.

The GR100 ICP comparison reports are reviewed, to confirm whether any aggregation lines require zero values to be inserted. Requests for zero lines to be inserted are provided to EMS.

SIMP	Aggregation of the AV090 and AV140 was checked in **section 11.4**. Aggregation of the AV080 was checked for 24 NSPs for March 2019 and found to be accurate. Nine GR170 and AV080 files were compared to check zeroing. I found that some 3 and 7-month revisions did not have zero lines added as required but saw evidence that the submission information would be zeroed by revision 14 through the GR100 ICP comparison process.
SELS	Aggregation of the AV090 and AV140 was checked in **section 11.4**. Aggregation of the AV080 was checked for all NSPs for May 2019 and found to be accurate. No zeroing has been required to date.
SELX	Aggregation of the AV090 and AV140 was checked in **section 11.4**. Aggregation of the AV080 was checked for 26 NSPs for March 2019 and found to be accurate. Comparison of nine GR170 and AV080 files confirmed that zeroing occurs as required.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.3 With: Clause 15.5 From: Jun-18 To: Nov-18	*SIMP* Zero lines were not inserted for the following AV080 submissions • PVG0011 Sep 18 r3, Oct 18 r3, Nov 18 r3 • TPW0011 Jun 18 r7, Jul 18 r 7, Aug 18 r 7, Sep 18 r3, Oct 18 r3, Nov 18 r3 • TDS0011 Jul 18 r 7 • CFM0011 Aug 18 r7 • ROT0111 Aug 18 r7 • PZH0011 Jun 18 r7 • DCQ0011 Jun 18 r7. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong because procedures for zeroing have been improved, and I saw evidence that zeros were added for later revisions using the GR100 ICP comparison review process. The impact is low. Zeros will be added and provided in revision submissions.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are strong controls in place.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	30/11/2019	

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

SIMP, SELS, and SELX are not grid owners; 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

SIMP, SELS, and SELX are not grid connected or embedded network owners; 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

SIMP, SELS, and SELX are not a grid connected generators; 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

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late. Corrections were reviewed in **section 8.1** and **8.2**.

Audit commentary

Review of alleged breach information confirmed that all submissions were made on time.

The following data accuracy issues were identified, which were not corrected at the next available opportunity for submission:

- Some historic estimate is incorrectly labelled as forward estimate where seasonal adjusted shape values (SASV) published by the reconciliation manager are not available for part or all of a read to read period. This affects ICPs with the PV1, SBL, SFI and UNM profiles.
- Customer readings are no longer consistently treated as validated. Customer supplied readings are now entered into DataHub as customer actual if they have been validated against a set of readings from another source, and customer estimate if they have not been validated against a set of actual readings from another source. I checked a sample of six customer supplied readings and found that they had been entered with the correct read type. I found unvalidated customer readings for SIMP ICPs were treated as actual by the historic estimate process.
- As discussed in **section 12.3**, for SIMP I found that some 3 and 7-month revisions did not have zero lines added as required but saw evidence that the submission information would be zeroed by revision 14 through the GR100 ICP comparison process.

The 2018 audit issues relating to one bridged meter and one unmetered load submission that required correction have been cleared. Corrected data has been provided to the reconciliation manager through the wash up process.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.7 With: Clause 15.12 From: 01-Jul-18 To: 23-Jul-19	Historic estimate may be labelled as forward estimate where SASV are not available. *SIMP* Zero lines were not inserted for the following AV080 submissions • PVG0011 Sep 18 r3, Oct 18 r3, Nov 18 r3 • TPW0011 Jun 18 r7, Jul 18 r 7, Aug 18 r 7, Sep 18 r3, Oct 18 r3, Nov 18 r3 • TDS0011 Jul 18 r 7 • CFM0011 Aug 18 r7 • ROT0111 Aug 18 r7 • PZH0011 Jun 18 r7 • DCQ0011 Jun 18 r7. Two customer readings were treated as validated without being validated against a set of reads from another source. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	Controls are rated as moderate: • historic and forward estimate is correctly identified most of the time; • procedures for zeroing have been improved, and I saw evidence that zeros were added for later revisions using the GR100 ICP comparison review process; and • customer and photo read processes have been improved during the audit period. The impact is assessed to be low: • the classification of historic estimate as forward estimate has no impact on settlement because the calculation is correct; • zeros will be added and provided in revision submissions; and • only two customer read exceptions were identified, Simply Energy is carrying out further investigation to determine whether more readings could be affected.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are moderate controls in place. Simply Energy has started reviewing and resolving errors at Revision 7.	31/10/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.		

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

AV080 14-month revisions were reviewed to determine whether forward estimate remained.

Audit commentary

Simply Energy does not have a process to replace estimates with permanent estimates by revision 14, but very few ICPs are unread by revision 14. When Simply Energy receives a read for a long-term unread site, a permanent estimate read is provided to EMS to ensure that all consumption is captured and reported for reconciliation within the 14-month period.

Some forward estimate remains because historic estimate is incorrectly labelled as forward estimate where seasonal adjusted shape values (SASV) published by the reconciliation manager are not available for part or all of a read to read period. The incorrect labelling of historic estimate as forward estimate is recorded as non-compliance in **section 12.7** and **12.10**.

SIMP 14-month revisions were reviewed for November 2017 to January 2018, and I found the following forward estimate volumes remained:

- November 2017: 23845.32 kWh;
- December 2017: 22227.74 kWh; and
- January 2018: 15979.97 kWh.

Forward estimate remained because historic estimate was recorded as forward estimate for the SBL and SFI profiles, or ICPs had genuinely not been read in the last 14 months.

SELS No 14-month revisions have been completed.

SELX 14-month revisions were reviewed for November 2017 to January 2018, and I found the following forward estimate volumes remained:

- November 2017: 2920.88 kWh;
- December 2017: 9445.35 kWh; and
- January 2018: 31082.66 kWh.

Forward estimate remained because historic estimate was recorded as forward estimate for the UNM profile, or ICPs had genuinely not been read in the last 14 months.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.8 With: Clause 4 Schedule 15.2 From: Nov-17 r14 to Jan-18 r14	Some estimates are not replaced at R14. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are considered moderate because meter reading processes are strong leading to a very small proportion of FE still existing at 14 months. The audit risk rating is low because the use of estimates may have a minor impact on settlement.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy has in the past few months focussed on removing all ICPs with older than 14 month reads to bring the FE down to zero.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Simply Energy will continue its focus on sites without reads for over 6 months.	14/08/2019	

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

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry were reviewed **in section 2.1**.

Aggregation and content of reconciliation submissions was reviewed, and the SIMP (06/05/19), SELX (06/05/19) and SELS (10/06/19) registry list files were examined.

Audit commentary

Compliance with this clause was assessed:

SIMP

- all active ICPs with meter category 3 or higher have submission type HHR;
- unmetered load submissions were checked in **section 12.2**;
- profiles requiring certification of control devices were checked in **section 6.3**;
- no loss or compensation arrangements are required; and
- aggregation of the AV080, AV110, AV090 and AV140 submissions are covered in **sections 13.2, 11.2,** and **11.4** respectively.

SELS

- no active ICPs have a metering category of 3 or higher;
- no unmetered load is supplied;
- no profiles requiring certified control devices are used;
- no loss or compensation arrangements are required; and
- aggregation of the AV080, AV110, AV090 and AV140 submissions are covered in **sections 13.2, 11.2,** and **11.4** respectively.

SELX

- all active ICPs with meter category 3 or higher have submission type HHR;
- Only SB ICPs are unmetered, and submission does not occur as described in **section 12.2**;
- profiles requiring certification of control devices were checked in **section 6.3**;
- no loss or compensation arrangements are required; and
- aggregation of the AV080, AV110, AV090 and AV140 submissions are covered in **sections 13.2, 11.2,** and **11.4** respectively.

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

A sample of AV080 submissions were reviewed, to confirm that historic estimates are included and identified.

Permanence of meter readings is reviewed in **section 12.8**. The methodology to create forward estimates is reviewed in **section 12.12**.

Audit commentary

The 2017 and 2018 audit found that in some cases historic estimate is incorrectly labelled as forward estimate.

Where SASV profiles published by the reconciliation manager are not available for part or all of a read to read period, historic consumption is labelled as FSE (forward standard estimate) even though it is based on actual readings.

For some profiles, shape values are never published, including PV1, SBL, SFI and UNM.

Submission information was reviewed to confirm that forward and historic estimates are included:

SIMP Review of nine submissions confirmed that forward and historic estimates are included and identified as such.

SELS Review of the May 2019 submission confirmed that forward and historic estimates are included and identified as such.

SELX Review of nine submissions confirmed that forward and historic estimates are included and identified as such.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.10 With: Clause 3 Schedule 15.3 From: 01-Jul-18 To: 23-Jul-19	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate. Potential impact: None Actual impact: None Audit history: Multiple times Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	The controls are recorded as moderate because historic and forward estimate is correctly identified most of the time. There is no impact on settlement because the calculation is correct; therefore, the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
To completely change this reporting would require significant development, we are not considering making these changes at this time.	14/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
No further action	14/08/2019	

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

Simply Energy provided examples of historic estimate calculations, which were reviewed. The check of calculations included confirming that readings and Seasonal Adjusted Shape Values (SASV) were applied correctly.

Audit commentary

Historic estimate is prepared by EMS using the MADRAS system, and the process is the same for all the Simply Energy codes. The table below shows that all scenarios which had occurred are compliant.

Simply Energy downloads seasonal adjusted shape values (SASV) from the RM portal after each allocation and provides them to EMS via SFTP. EMS collects the files and loads them into MADRAS. I saw evidence of the data transfer and confirmed that the correct SASV were applied as part of the historic estimate calculation review.

Customer and photo reads are used to calculate historic estimate if they are recorded as customer actual readings, and this read status is only applied where a reading has been validated against a set of validated readings from another source. Two customer estimate readings which had not been validated were sent to MADRAS and used to calculate historic estimate. This is discussed further in **section 6.6**, and recorded as non-compliance in **sections 6.6**, **9.1** and **12.7**. Compliance is recorded in this section

because MADRAS' process is correct, and the estimated customer readings were sent to MADRAS in error.

Test	Scenario	Test expectation	Result
a	ICP becomes Active part way through a month	Consumption is only calculated for the Active portion of the month.	Compliant
b	ICP becomes Inactive part way through a month.	Consumption is only calculated for the Active portion of the month.	Compliant
c	ICP become Inactive then Active again within a month.	Consumption is only calculated for the Active portion of the month.	Has not occurred
d	ICP switches in part way through a month on an estimated switch reading	Consumption is calculated to include the 1st day of responsibility.	Compliant
e	ICP switches out part way through a month on an estimated switch reading	Consumption is calculated to include the last day of responsibility.	Compliant
f	ICP switches out then back in within a month	Consumption is calculated for each day of responsibility.	Has not occurred
g	Continuous ICP with a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
h	Continuous ICP without a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
i	Rollover Reads	Consumption is calculated correctly in the instance of meter rollovers.	Has not occurred
j	Unmetered load for a full month	Consumption is calculating based on daily unmetered kWh for full month.	Compliant
k	Unmetered load for a part month	Consumption is calculating based on daily unmetered kWh for active days of the month.	Compliant
l	Network/GXP/Connection (POC) alters partway through a month.	Consumption is separated and calculated for the separate portions of where it is to be reconciled to.	Compliant
m	ICP with a customer read during the month	Customer reads are not used to calculate historic estimate unless they are validated.	Compliant *The calculation process is compliant, but two unvalidated customer estimate reads were unexpectedly*

Test	Scenario	Test expectation	Result
			sent to MADRAS.
n	ICP with a photo read during the month	Photo reads are not used to calculate historic estimate unless they are validated.	Compliant
o	ICP has a meter with a multiplier greater than 1	The multiplier is applied correctly	Compliant

Audit outcome

Compliant

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

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

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

Audit observation

The process to create forward estimates was reviewed.

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

Audit commentary

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

The 20 kWh per day value is set at system level in MADRAS and cannot be modified for individual ICPs. Simply Energy investigated whether this could be changed following the 2018 audit and decided not to make any changes.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within 15% and within 100,000kWh. The tables below show the target was met for all balancing areas, and the differences between revisions at aggregate level were small.

SIMP

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

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Nov 2017	0	0	0	0	103

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Dec 2017	0	0	0	0	102
Jan 2018	0	0	0	0	103
Feb 2018	0	0	0	-	104
Mar 2018	0	0	0	-	106
Apr 2018	1	2	2	-	110
May 2018	1	1	1	-	113
Jun 2018	0	0	1	-	114
Jul 2018	0	0	0	-	90
Aug 2018	0	0	0	-	114
Sep 2018	0	0	-	-	116
Oct 2018	1	1	-	-	121
Nov 2018	0	0	-	-	120
Dec 2018	0	0	-	-	121
Jan 2019	0	0	-	-	122

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

Month	Revision 1	Revision 3	Revision 7	Revision 14
Nov 2017	0.24%	0.18%	0.10%	0.24%
Dec 2017	-0.22%	1.19%	0.58%	0.75%
Jan 2018	-0.47%	-0.53%	-1.40%	-1.34%
Feb 2018	-0.39%	-1.40%	-0.98%	-
Mar 2018	-0.04%	5.68%	6.04%	-

Month	Revision 1	Revision 3	Revision 7	Revision 14
Apr 2018	-6.86%	5.18%	5.46%	-
May 2018	6.55%	4.48%	6.14%	-
Jun 2018	0.45%	0.14%	11.55%	-
Jul 2018	-0.16%	-0.09%	-0.74%	-
Aug 2018	0.45%	-1.43%	-1.61%	-
Sep 2018	0.00%	19.56%	-	-
Oct 2018	-4.26%	-3.79%	-	-
Nov 2018	0.51%	1.71%	-	-
Dec 2018	0.88%	4.43%	-	-
Jan 2019	1.24%	-0.79%	-	-

I checked all balancing area differences over the threshold and found the differences were caused by:

- forward estimate that was high or low compared to the actual data;
- backdated switches and switch withdrawals; and
- a meter which appeared to have clocked but was later confirmed not to have clocked.

SELS

Review of the GR170 reports from the reconciliation manager confirmed that there was no NHH submission data provided by SELS between October 2017 and January 2019.

Some SELS ICPs were settled as NHH in May 2019, before being transferred to HHR submission. All the affected ICPs had validated actual start and end readings, and no forward estimate was calculated.

SELX

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

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Nov 2017	0	0	0	0	17
Dec 2017	0	0	0	0	19

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Jan 2018	0	0	0	0	19
Feb 2018	0	0	0	-	20
Mar 2018	0	0	0	-	21
Apr 2018	0	0	0	-	21
May 2018	0	0	0	-	21
Jun 2018	0	0	0	-	21
Jul 2018	0	0	0	-	21
Aug 2018	0	0	0	-	22
Sep 2018	0	0	-	-	21
Oct 2018	0	0	-	-	21
Nov 2018	0	0	-	-	28
Dec 2018	0	0	-	-	28
Jan 2019	0	0	-	-	28

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

Month	Revision 1	Revision 3	Revision 7	Revision 14
Nov 2017	0.54%	-1.29%	-2.01%	-2.01%
Dec 2017	0.00%	0.04%	0.57%	0.57%
Jan 2018	3.60%	0.26%	1.18%	1.18%
Feb 2018	-2.61%	-3.22%	-2.39%	-
Mar 2018	-0.48%	0.93%	0.11%	-
Apr 2018	-1.30%	-2.28%	-2.64%	-

Month	Revision 1	Revision 3	Revision 7	Revision 14
May 2018	-0.07%	-2.87%	-2.79%	-
Jun 2018	-1.86%	-1.67%	-2.18%	-
Jul 2018	0.07%	-0.77%	-0.70%	-
Aug 2018	0.57%	0.15%	0.75%	-
Sep 2018	0.68%	0.52%	-	-
Oct 2018	0.42%	0.92%	-	-
Nov 2018	0.54%	0.67%	-	-
Dec 2018	0.28%	-0.06%	-	-
Jan 2019	0.86%	0.20%	-	-

While no differences exceeded the thresholds, some percentage differences between revisions were large. The differences were reviewed, and I found there were no individual balancing area differences more than ±10% and 5,000 kWh. The differences appear to be caused by forward estimate that was too high or too low.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.12 With: Clause 6 Schedule 15.3 From: Apr-18 (r1, r3, r7), May-18 (r1, r3, r7), Jun-18 (r7), Oct-18 (r1, r3)	*SIMP* The accuracy threshold was not met for all revisions for April 2018, May 2018, June 2018 and October 2018. Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as moderate. They are sufficient to ensure data is within the accuracy threshold most of the time, but do not always provide a realistic estimate of consumption because a default daily forward estimate is applied. The impact is low, revised data is washed up.

Actions taken to resolve the issue	Completion date	Remedial action status
Energy is focussing a lot more of its efforts on NHH ICPs without reads for six months which will in turn reduce the FE being applied.	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.		

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

Event detail reports for 01/07/18 to 30/05/19 were reviewed to identify ICPs with profile changes during the audit period. A diverse sample of five (or all) profile changes identified for each code were checked to confirm that there was an actual reading or permanent estimate on the day of the profile change.

Audit commentary

SIMP Review of the sample confirmed that all profile changes are conducted using a meter reading or a permanent estimate on the day of the profile change.

The profile change for 0000033597EA225 was processed effective from 16/01/19 instead of 15/01/19 and requires correction. This is recorded as non-compliance in **section 2.1**. Compliance is recorded in this section, because there was an actual reading for the day of the profile change.

SELS Review of the sample confirmed that all profile changes are conducted using a meter reading or a permanent estimate on the day of the profile change.

SELX Review of the sample confirmed that all profile changes are conducted using a meter reading or a permanent estimate on the day of 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

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry were reviewed in **section 2.1**.

Aggregation of NHH volumes is discussed in **section 12.3**, aggregation of HHR volumes is discussed in **section 11.4**.

Audit commentary

Submission information is provided to the reconciliation manager in the appropriate format and is aggregated to the following level for SIMP, SELS and SELX:

- NSP code;
- reconciliation type;
- profile;
- loss category code;
- flow direction;
- dedicated NSP; and
- consumption period.

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 on the AV080, AV090 and AV140 and reports as part of the aggregation checks.

Audit commentary

SIMP	Review of nine AV080 NHH volumes reports confirmed that submission data is rounded to two decimal places. Review of nine AV090 HHR volumes reports confirmed that submission data is rounded to zero decimal places. Review of nine AV140 HHR aggregates reports confirmed that submission data is rounded to zero decimal places.
SELS	Review of one AV080 NHH volumes report confirmed that submission data is rounded to two decimal places. Review of one AV090 HHR volumes report and one AV140 HHR aggregates reports confirmed that submission data is rounded to two decimal places.
SELX	Review of nine AV080 NHH volumes reports confirmed that submission data is rounded to two decimal places. Review of nine AV090 HHR volumes reports confirmed that submission data is rounded to zero decimal places.

Review of nine AV140 HHR aggregates reports confirmed that submission data is rounded to zero decimal places.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 15.3

Code related audit information

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

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

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

Audit observation

The timeliness of submissions of historic estimate was reviewed in **section 12.2**.

I reviewed nine AV080 reports to confirm that historic estimate requirements were met.

Audit commentary

The revision files were examined and showed that the targets were not met for some NSPs. The historic estimate attainment requirements were not met because meter reads were not obtained for some ICPs, and some historic estimate was incorrectly labelled as forward estimate as described in **section 12.10**.

SIMP

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Nov 2017	-	-	119	134
Dec 2017	-	-	115	132
Jan 2018	-	-	112	133
Jun 2018	-	134	-	144
Jul 2018	-	134	-	145

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Aug 2018	-	134	-	147
Sep 2018	135	-	-	148
Oct 2018	134	-	-	151
Nov 2018	136	-	-	154

The table below shows the percentage HE at a summary level:

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Nov 2017	-	-	98.84%
Dec 2017	-	-	98.94%
Jan 2018	-	-	99.25%
Jun 2018	-	98.16%	-
Jul 2018	-	98.11%	-
Aug 2018	-	97.96%	-
Sep 2018	95.82%	-	-
Oct 2018	94.81%	-	-
Nov 2018	95.47%	-	-

SELS

No AV080 submissions have occurred for revisions 3, 7 or 14.

SELX

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Nov 2017	-	-	24	25
Dec 2017	-	-	23	27
Jan 2018	-	-	25	28
Jun 2018	-	23	-	32
Jul 2018	-	24	-	32
Aug 2018	-	25	-	34
Sep 2018	19	-	-	33
Oct 2018	28	-	-	33
Nov 2018	33	-	-	42

The table below shows the percentage HE at a summary level:

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Nov 2017	-	-	97.95%
Dec 2017	-	-	95.90%
Jan 2018	-	-	86.09%
Jun 2018	-	80.27%	-
Jul 2018	-	81.80%	-
Aug 2018	-	82.18%	-
Sep 2018	76.13%	-	-
Oct 2018	86.33%	-	-

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Nov 2018	84.57%	-	-

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 13.3 With: Clause 10 of schedule 15.3 From: Nov-17 to Jan-18 (r14), Jun-18 to Aug-18 (r7) and Sep-18 to Nov-18 (r3)	*SIMP* Historic estimate targets were not met for all months and revisions. *SELX* Historic estimate targets were not met for all months and revisions. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	Strong controls are in place to get actual to derive submission information. The impact on settlement is minor, therefore the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy agrees that there are strong controls in place.	21/08/2019	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are comfortable with the current controls in place.	21/08/2019	

CONCLUSION

Simply Energy has used three participant codes during the audit period (SIMP, SELS and SELX), and also acts as an agent for other participants. All codes use the same systems and processes. Unless otherwise specified, processes and non-compliances described in the report relate to all codes.

The audit found 34 non-compliance issues, which is a decrease from the previous audit. I note that the number of non-compliances and total audit risk rating is inflated by some minor non-compliances affecting one or two ICPs which are recorded in several sections of the report. For example, one ICP with an incorrect status update to active caused non-compliance in three report sections, and the two customer readings which were incorrectly treated also caused non-compliance in three sections.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The future risk rating score is 50, resulting in an indicative audit frequency of six months. I found that many of non-compliances were caused by small numbers of exceptions and had a low impact, and controls were strong or moderate. Considering this, along with Simply Energy's comments and proposed actions, I recommend a next audit period of 12 months.

PARTICIPANT RESPONSE

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