

ELECTRICITY INDUSTRY PARTICIPATION CODE  
RECONCILIATION PARTICIPANT AUDIT REPORT



For

WEL NETWORKS AND OURPOWER

Prepared by: Steve Woods

Date audit commenced: 17 September 2019

Date audit report completed: 8 October 2019

Audit report due date: 11 October 2019

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## EXECUTIVE SUMMARY

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of **OurPower** and **WEL Networks**, 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

### **OurPower**

Most of OurPower's controls are sound and many of the issues identified during the previous audit have been resolved.

During the audit period, OurPower commenced trading a small number of NHH ICPs for short periods until HHR meters were installed. Some of the historic and forward estimate calculations and reports required minor changes or the activation of existing functionality.

There were a small number of ICPs where the switch event meter reading was not used by OurPower and an RR file was not sent to the losing trader.

### **WEL Networks**

WEL Networks is an embedded network operator and is therefore required to be a certified reconciliation participant in accordance with clause 15.38 of part 15. In this report I have only recorded matters where specific analysis was undertaken.

WEL Networks' compliance is reliant on the compliance of AMS, who acts as their agent.

AMS' agent audit report completed in May 2019 records compliance in relation to the activities performed on behalf of WEL Networks. As part of this audit I also confirmed that:

- no defective meters have been identified
- no meter events affecting accuracy have occurred
- no clock synchronisation errors outside the allowable tolerances have occurred
- no estimations occurred; and
- no corrections occurred

Compliance was confirmed for all relevant parts of the code.

### **Conclusion**

The audit found 16 non-compliances and made two recommendations, all related to OurPower's activities. The breach risk rating total is 28, which gives an indicative next audit due date of 12 months. Taking into account OurPower's comments and that some of the non-compliances are already resolved or are very minor, I agree that the next audit period is reasonable.

## AUDIT SUMMARY

### NON-COMPLIANCES

| Subject  | Section | Clause                           | Non-Compliance   | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|--|---------|----------------------------------|--|----------|-------------------|--------------------|-----------------|
| Relevant information   | 2.1     | 10.6, 11.2, 15.2                 | <p><b>OurPower</b></p> <p>1 incorrect status</p> <p>For three ICPs, the start read applied by OurPower was inconsistent with the CS read.</p> <p>ICP 0000780936WE7F7 was missing from the Day 13 file for January 2019</p> <p>Some NHH FE and HE issues exist.</p> | Moderate | Low               | 2                  | Identified      |
| MEP arrangements   | 2.13    | 10.36                            | <p><b>OurPower</b></p> <p>Arrangements not in place with MTRX, FCLM or NGCM</p>  | Moderate | Low               | 2                  | Identified      |
| Changes to registry information                                | 3.3     | 10 Schedule 11.1                 | <p><b>OurPower</b></p> <p>Some late status and trader event updates</p>  | Moderate | Low               | 2                  | Identified      |
| Management of "active" status                                  | 3.8     | 17 Schedule 11.1                 | <p><b>OurPower</b></p> <p>Incorrect status for one ICP</p>   | Moderate | Low               | 2                  | Cleared         |
| Losing trader must provide final information - standard switch | 4.3     | 5 Schedule 11.3                  | <p><b>OurPower</b></p> <p>Average daily consumption calculation in CS files does meet the functional specification.</p>  | Strong   | Low               | 1                  | Investigating   |
| Retailers must use same reading - standard switch              | 4.4     | Clause 6(1) and 6A Schedule 11.3 | <p><b>OurPower</b></p> <p>For three ICPs that switched in with estimated readings on WEL Networks meters, OurPower's start read did not match the losing trader's CS read.</p>   | Moderate | Low               | 2                  | Identified      |
| Losing trader must provide final information - switch move     | 4.10    | 11 Schedule 11.3                 | <p><b>OurPower</b></p> <p>One ICP with an incorrect switch event meter reading.</p>  | Strong   | Low               | 1                  | Identified      |

| Subject  | Section | Clause                  | Non-Compliance  | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|--|---------|-------------------------|---|----------|-------------------|--------------------|-----------------|
|  |         |                         | <b>OurPower</b><br>Average daily consumption calculation in CS files does meet the functional specification.  |          |                   |                    |                 |
| Gaining trader changes to switch meter reading - switch move       | 4.11    | 12 Schedule 11.3        | <b>OurPower</b><br>2 late AC files  | Strong   | Low               | 1                  | Identified      |
| Withdrawal of switch requests                                      | 4.15    | 17 and 18 Schedule 11.3 | <b>OurPower</b><br>Five incorrect NW rejections<br>One late NW<br>Two AW files were issued late   | Moderate | Low               | 2                  | Identified      |
| NHH meter reading application                                      | 6.7     | 6 Schedule 15.2         | <b>OurPower</b><br>One switch event meter reading not applied correctly   | Strong   | Low               | 1                  | Cleared         |
| Identification of readings   | 9.1     | 3(3) Schedule 15.2      | <b>OurPower</b><br>Forward estimates identified as historic estimates   | Moderate | Low               | 2                  | Cleared         |
| HHR aggregates information provision to the reconciliation manager | 11.4    | 15.8                    | <b>OurPower</b><br>HHR aggregates files do not contain electricity supplied information.<br>ICP 0000780936WE7F7 did not have volume information submitted until R3 for January 2019 | Strong   | Low               | 1                  | Investigating   |
| Accuracy of submission information                                 | 12.7    | 15.12                   | <b>OurPower</b><br>For three ICPs, the start read applied by OurPower was inconsistent with the CS read.<br>ICP 0000780936WE7F7 was missing from the Day 13 file for January 2019.  | Moderate | Low               | 2                  | Investigating   |

| Subject                                    | Section | Clause                | Non-Compliance   | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|--|---------|-----------------------|--|----------|-------------------|--------------------|-----------------|
| Historical estimates and forward estimates | 12.10   | 3 Schedule 15.3       | <b>OurPower</b><br>FE identified as HE in NHH vols file  | Moderate | Low               | 2                  | Cleared         |
| Historical estimate process                | 12.11   | 4 and 5 Schedule 15.3 | <b>OurPower</b><br>Shape files not used to calculate HE  | Weak     | Low               | 3                  | Cleared         |
| Historical estimate reporting to RM        | 13.3    | 10 Schedule 15.3      | <b>OurPower</b><br>Quantity of HE not correctly recorded | Moderate | Low               | 2                  | Cleared         |
| Future Risk Rating                         |         |                       |  |          |                   | 28                 |                 |

|                            |           |           |           |           |          |          |
|----------------------------|-----------|-----------|-----------|-----------|----------|----------|
| 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 | Clause                 | Recommendation   |
|--|---------|------------------------|--|
| Management of "active" status          | 3.8     | 17 Schedule 11.1       | <b>OurPower</b><br>Develop reporting for ICPs with consumption and active customers, where the status is not "Active". |
| Correction of HHR metering information | 8.2     | 19(5) of Schedule 15.2 | <b>OurPower</b><br>Populate correction and estimation details in the database against each relevant ICP.               |

## 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

Current code exemptions were reviewed on the Electricity Authority website.

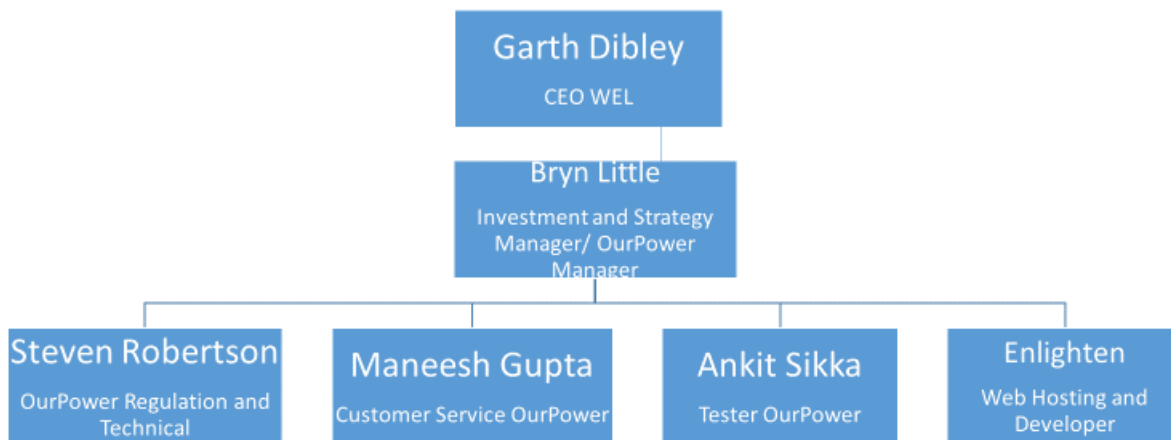
#### Audit commentary

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

### 1.2. Structure of Organisation

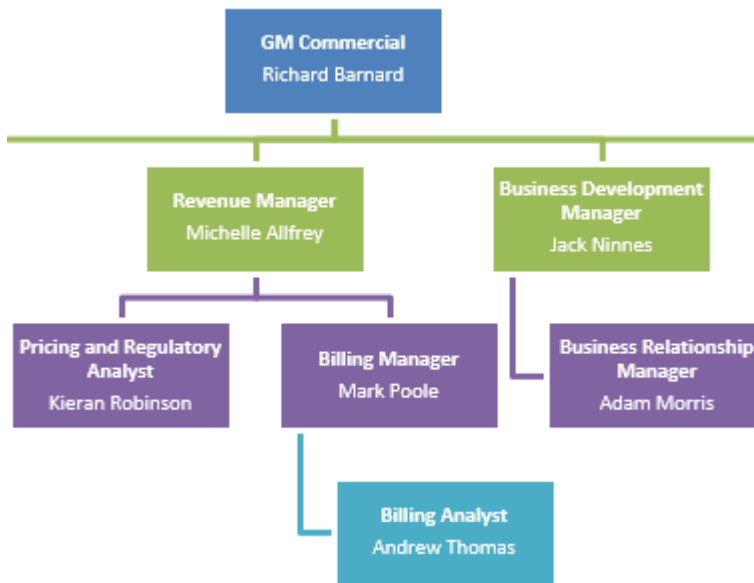
#### OurPower

OurPower provided an organisation structure which is shown below.



## WEL Networks

WEL Networks provided an organisation structure for the relevant part of their business.



### 1.3. Persons involved in this audit

Auditor:

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

Personnel assisting with this audit were:

| Name             | Title               | Company      |
|------------------|---------------------|--------------|
| Steve Robertson  | Commercial Analyst  | WEL Networks |
| Alistair Haszard | Consultant          | OurPower     |
| Laura Ferrier    | Senior Data Analyst | AMS          |

## 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.

### Audit commentary

#### **OurPower**

OurPower does not engage any agents.

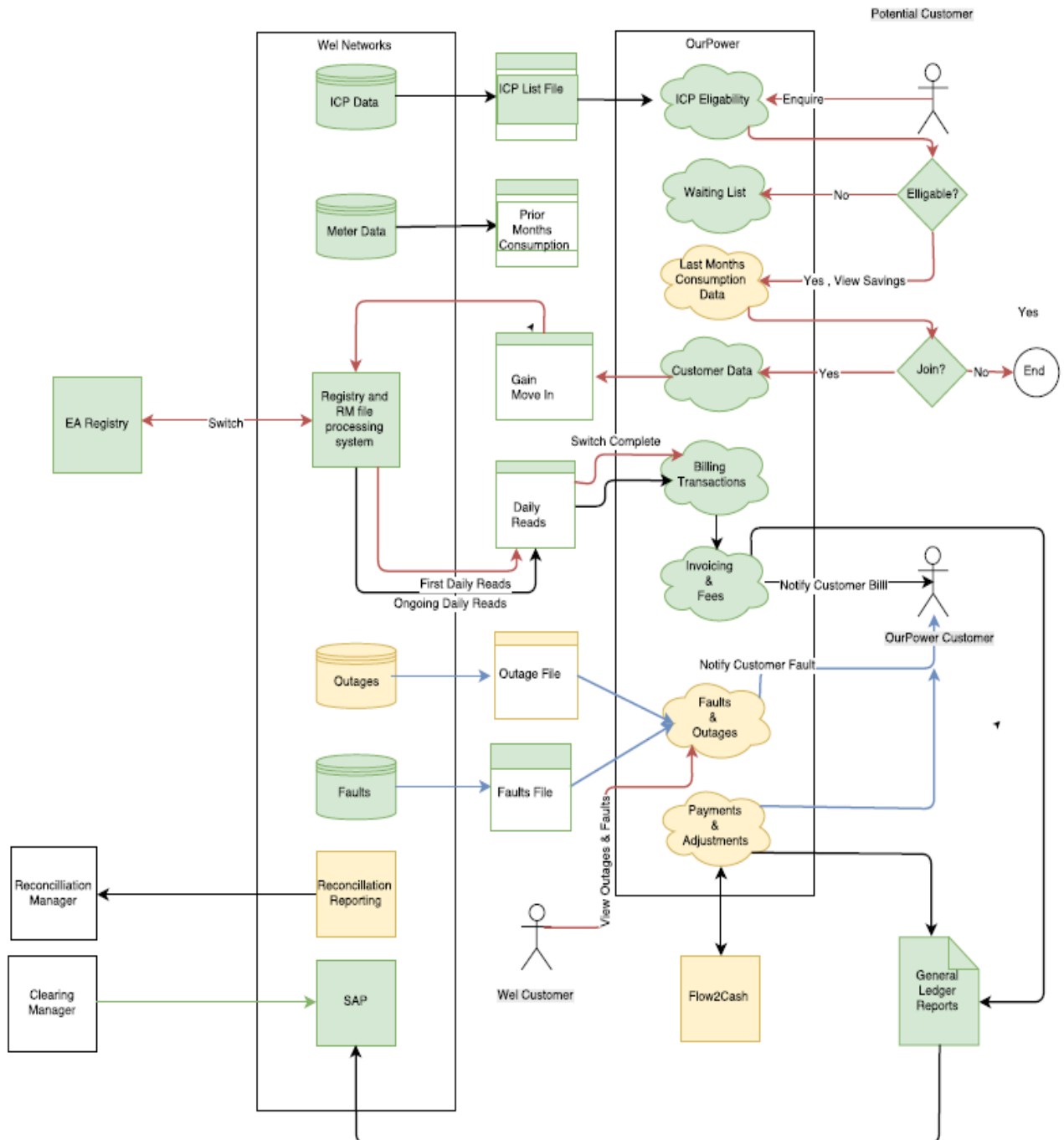
#### **WEL Networks**

AMS perform the functions covered by the scope of this audit. WEL Networks understand that this does not relieve them of their compliance obligations.

## 1.5. Hardware and Software

### OurPower

The diagram below shows the processes and systems at a high level. A bespoke reconciliation system has been developed, and WEL Networks' existing interface to the registry is used. The Microsoft Azure cloud computing service is used, which creates back ups to the cloud.



### WEL Networks

AMS completes the reconciliation participant tasks on behalf of WEL Networks using their systems and processes. Further information is recorded in AMS' audit report.

## 1.6. Breaches or Breach Allegations

WEL Networks and OurPower have not had any breach allegations recorded by the Electricity Authority during the audit period.

## 1.7. ICP Data

### OurPower

All ICPs are Category 1 as shown in the table below.

| Metering Category | Number of ICPs (2019) |
|-------------------|-----------------------|
| 1                 | 880                   |
| 2                 | -                     |
| 3                 | -                     |
| 4                 | -                     |
| 5                 | -                     |
| 9                 | -                     |

| Status   | Number of ICPs (2019) |
|--|-----------------------|
| Active (2,0)   | 880                   |
| Inactive – new connection in progress (1,12)                         | -                     |
| Inactive – electrically disconnected vacant property (1,4)           | 1                     |
| Inactive – electrically disconnected remotely by AMI meter (1,7)     | 2                     |
| 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)   | -                     |

## WEL Networks

WEL has responsibility for the following embedded networks and interconnection points.

No changes have occurred during the audit period.

| NSP     | Rec Type | Description     | Parent POC | Parent Network | Balancing Area | Start Date | MEP  |
|---------|----------|-----------------|------------|----------------|----------------|------------|------|
| BRI0111 | EN       | BRICK STREET    | HEP0331    | UNET           | BRI0111WAIKE   | 1/05/2008  | AMCI |
| FLG0111 | EN       | FLAGSHIP        | WIR0331    | VECT           | FLG0111WAIKE   | 1/05/2008  | AMCI |
| HMB0111 | EN       | HALF MOON BAY   | PAK0331    | VECT           | HMB0111WAIKE   | 1/05/2008  | AMCI |
| HUL0111 | EN       | HULME PLACE     | HEP0331    | UNET           | HUL0111WAIKE   | 1/05/2008  | AMCI |
| JEF0111 | EN       | JEFFS ROAD      | OTA0221    | VECT           | JEF0111WAIKE   | 1/05/2008  | AMCI |
| KIR0111 | EN       | KIRKDALE        | TAK0331    | VECT           | KIR0111WAIKE   | 1/05/2008  | AMCI |
| MTG0111 | NP       | MANGATANGI      | HLY0331    | WAIK           | WAIKATOWAIKG   | 1/08/2017  | COUP |
| OAK0111 | EN       | OAKLANDS        | CBG0111    | WAIP           | OAK0111WAIKE   | 1/05/2008  | AMCI |
| POR0111 | EN       | PORCHESTER ROAD | TAK0331    | VECT           | POR0111WAIKE   | 10/07/2009 | AMCI |
| RYN0111 | EN       | RYAN PLACE      | WIR0331    | VECT           | RYN0111WAIKE   | 1/05/2008  | AMCI |
| STG0111 | EN       | SOUTHGATE       | WEL0331    | UNET           | STG0111WAIKE   | 1/05/2008  | AMCI |

### 1.8. Authorisation Received

Authorisation was provided as requested.

## 1.9. Scope of Audit

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of WEL Networks and OurPower, 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 V7.2.

The audit was carried out at WEL Networks' and OurPower's offices in Hamilton on 17 September 2019.

### OurPower

OurPower will not conduct new connections and will not deal with unmetered load. The table below shows the audit scope.

| Tasks requiring certification under Clause 15.38(1) of Part 15   | Within audit scope | Agents involved in performance of tasks |
|--|--------------------|---|
| (a) - Maintaining registry information and performing customer and embedded generator switching            | ✓                  |   |
| (b) – Gathering and storing raw meter data   | ✓                  |   |
| (c)(i) - Creation and management of HHR volume information   | ✗                  |   |
| (c)(ii) - Creation and management of NHH volume information  | ✗                  |   |
| (c)(iii) - Creation and management of HHR & NHH volume information   | ✓                  |   |
| (c)(iv) - Creation and management of dispatchable load information   | ✗                  |   |
| (d) – Calculation of ICP days  | ✓                  |   |
| (da) - delivery of electricity supplied information under clause 15.7                                      | ✓                  |   |
| (db) delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8 | ✓                  |   |
| (e) – Provision of submission information for reconciliation   | ✓                  |   |
| (f) - provision of metering information to the grid owner in accordance with subpart 4 of Part 13.         | ✗                  |   |

### WEL

WEL is an embedded network owner and is therefore required to be a certified reconciliation participant in accordance with clause 15.38 of part 15.

The scope of the audit is shown in the table below. AMS conducts all functions that require certification as an agent to WEL Networks.

| Tasks requiring certification under Clause 15.38(1) of Part 15 | Within audit scope | Agents involved in performance of tasks |
|--|--------------------|---|
| (b) – Gathering and storing raw meter data                     | ✓                  | AMS                                     |
| (c)(i) - Creating and managing HHR volume information          | ✓                  |   |
| (e) – Provision of submission information for reconciliation   | ✓                  |   |

### 1.10. Summary of previous audit

#### OurPower

I reviewed the previous reconciliation participant audit report completed in October 2017 by Steve Woods of Veritek Limited. The summary table below shows the status of the one non-compliance raised in the previous audit, and further comment is made in **section 11.4**. No issues or recommendations were raised.

| Subject  | Section | Clause                           | Non-Compliance   | Status                               |
|--|---------|----------------------------------|--|--------------------------------------|
| Relevant information   | 2.1     | 10.6, 11.2, 15.2                 | <b>OurPower</b><br>0077473538WE739 had an incorrect submission type recorded on the registry for 28/02/18 to 05/03/18.<br><br>Three ICPs had T994 unknown ANZSIC codes recorded.<br><br>Three disconnected ICPs did not have their status updated on the registry. | Still existing for different issues  |
| ANZSIC codes   | 3.6     | 9 (1(k)) of Schedule 11.1        | <b>OurPower</b><br>Three ICPs have T994 don't know ANZSIC codes.   | Cleared                              |
| Management of "inactive" status  | 3.9     | 19 Schedule 11.1                 | <b>OurPower</b><br>Three disconnected ICPs did not have their status updated to inactive on the registry.  | Cleared                              |
| Losing trader response to switch request and event dates - standard switch | 4.2     | 3 and 4 Schedule 11.3            | <b>OurPower</b><br>Incorrect AN response codes were applied for ten transfer switches.   | Cleared                              |
| Losing trader must provide final information - standard switch             | 4.3     | 5 Schedule 11.3                  | <b>OurPower</b><br>Five transfer CS files were incomplete.   | Still existing for a different issue |
| Retailers must use same reading - standard switch                          | 4.4     | Clause 6(1) and 6A Schedule 11.3 | <b>OurPower</b><br>For three ICPs that switched in with estimated readings on WEL Networks meters,   | Still existing for different ICPs    |



| Subject  | Section | Clause                        | Non-Compliance   | Status                              |
|--|---------|-------------------------------|--|-------------------------------------|
|  |         |                               | OurPower's start read did not match the losing trader's CS read.   |                                     |
| Losing trader provides information - switch move                   | 4.8     | 10(1)<br>Schedule<br>11.3     | <b>OurPower</b><br>Incorrect AN response codes were applied for 13 switch moves.   | Cleared                             |
| Losing trader must provide final information - switch move         | 4.10    | 11 Schedule<br>11.3           | <b>OurPower</b><br>Seven switch move CS files were incomplete.   | Still existing for different issues |
| Withdrawal of switch requests                                      | 4.15    | 17 and 18<br>Schedule<br>11.3 | <b>OurPower</b><br>Two AW files were issued late.  | Still existing                      |
| Calculation of ICP days  | 11.2    | 15.8                          | <b>OurPower</b><br>For submissions prior to the July 2018 initial, ICP days were excluded where the ICP was not supplied on the last day of the month.   | Cleared                             |
| HHR aggregates information provision to the reconciliation manager | 11.4    | 15.8                          | <b>OurPower</b><br>HHR aggregates files do not contain electricity supplied information.<br><br>ICPs which had switched out prior to the end of the month were incorrectly excluded from some submissions.<br><br>ICP 000019688WE7BE did not have generation consumption reported with flow direction I in the September 2018 initial submission data.                 | Still existing                      |
| Accuracy of submission information                                 | 12.7    | 15.12                         | <b>OurPower</b><br>For three ICPs, the start read applied by OurPower was inconsistent with the CS read.<br><br>ICP 000019688WE7BE did not have generation consumption reported with flow direction I in the September 2018 initial submission data.<br><br>ICPs which had switched out prior to the end of the month were incorrectly excluded from some submissions. | Still existing for different issues |

| Subject      | Section | Recommendation  | Status  |
|--------------|---------|---|---------|
| ANZSIC codes | 3.6     | <b>OurPower</b><br>Check ANZSIC codes are correct on switch in. | Cleared |

| Subject  | Section | Recommendation   | Status                   |
|--|---------|--|--------------------------|
|  |         | Update ANZSIC codes for any ICPs with T99 series (unknown) codes.  |                          |
| Retailers must use same reading - standard switch                        | 4.4     | <p><b>OurPower</b></p> <p>Where an ICP switches in with an existing WEL Networks meter used for billing and settlement, the switch reading should be checked to ensure that the read is consistent, and the RR process used as required.</p> | Raised as non-compliance |
| Losing trader provides information - switch move                         | 4.8     | <p><b>OurPower</b></p> <p>Consider applying the OC AN response code where a switch move is requested, and the premises is occupied.</p>  | Cleared                  |
| Correction of HHR and NHH raw meter data                                 | 8.4     | <p><b>OurPower</b></p> <p>Compliant journals should be created where raw meter data is corrected or replaced.</p>  | Cleared                  |
| Identification of readings   | 9.1     | <p><b>OurPower</b></p> <p>Estimates should be appropriately labelled where they have been used.</p>  | Cleared                  |
| Calculation of ICP days  | 11.2    | <p><b>OurPower</b></p> <p>Check that inactive ICP days are correctly excluded from AV110 submissions.</p>  | Cleared                  |
| Electricity supplied information provision to the reconciliation manager | 11.3    | <p><b>OurPower</b></p> <p>Consider providing AV120 wash up submissions where billed data for the period has changed.</p>   | Cleared                  |

## 2. OPERATIONAL INFRASTRUCTURE

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

#### Code reference

Clause 10.6, 11.2, 15.2

#### Code related audit information

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

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

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

#### Audit observation

##### **OurPower**

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

##### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of the AMS audit report.

#### Audit commentary

##### **OurPower**

WEL Networks extracts a daily registry list of all ICPs on its network.

Because the ICP information recorded in OurPower's database reflects what is recorded in the registry, there are not expected to be any discrepancies between OurPower's database and the registry except timing differences. One incorrect status was found, and this is now corrected.

Submission information is validated against the registry, as discussed in **section 12.3**.

The registry list file was analysed, and I found the following:

| Issue                                     | 2019 Qty | Comments                               |
|---|----------|--|
| Blank ANZSIC codes                        | -        | No blank ANZSIC codes were found.      |
| ANZSIC "T99" series                       | -        | No T99 series ANZSIC codes were found. |
| UML load = zero                           | -        | No unmetered load was identified.      |
| Incorrect UML load                        | -        | No unmetered load was identified.      |
| No MEP recorded or nominated and UML= "N" | -        | All ICPs have an MEP recorded.         |

| Issue   | 2019 Qty | Comments                           |
|---|----------|------------------------------------|
| Active with meter category 9 and UML "N"  | -        | All ICPs have metering category 1. |
| Shared unmetered load incorrect   | -        | No unmetered load was identified.  |
| ICPs with different UNM load to that recorded by the Distributor                                  | -        | No unmetered load was identified.  |
| ICPs with Distributor unmetered load populated but retail unmetered load is blank and UML flag =N | -        | No unmetered load was identified.  |
| Incorrect profiles  | -        | All ICPs have HHR profile.         |
| Incorrect submission type   | -        | No examples were found             |
| Incorrect status or status date   | 1        | One ICP had an incorrect status    |

Other issues found relating to this clause were as follows:

- For three ICPs, the start read applied by OurPower was inconsistent with the CS read.
- ICP 0000780936WE7F7 was missing from the Day 13 file for January 2019
- Some NHH FE and HE issues exist.

#### WEL Networks

Compliance with these clauses is recorded in AMS' audit report.

#### Audit outcome

Non-compliant

| Non-compliance  | Description  |
|---|--|
| Audit Ref: 2.1<br>With: Clause 10.6, 11.2, 15.2<br><br>From: 01-Oct-18<br>To: 26-Sep-19 | <b>OurPower</b><br>1 incorrect status<br>For three ICPs, the start read applied by OurPower was inconsistent with the CS read.<br>ICP 0000780936WE7F7 was missing from the Day 13 file for January 2019<br>Some NHH FE and HE issues exist.<br><br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Once<br>Controls: Moderate<br>Breach risk rating: 2 |
| <b>Audit risk rating</b>  | <b>Rationale for audit risk rating</b>   |

| <b>Low</b>  | <p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact on settlement and participants is minor; therefore the audit risk rating is low.</p> |                 |                        |
|---|--|-----------------|------------------------|
| Actions taken to resolve the issue  |  | Completion date | Remedial action status |
| <p>Correction to reconciliation files for incorrect CS Read Status updated</p> <p>The missing ICP has been added in a resubmission.</p> <p>Improvements to automation for estimates</p>   |  | Sep-Nov 2019    | Identified             |
| Preventative actions taken to ensure no further issues will occur   |  | Completion date |                        |
| <p>We are updating the checking process and reviewing the automated systems to reduce likelihood of error; including prompts if ICP has an inactive status in registry but has consumption.</p> <p>We have added an automated email where an RR may be necessary to prompt an OurPower user to input RR details to send if appropriate.</p> |  | October 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

#### OurPower

Processes to provide information were reviewed and observed throughout the audit. Alleged breaches during the audit period were reviewed.

#### WEL Networks

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of the AMS audit report. Alleged breaches during the audit period were reviewed.

### Audit commentary

#### OurPower

This area is discussed in several sections in this report and compliance is confirmed. No breaches were recorded in relation to the late provision of information.

#### WEL Networks

Compliance with this clause is recorded in AMS' audit report. No breaches were recorded in relation to the late provision of information.

#### **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**

##### **OurPower**

HHR data is provided by WEL Networks as a MEP, via SFTP.

Midnight reads are provided to OurPower for billing purposes, and HHR data is used by WEL Networks to produce reconciliation submissions. I checked the data transmission methodology for all data.

##### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of the AMS audit.

#### **Audit commentary**

##### **OurPower**

All data is transferred to OurPower via SFTP.

##### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

#### **Audit outcome**

Compliant

### **2.4. Audit trails (Clause 21 Schedule 15.2)**

#### **Code reference**

*Clause 21 Schedule 15.2*

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

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

*The audit trail must include details of information:*

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

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

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

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

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

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

#### **Audit observation**

##### **OurPower**

A complete audit trail was checked for 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.

##### **WEL Networks**

Audit trails were evaluated as part of the AMS audit report.

#### **Audit commentary**

##### **OurPower**

OurPower's database includes an audit trail for ICP and meter reading information.

HHR data used for submission is maintained in WEL Networks' database. WEL Networks' MEP audit confirmed that this data cannot be modified without an audit trail being created. Audit trails for manual corrections to HHR data are discussed in **section 8.4**.

##### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.4*

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

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

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

#### **Audit observation**

##### **OurPower**

I reviewed OurPower's current terms and conditions.

##### **WEL Networks**

Not applicable

#### Audit commentary

##### **OurPower**

OurPower's terms and conditions include consent to access for authorised parties for the duration of the contract.

##### **WEL Networks**

Not applicable

#### 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

##### **OurPower**

I reviewed OurPower's current terms and conditions.

##### **WEL Networks**

WEL's process for access to metering installations was discussed.

#### Audit commentary

##### **OurPower**

OurPower's terms and conditions include consent to access for authorised parties for the duration of the contract.

##### **WEL Networks**



WEL provided access to the metering installations as required. To the best of WEL Networks' knowledge there were no instances where access to meters could not be arranged.

#### Audit outcome

Compliant

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

#### Code reference

Clause 10.35(1)&(2)

#### Code related audit information

*A reconciliation participant responsible for ensuring there is a category 1 metering installation or category 2 metering installation must ensure that the metering installation is located as physically close to a point of connection as practical in the circumstances.*

*A reconciliation participant responsible for ensuring there is a category 3 or higher metering installation must:*

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

#### Audit observation

##### **OurPower**

The physical meter location point is not specifically mentioned in the terms and conditions, but the existing practices in the electricity industry achieve compliance.

Review of a registry list as at 29/08/19 confirmed that OurPower do not supply any ICPs with metering category 2 or above.

##### **WEL Networks**

Not applicable

#### Audit commentary

##### **OurPower**

OurPower only supplies ICPs with metering category 1, and does not deal with any installations with loss compensation.

##### **WEL Networks**

Not applicable

#### 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

#### OurPower

I reviewed OurPower's current terms and conditions.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

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

#### WEL Networks

Not applicable

### Audit outcome

Compliant

## 2.9. Connection of an ICP (Clause 10.32)

### Code reference

Clause 10.32

### Code related audit information

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

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

### Audit observation

#### OurPower

The new connection process was discussed.

The registry list as at 29/08/2019 and event detail report from 01/10/18 to 29/08/19 were examined to determine whether any new connections were completed during the audit period.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

OurPower does not intend to handle new connections. ICPs must be connected before they will be accepted by OurPower.

Review of the registry list and event detail report confirmed that OurPower has not completed any new connections during the audit period.

#### WEL Networks

Not applicable

### Audit outcome

Compliant

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

### Code reference

Clause 10.33(1)

### Code related audit information

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

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

### Audit observation

#### OurPower

The new connection process was discussed.

The registry list as at 29/08/2019 and event detail report from 01/10/18 to 29/08/19 were examined to determine whether any new connections were completed during the audit period.

#### **WEL Networks**

Not applicable

#### **Audit commentary**

#### **OurPower**

No new connections were completed during the audit period, and no temporary connections were identified.

#### **WEL Networks**

Not applicable

#### **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:*

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

#### **Audit observation**

#### **OurPower**

The new connection and reconnection processes were discussed.

The registry list as at 29/08/2019 and event detail report from 01/10/18 to 29/08/19 were examined to determine whether any new connections or reconnections were completed during the audit period.

#### **WEL Networks**

Not applicable

#### **Audit commentary**

#### **OurPower**

No new connections were conducted. 20 reconnections were completed during the audit period. The audit compliance report did not identify any reconnected ICPs without certified metering installations.

No bridged meters were identified during the audit period.

#### **WEL Networks**

Not applicable

## Audit outcome

Compliant

## 2.12. Arrangements for line function services (Clause 11.16)

### Code reference

Clause 11.16

### Code related audit information

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

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

### Audit observation

#### OurPower

OurPower only intends to operate on WEL Networks, and an arrangement is in place. The registry list as at 29/08/19 was examined to confirm the networks OurPower trades on.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

OurPower only operates on WEL Network and an agreement is in place.

#### WEL Networks

Not applicable

### 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

#### OurPower

In the long term, OurPower only intends to supply ICPs where WEL Networks is the MEP, and an arrangement is in place.

The registry list was examined to confirm the MEPs for OurPower's ICPs.

**WEL Networks**

The network supply points table was examined to confirm that NSPs are metered and have an MEP.

**Audit commentary**

**OurPower**

Long term, OurPower only intends to supply ICPs with WEL Networks as MEP; however, there are instances where ICPs are switched in with another MEP’s meter, which is then changed to a WEL meter some days or weeks later. OurPower does not have an arrangement in place with other MEPs. There is an arrangement in place with WASN. The Code stipulates that the following points be included in MEP arrangements.

- (a) for the reconciliation participant to provide the metering equipment provider with physical access to the metering installation for the point of connection and the premises at which it is situated; and
- (b) arranging for the electrical disconnection of the point of connection, if required by the metering equipment provider to enable the metering equipment provider to comply with its obligations under this Part; and
- (c) for the metering equipment provider to provide the reconciliation participant with access at the services access interface to the metering data from the
  - (i) in the case of an ICP, the consumer; or
  - (ii) in the case of an NSP, the network owner.

**WEL Networks**

As indicated in **section 1.7**, each NSP has a meter and MEP recorded.

**Audit outcome**

Non-compliant

| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| Audit Ref: 2.13<br>With: Clause 10.36<br>From: 01-Oct-18<br>To: 03-Oct-19 | Arrangements not in place with MTRX, FCLM or NGCM<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Moderate<br>Breach risk rating: 2  |                 |                        |
| Audit risk rating   | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>  | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br>The impact on settlement and participants is minor; therefore the audit risk rating is low. |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |
| Contact other MEPs to organize MEP contracts to attain compliance.        |   | October 2019    | Identified             |

| <b>Preventative actions taken to ensure no further issues will occur</b> | <b>Completion date</b> |  |
|--|------------------------|--|
| Get contracts in place with other MEPs                                   | January 2020           |  |

### 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

###### **OurPower**

The new connection process was discussed.

The registry list as at 29/08/2019 and event detail report from 01/10/18 to 29/08/19 were examined to determine whether any new connections were completed during the audit period.

###### **WEL Networks**

Not applicable

##### Audit commentary

###### **OurPower**

OurPower does not intend to handle new connections. Review of the registry list and event detail report confirmed that OurPower has not completed any new connections during the audit period.

###### **WEL Networks**

Not applicable

##### Audit outcome

Not applicable



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

#### Code reference

Clause 11.7(2)

#### Code related audit information

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

#### Audit observation

##### **OurPower**

The new connection, MEP nomination, and switching processes were examined. This clause links directly to **sections 3.3** below, where findings on the timeliness of updates are recorded.

The event detail report for 01/10/18 to 29/08/19 was analysed in relation to updating of the registry.

##### **WEL Networks**

Not applicable

#### Audit commentary

##### **OurPower**

OurPower's processes are designed to ensure that trader information is populated as required by this clause.

##### **WEL Networks**

Not applicable

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

#### Audit observation

##### **OurPower**

The process to manage status changes is discussed in detail in **sections 3.8** and **3.9** below.

In this section I have examined the event detail report for 01/10/18 to 29/08/19 to confirm the timeliness of status and trader registry information updates.

##### **WEL Networks**

Not applicable

## Audit commentary

### OurPower

The event detail report was examined and confirmed that the registry was notified within five business days when information referred to in clause 9 of schedule 11.1 changes.

| Event   | Year        | Total ICPs | ICPs notified within 5 days | ICPs notified greater than 5 days | Average notification days | Percentage compliant |
|---|-------------|------------|-----------------------------|-----------------------------------|---------------------------|----------------------|
| <b>Status updates</b>                                     |             |            |                             |                                   |                           |                      |
| Status update to active reconnected (2,0)                 | 2018        | 2          | 2                           | -                                 | 0.75                      | 100%                 |
|   | <b>2019</b> | <b>27</b>  | <b>20</b>                   | <b>7</b>                          | <b>8.26</b>               | <b>74%</b>           |
| Status update to any inactive status (1,x)                | 2018        | -          | -                           | -                                 | -                         | -                    |
|   | <b>2019</b> | <b>24</b>  | <b>7</b>                    | <b>17</b>                         | <b>8.79</b>               | <b>71%</b>           |
| <b>Trader updates</b>                                     |             |            |                             |                                   |                           |                      |
| MEP nominations   | 2018        | 327        | 327                         | -                                 | 1                         | 100%                 |
|   | <b>2019</b> | <b>630</b> | <b>630</b>                  | <b>0</b>                          | -                         | <b>100%</b>          |
| Trader updates (excluding MEP nominations and NT updates) | 2018        | 1          | 1                           | -                                 | 2                         | 100%                 |
|   | <b>2019</b> | <b>80</b>  | <b>75</b>                   | <b>5</b>                          | <b>4.14</b>               | <b>93.75%</b>        |

#### Status updates

All of the late status updates were due to processing issues. Status updates are still conducted manually but this process is intended to be automated within the next quarter.

#### MEP nominations

OurPower only intends to deal with ICPs with AMI metering where WEL Networks is the MEP.

If WEL Networks metering is installed but another MEP is recorded in the registry, an MEP nomination occurs on switch in. The registry will see this as an MEP change and a meter change at the time OurPower commences trading.

All MEP nominations were made on time and accepted by the MEP.

#### Trader updates

Five trader updates were late. Three related to HHR flag and profile changes and two related to MEP nominations.

#### **WEL Networks**

Not applicable

#### **Audit outcome**

Non-compliant

| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| Audit Ref: 3.3<br>With: Clause 10<br>Schedule 11.1<br><br>From: 01-Oct-18<br>To: 24-Sep-19  | <b>OurPower</b><br>Some late status and trader event updates<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Moderate<br>Breach risk rating: 2                                       |                 |                        |
| Audit risk rating   | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>  | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br><br>The impact on settlement and participants is minor; therefore the audit risk rating is low. |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |
| An automated disconnection process is being developed into place, which will update the registry as part of the disconnection/reconnection process. |   | November 2019   | Identified             |
| An alert has been put into place to notify OurPower if there is a read on a meter which is recorded as disconnected on the registry                 |   | September 2019  |                        |
| Preventative actions taken to ensure no further issues will occur   |   | Completion date |                        |
| Automated warnings have been put into place to notify OurPower if there is a read on an inactive ICP  |   | September 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**

##### **OurPower**

###### **Retailers Responsibility to Nominate and Record MEP in the Registry**

OurPower does not complete new connections. The audit compliance report was examined to identify any active ICPs that do not have an MEP recorded.

###### **ICP Decommissioning**

The process for the decommissioning of ICPs was examined. The list file as at 29/08/19 was examined to identify all decommissioned ICPs.

##### **WEL Networks**

Not applicable

#### **Audit commentary**

##### **OurPower**

###### **Retailers Responsibility to Nominate and Record MEP in the Registry**

All active ICPs have a valid MEP recorded in the registry.

OurPower ensure that MEP nominations occur as required by this clause. 630 MEP nominations were made during the audit period, and all were on time as discussed in **section 3.3**.

###### **ICP Decommissioning**

Review of the registry list confirmed that two ICPs were decommissioned during the audit period. Final interrogation occurred and the MEP was notified.

##### **WEL Networks**

Not applicable

#### **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:*

- 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

#### OurPower

The new connection process was discussed.

The registry list as at 29/08/2019 was examined to determine compliance.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

OurPower does not intend to handle new connections.

Review of the registry list and event detail report confirmed that OurPower has not completed any new connections during the audit period.

| Event   | Year | Total ICPs | ICPs notified within 5 days | ICPs notified greater than 5 days | Average notification days | Percentage compliant |
|---|------|------------|-----------------------------|-----------------------------------|---------------------------|----------------------|
| Status updates  |      |            |                             |                                   |                           |                      |
| Status update to active new connection (2,0)                | 2018 | -          | -                           | -                                 | -                         | -                    |
|   | 2019 | -          | -                           | -                                 | -                         | -                    |
| Status update to inactive new connection in progress (1,12) | 2018 | -          | -                           | -                                 | -                         | -                    |
|   | 2019 | -          | -                           | -                                 | -                         | -                    |

#### WEL Networks

Not applicable

### Audit outcome

Compliant

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

#### Code reference

*Clause 9 (1)(k) of Schedule 11.1*

#### Code related audit information

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

#### Audit observation

##### **OurPower**

The process to capture and manage ANZSIC codes was examined. A registry list as at 29/08/19 was reviewed to check ANZSIC codes were valid.

I checked a typical sample of ten active ICPs against Google street view data to confirm the correct ANZSIC code.

##### **WEL Networks**

Not applicable

#### Audit commentary

##### **OurPower**

A review of the registry list as at 29/08/19 found all ICPs had a valid domestic ANZSIC code. The sample of ten ANZSIC codes checked against Google street view data were found to be correct.

Validation is in place to ensure ANZSIC codes are valid.

##### **WEL Networks**

Not applicable

#### Audit outcome

Compliant

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

#### Code reference

*Clause 9(1)(f) of Schedule 11.1*

#### Code related audit information

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

- *the code ENG - if the load is profiled through an engineering profile in accordance with profile class 2.1 (clause 9(1)(f)(i)); or*
- *the daily average kWh of unmetered load at the ICP - in all other cases (clause 9(1)(f)(ii)).*

#### Audit observation

##### **OurPower**

The process to manage unmetered load was examined.

The list file for 01/10/18 to 29/08/19 was examined to identify any ICPs where:

- unmetered load is identified by the Distributor, but none is recorded by OurPower
- unmetered load is present, but OurPower’s unmetered load figure doesn’t match with the Distributor’s figure.

**WEL Networks**

Not applicable

**Audit commentary**

**OurPower**

OurPower only accepts applications from customers who do not have unmetered load connected.

Review of the registry list confirmed that no unmetered load is recorded by the distributor or trader for any OurPower ICPs.

OurPower has exception reporting in place to ensure ICPs with unmetered load do not switch in. If unmetered load is discovered following a switch in, the customer will be required to switch out.

**WEL Networks**

Not applicable

**Audit outcome**

Compliant

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

**Code reference**

*Clause 17 Schedule 11.1*

**Code related audit information**

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

- *the associated electrical installations are 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**

**OurPower**

The process for status changes to active was discussed.

I checked the “ICPMISS” report and the “ICPCOMP” report to identify status discrepancies.

Processes to ensure there is only one party per ICP and that all active ICPs have an MEP were confirmed.

**WEL Networks**

Not applicable

**Audit commentary**

**OurPower**

OurPower manually updates status information on the registry, and the updated status flows back into their database with the daily registry list import.

The ICPMISS check found that ICP 0001817419WEB13 was reconnected upon switching in (22/07/19) but the registry was not updated to “Active”. This has now been corrected. Submission was occurring because whenever consumption is present it is submitted. The status has now been corrected. I recommend reporting is developed for ICPs with consumption and active customers, where the status is not “Active”.

| Clause           | Recommendation  | Audited party comment  | Remedial action |
|------------------|---|--|-----------------|
| 17 Schedule 11.1 | Develop reporting for ICPs with consumption and active customers, where the status is not “Active”. | Automated warning has been developed and implemented<br><br>Exception reporting advises OurPower where ICP’s activity and expected status don’t match (i.e. active with no consumption or inactive with consumption) | Cleared         |

OurPower’s system will not allow more than one party per ICP.

**WEL Networks**

Not applicable

**Audit outcome**

Non-compliant

| Non-compliance   | Description  |                 |                        |
|--|--|-----------------|------------------------|
| Audit Ref: 3.8<br>With: Clause 17<br>Schedule 11.1<br><br>From: 22-Jul-19<br>To: 17-Sep-19 | <p><b>OurPower</b></p> <p>Incorrect status for one ICP</p> <p>Potential impact: Low</p> <p>Actual impact: None</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>                           |                 |                        |
| Audit risk rating  | Rationale for audit risk rating  |                 |                        |
| <b>Low</b>   | <p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact on settlement and participants is minor; therefore the audit risk rating is low.</p> |                 |                        |
| Actions taken to resolve the issue   |  | Completion date | Remedial action status |
| Incorrect status updated for ICP   |  | September 2019  | Cleared                |



| Preventative actions taken to ensure no further issues will occur        | Completion date                |  |
|--|--------------------------------|--|
| Automated messages, automated update process, exception report monitored | September-<br>November<br>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

##### OurPower

The process for status changes to inactive was discussed.

The event detail report for 01/10/18 to 29/08/19 was reviewed to identify all status changes to inactive during the audit period.

##### WEL Networks

Not applicable

#### Audit commentary

##### OurPower

OurPower manually updates status information on the registry, and the updated status flows back into their database with the daily registry list import.

There were 24 updates to inactive during the audit period. No examples of incorrect inactive statuses were found.

##### WEL Networks

Not applicable

#### Audit outcome

Compliant

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

#### Code reference

Clause 15 Schedule 11.1

#### Code related audit information

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

#### **Audit observation**

##### **OurPower**

Whilst this is a Distributor's code obligation, I investigated what process is in place to manage and respond to requests for information on ICPs at new or ready status, and how ICPs at new or ready status are monitored.

##### **WEL Networks**

Not applicable

#### **Audit commentary**

##### **OurPower**

OurPower has not dealt with any new connections since they commenced trading in November 2017, and it is unlikely they will be selected as the expected retailer for any new or ready ICPs. As discussed in **section 2.1**, OurPower only supplies ICPs that have been connected on the WEL Network.

No ICPs have been at new or ready status.

##### **WEL Networks**

Not applicable

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

#### Audit observation

##### **OurPower**

The switch gain process was examined to determine when OurPower deem all conditions to be met.

I checked the event detail report to identify any backdated NT files.

##### **WEL Networks**

Not applicable

#### Audit commentary

##### **OurPower**

OurPower's processes are compliant with the requirements of Section 36M of the Fair Trading Act 1986. There are no uninvited direct sales.

Customers join OurPower online, and the ICPs are checked against OurPower's database to determine whether they meet the supply criteria before they are accepted. If the flag allows supply, the NT file is automatically sent.

The switch type is selected based on information the customer provides at the time of application. If the customer selects "I already have power at this address" a transfer switch NT is created.

All transfer NT files were checked were sent within two business days of preconditions being cleared.

##### **WEL Networks**

Not applicable

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

### Audit observation

#### OurPower

An event detail report for 01/10/18 to 29/08/19 was reviewed to:

- identify AN files issued by OurPower during the period; and
- assess compliance with the setting of event dates requirement.

AN response codes were reviewed to determine whether they had been correctly applied.

The switch breach report was examined for the audit period.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

The switch breach report confirmed all AN files were sent within the allowable timeframes.

Event dates set by losing trader must be no more than 10 business days after receipt of an NT file. Over a 12 month period 50% of event dates must be within five business days.

All transfer AN files were examined on the event detail report. All proposed event dates were within five business days.

| Total transfer switches | Total over 10 business days | Total within 10 business days | Total within 5 business days | % within 5 business days |
|-------------------------|-----------------------------|-------------------------------|------------------------------|--------------------------|
| 39                      | 0                           | 39                            | 39                           | 100%                     |

The EA has specified that the AA response code should only be used where no other response code applies. All transfer switch ANs had the AD response code applied, which was correct because they were all AMI.

## WEL Networks

Not applicable

### Audit outcome

Compliant

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

### Code reference

Clause 5 Schedule 11.3

### Code related audit information

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

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

### Audit observation

#### OurPower

An event detail report for the period from for 01/10/18 to 29/08/19 was reviewed to identify CS files issued by OurPower. The accuracy of the content of CS files was confirmed by checking a sample of three records. 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.

The process to manage the sending of the CS file within five business days of the event date was examined.

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

## WEL Networks

Not applicable

### Audit commentary

#### OurPower

CS files are generated automatically to ensure their timeliness. The switch breach report confirmed that all CS files were sent on time.

The registry functional specification requires estimated daily kWh to be based on the average daily consumption for the last read to read period. OurPower calculates the average daily consumption from the previous month. This is not based on the average daily consumption from the two most recent reads. OurPower's current process is likely to produce a more accurate indication of the average daily consumption especially where the read to read period may be for a day, but as it does not meet the codes

requirements the current methodology is recorded as non-compliant. The average daily consumption in the three CS files checked was an accurate reflection of recent usage.

I checked the average daily consumption for all transfer CS files. There were five with consumption over 50 kWh per day. In all cases this was an accurate reflection of consumption. There were no examples of zero or negative consumption.

**WEL Networks**

Not applicable

**Audit outcome**

Non-compliant

| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| Audit Ref: 4.3<br>With: Clause 5 Schedule 11.3<br><br>From: 01-Oct-18<br>To: 24-Sep-19  | <b>OurPower</b><br>Average daily consumption calculation in CS files does meet the functional specification.<br>Potential impact: None<br>Actual impact: None<br>Audit history: None<br>Controls: Strong<br>Breach risk rating: 1   |                 |                        |
| Audit risk rating   | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>  | The controls are rated as strong because average daily consumption in CS files is accurate.<br><br>The current calculation is accurate. If OurPower changes the calculation to only include the last day of supply, it's likely the average daily consumption figures will be misleading for some ICPs. |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |
| Stay in breach as information provided for average daily consumption is more accurate and less misleading than required process (i.e. estimate is final day's consumption only) |   | N/A             | Investigating          |
| Preventative actions taken to ensure no further issues will occur   |   | Completion date |                        |
| None – CS file while failing to meet specification, audit notes that CS file data is accurate and fixing breach would create a misleading outcome                               |   | N/A             |                        |

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

##### Code reference

Clause 6(1) and 6A Schedule 11.3

##### Code related audit information

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

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

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

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

##### Audit observation

###### OurPower

The process for the management of read change requests was examined.

The event detail report for 01/10/18 to 29/08/19 was reviewed to identify all read change requests and acknowledgements during the audit period.

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

###### WEL Networks

Not applicable

##### Audit commentary

###### OurPower

A review of the event detail report confirmed that 11 RR files were sent by OurPower and no RR files were received by OurPower. Six of the 11 RR files were rejected. One of the RR files was sent in error, but I confirmed the readings in the other five files were correct and were from AMI metering. These RR files should not have been rejected. Some of the feedback from other traders is that RR files are rejected unless they are accompanied by an email detailing the reason for the RR. The Code does not stipulate that an email must be sent.

In most cases, the losing trader is using a meter with a different MEP and when the switch is complete, OurPower uses the WEL meter, which is already present on the installation and which is already being interrogated by WEL MEP. On switch in, OurPower immediately nominates WEL Networks as the MEP, and begins billing and reconciling consumption from the beginning of the switch in date based on the WEL Networks meter data. In accordance with the code, the losing trader's CS reading for the other MEP's meter should include actual or a best estimate of consumption up to the end of their last day of responsibility. The code does not specifically cater for this situation, but because the losing trader's read

covers the period to the end of their responsibility and OurPower’s meter data starts immediately on the first day of their responsibility, all consumption should be captured and the traders will effectively be using the same reading.

I checked four ICPs in detail where the losing trader had provided estimated readings in the switch file. OurPower is expected to use these readings unless they send an RR. The table below shows that the reads were not used for three ICPs, leading to potential billing and submission inaccuracy. In all three cases listed below, there was an existing WEL meter.

| ICP             | Switch event date | Meter serial | Meter Channel | OurPower start reading | Estimated CS reading | Difference (kWh) |
|-----------------|-------------------|--------------|---------------|------------------------|----------------------|------------------|
| 0000522023WE46C | 07/02/19          | 10062936     | 1             | 33052                  | 33739                | -687             |
| 0000650703WE376 | 22/03/19          | 10057579     | 1             | 31199                  | 31104                | 95               |
| 0002549173WE5AA | 13/06/19          | 10044751     | 1             | 59557                  | 59264                | 196              |
|                 |                   | 10044751     | 2             | 0                      | 97                   | -97              |
| Total           |                   |              |               |                        |                      | -493             |

Whilst OurPower has a process to validate switch reads and to send RR files where necessary, the process did not operate as expected for the four ICPs above.

There were no late RR or AC files during the audit period.

**WEL Networks**

Not applicable

**Audit outcome**

Non-compliant

| Non-compliance   | Description   |
|--|---|
| Audit Ref: 4.4<br>With: Clause 6(1) and 6A Schedule 11.3<br>From: 01-Oct-18<br>To: 24-Sep-19 | <p><b>OurPower</b></p> For three ICPs that switched in with estimated readings on WEL Networks meters, OurPower’s start read did not match the losing trader’s CS read.                     Potential impact: Low<br>Actual impact: Low<br>Audit history: Once<br>Controls: Moderate<br>Breach risk rating: 2 |
| <b>Audit risk rating</b>   | <b>Rationale for audit risk rating</b>  |



| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| <b>Low</b>  | <p>Controls are rated as moderate as they are sufficient to ensure that all consumption is captured most of the time, the issue relates to a small subset of switches where a WEL Networks meter is used for settlement by the losing retailer and is switched to OurPower on an estimated CS reading.</p> <p>The impact is assessed to be low and will result in over submission by 493 kWh across the three ICPs.</p> |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |
| Process to validate meter reads and process to send RRs for meter have been developed |   | October 2019    | Identified             |
| Preventative actions taken to ensure no further issues will occur                     |   | Completion date |                        |
| Procedure to ensure that RRs are sent   |   | October 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

###### OurPower

This process was evaluated and is discussed in Section 4.4.

###### WEL Networks

Not applicable

##### Audit commentary

###### OurPower

OurPower did not receive any RR files in relation to this clause but they did send five, which were rejected and should not have been rejected by the other traders. OurPower's process is compliant.

The switch breach report did not record any late RR or AC files.

###### WEL Networks

Not applicable

##### 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

###### **OurPower**

The process for the management of read change requests was examined.

###### **WEL Networks**

Not applicable

##### Audit commentary

###### **OurPower**

No disputes have needed to be resolved in accordance with this clause.

###### **WEL Networks**

Not applicable

##### 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

##### **OurPower**

The switch gain process was examined to determine when OurPower deem all conditions to be met.

I checked the event detail report to identify backdated NT files.

##### **WEL Networks**

Not applicable

#### Audit commentary

##### **OurPower**

OurPower's processes are compliant with the requirements of Section 36M of the Fair Trading Act 1986. There are no uninvited direct sales.

Customers join OurPower online, and the ICPs are checked against OurPower's database to determine whether they meet the supply criteria before they are accepted. If the flag allows supply, the NT file is automatically sent.

The switch type is selected based on information the customer provides at the time of application. If they select "I am moving in or have recently moved in" and a move in date a switch move NT is created.

All switch move NT files were checked were sent within two business days of preconditions being cleared.

##### **WEL Networks**

Not applicable

#### Audit outcome

Compliant

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

#### Code reference

*Clause 10(1) Schedule 11.3*

#### Code related audit information

*10(1) Within five business days after receiving notice of a switch move request from the registry manager—*

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

#### Audit observation

## **OurPower**

An event detail report for 01/10/18 to 29/08/19 was reviewed to:

- identify AN files issued by OurPower during the period; and
- assess compliance with the setting of event dates requirement.

AN response codes were reviewed to determine whether they had been correctly applied.

The switch breach report was examined for the audit period.

## **WEL Networks**

Not applicable

### **Audit commentary**

## **OurPower**

The switch breach report confirmed all AN files were sent within the allowable timeframes.

All 90 switch move AN files were examined on the event detail report:

- all ANs had proposed event dates less than 10 business days after receipt of the NT
- all ANs had proposed event dates matching the gaining trader's proposed date.

The EA has specified that the AA response code should only be used where no other response code applies. All switch move ANs had the correct response code of AD applied.

## **WEL Networks**

Not applicable

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 10(2) Schedule 11.3*

### **Code related audit information**

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

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

### **Audit observation**

## **OurPower**

An event detail report for 01/10/18 to 29/08/19 was reviewed to:

- identify AN files issued by OurPower during the period; and
- assess compliance with the setting of event dates requirement.

The switch breach report was examined for the audit period.

## **WEL Networks**

Not applicable

#### Audit commentary

##### **OurPower**

Switches were completed as required by this clause.

As described in **section 4.8**, all 90 switch move AN files had proposed event dates that matched the date requested by the gaining trader.

##### **WEL Networks**

Not applicable

#### 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

##### **OurPower**

An event detail report for the period from for 01/10/18 to 29/08/19 was reviewed to identify CS files issued by OurPower. The accuracy of the content of CS files was confirmed by checking a sample of eight records. 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.

ICPs are billed daily, and estimated daily consumption is calculated based on the previous month's consumption.

I checked the average daily consumption for all switch move CS files where the figure was zero or over 50.

The process to manage the sending of the CS file within five business days of the event date was examined.

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

##### **WEL Networks**

Not applicable

#### Audit commentary

## OurPower

CS files are generated automatically to ensure their timeliness. The switch breach report confirmed that all CS files were sent on time.

I reviewed the content of eight switch move CS files and verified it was accurate and as expected for seven ICPs. ICP 0000027690WE6EB did not have a “midnight read” at the beginning of the switch date of 17/03/19, so the system automatically used a reading from one day earlier, on 16/03/19. This matter is now resolved, and CS files will not be sent with incorrect readings.

The registry functional specification requires estimated daily kWh to be based on the average daily consumption for the last read to read period. OurPower calculates the average daily consumption from the previous month. This is not based on the average daily consumption from the two most recent reads. OurPower’s current process is likely to produce a more accurate indication of the average daily consumption especially where the read to read period may be for a day, but as it does not meet the codes requirements the current methodology is recorded as non-compliant. The average daily consumption in the three CS files checked was an accurate reflection of recent usage.

Three CS files contained an estimated daily kWh of zero. These were both checked, and I confirmed that the estimated daily kWh was correct. One ICP had average daily consumption over 50kWh and this was confirmed as correct.

## WEL Networks

Not applicable

## Audit outcome

Non-compliant

| Non-compliance  | Description   |                        |                               |
|---|---|------------------------|-------------------------------|
| Audit Ref: 4.10<br>With: Clause 11<br>Schedule 11.3<br><br>From: 01-Oct-18<br>To: 24-Sep-19 | <b>OurPower</b><br>One ICP with an incorrect switch event meter reading.<br><br>Average daily consumption calculation in CS files does meet the functional specification<br><br>Potential impact: Medium<br><br>Actual impact: Low<br><br>Audit history: Once<br><br>Controls: Strong<br><br>Breach risk rating: 1  |                        |                               |
| Audit risk rating   | Rationale for audit risk rating   |                        |                               |
| <b>Low</b>  | The controls are rated as strong because average daily consumption in CS files is accurate and because the incorrect reading issue is now resolved.<br><br>The current average daily calculation is accurate. If OurPower changes the calculation to only include the last day of supply, it’s likely the average daily consumption figures will be misleading for some ICPs. There was a minor impact of one day’s consumption for one ICP where the incorrect reading was used. |                        |                               |
| <b>Actions taken to resolve the issue</b>   |   | <b>Completion date</b> | <b>Remedial action status</b> |

| Non-compliance  | Description  |            |
|---|--|------------|
| Stay in breach for CS – as report notes, the data provided is accurate – and changing will result in a misleading outcome<br><br>We have changed the timing of the automated job to start later in the day, to ensure that midnight read is in prior to sending RR<br><br>Process to delay by 1 day to provide extra time for CS to be received | October 2019<br><br>September 2019<br><br>October 2019 | Identified |
| <b>Preventative actions taken to ensure no further issues will occur</b>  | <b>Completion date</b>                                 |            |
| Automate process with validation checks   | October 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 four calendar months of the actual event date, must provide to the losing trader a changed validated meter reading or a permanent estimate supported by two 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

## OurPower

The process for the management of read change requests was examined.

The event detail report for 01/10/18 to 29/08/19 was reviewed to identify all read change requests and acknowledgements during the audit period.

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

## WEL Networks

Not applicable

## Audit commentary

### OurPower

A review of the event detail report confirmed that 11 RR files were sent by OurPower and no RR files were received by OurPower. Six of the 11 RR files were rejected. One of the RR files was sent in error, but I confirmed the readings in the other five files were correct and were from AMI metering. These RR files should not have been rejected. Some of the feedback from other traders is that RR files are rejected unless they are accompanied by an email detailing the reason for the RR. The Code does not stipulate that an email must be sent.

Review of the event detail report confirmed that no incoming switch move CS files had an estimated switch reading for an existing WEL Networks meter during the audit period.

The switch breach report recorded two late AC files.

## WEL Networks

Not applicable

## Audit outcome

Non-compliant

| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| Audit Ref: 4.11<br>With: Clause 12<br>Schedule 11.3<br><br>From: 09-Oct-18<br>To: 18-Oct-18 | <b>OurPower</b><br>2 late AC files<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Strong<br>Breach risk rating: 1                                     |                 |                        |
| Audit risk rating   | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>  | The controls are recorded as strong because they mitigate risk to an acceptable level.<br><br>The impact on settlement and participants is minor; therefore the audit risk rating is low. |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |



|  |                        |            |
|--|------------------------|------------|
| Automated process to receipt and advise OurPower operator to respond – the meter read issue which resulted in an AC error was fixed last year at the time of the AC files. | November 2019          | Identified |
| <b>Preventative actions taken to ensure no further issues will occur</b>   | <b>Completion date</b> |            |
| Automated process and procedure  | November 2019          |            |

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

##### Code reference

Clause 13 Schedule 11.3

##### Code related audit information

*The gaining trader switch process applies when a trader has an arrangement with a customer or embedded generator to trade electricity through or assume responsibility for:*

- *a half hour metering installation (that is not a category 1 or 2 metering installation) at an ICP with a submission type of half hour in the registry and an AMI flag of “N”;* or
- *a half hour metering installation at an ICP that has a submission type of half hour in the registry and an AMI flag of “N” and is traded by the losing trader as non-half hour;* or
- *a non half hour metering installation at an ICP at which the losing trader trades electricity through a half hour metering installation with an AMI flag of “N”.*

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

*A gaining trader must advise the registry manager of the switch and expected event date no later than 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

##### OurPower

An event detail report for the period from 01/10/18 to 29/08/19 was reviewed to determine whether any HH switches occurred during the period.

**WEL Networks**

Not applicable

**Audit commentary**

**OurPower**

No HH switches occurred during the period; compliance was not assessed.

**WEL Networks**

Not applicable

**Audit outcome**

Not applicable

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

**Code reference**

*Clause 15 Schedule 11.3*

**Code related audit information**

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

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

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

**Audit observation**

**OurPower**

An event detail report for the period from 01/10/18 to 29/08/19 was reviewed to determine whether any HH switches occurred during the period.

**WEL Networks**

Not applicable

**Audit commentary**

**OurPower**

No HH switches occurred during the period; compliance was not assessed.

**WEL Networks**

Not applicable

**Audit outcome**

Not applicable

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

##### Code reference

Clause 16 Schedule 11.3

##### Code related audit information

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

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

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

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

##### Audit observation

###### OurPower

An event detail report for the period from 01/10/18 to 29/08/19 was reviewed to determine whether any HH switches occurred during the period.

###### WEL Networks

Not applicable

##### Audit commentary

###### OurPower

No HH switches occurred during the period; compliance was not assessed.

###### WEL Networks

Not applicable

##### Audit outcome

Not applicable

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

##### Code reference

Clauses 17 and 18 Schedule 11.3

##### Code related audit information

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

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

- *for each ICP, the trader withdrawing the switch request must provide the registry manager with (clause 18(c)):*
  - o *the participant identifier of the trader making the withdrawal request (clause 18(c)(i));*
  - and*

- *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**

#### **OurPower**

The switch withdrawal process was examined.

The event detail report for 01/10/18 to 29/08/19 was reviewed to:

- identify all switch withdrawal requests (NWs) issued by OurPower; the content of the files was reviewed
- identify all switch withdrawal acknowledgements (AWs) issued by OurPower; a sample of ten AW rejections were reviewed
- confirm timeliness of withdrawal requests, as this is not currently being identified in the switch breach report.

The switch breach report was checked for any late NW and AW files.

#### **WEL Networks**

Not applicable

### **Audit commentary**

#### **OurPower**

26 NWs were issued by OurPower. I checked ten examples and I confirm the correct NW codes were used.

136 NWs were issued to OurPower, and 40 of these were rejected. I reviewed a sample of ten rejections and found four were rejected because OurPower declines AWs sent after the switch is completed, and they have billed their customer. Five were incorrectly sent due to a system error and one was correctly rejected because the ICP was for a WEL employee who definitely wanted to switch.

Analysis of the event detail report found one NW for ICP 0000035159WEBF6 was issued more than two calendar months after the switch date.

Two late AW files were identified on the switch breach report.

#### **WEL Networks**

Not applicable

### **Audit outcome**

Non-compliant

| Non-compliance   | Description   |  |                        |
|--|---|--|------------------------|
| Audit Ref: 4.15<br>With: Clauses 17 and 18<br>Schedule 11.3<br><br>From: 01-Oct-18<br>To: 25-Sep-19  | <b>OurPower</b><br>Five incorrect NW rejections<br>One late NW<br>Two AW files were issued late.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Once<br>Controls: Moderate<br>Breach risk rating: 2   |  |                        |
| Audit risk rating  | Rationale for audit risk rating   |  |                        |
| <b>Low</b>   | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br><br>The impact on settlement and participants is minor; therefore the audit risk rating is low. |  |                        |
| Actions taken to resolve the issue   |   | Completion date                          | Remedial action status |
| Automated NW rejection rules were updated to require manual decision on the AW file. A notification is sent to OurPower to prompt them to fix outstanding AW files.<br><br>Late NW related to request from other retailer to update their MEP record prior to OurPower taking over – no action required.<br><br>We are implementing automated reminders for outstanding AW/NW files at the end of day, to ensure these are sent on time. |   | Pre-audit<br><br>n/a<br><br>October 2019 | Identified             |
| Preventative actions taken to ensure no further issues will occur  |   | Completion date                          |                        |
| Notification of NW is sent to CSRs via email on date NW is received<br><br>Reminders for outstanding NWs issued at end of day  |   | October 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**

##### **OurPower**

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

##### **WEL Networks**

Not applicable

#### **Audit commentary**

##### **OurPower**

All meter readings used in the switching process are validated meter readings or permanent estimates. Only actual readings have been provided to date.

OurPower's policies regarding the management of meter reading expenses is compliant.

##### **WEL Networks**

Not applicable

#### **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**

##### **OurPower**

The Electricity Registry switch save protected retailer list was examined.

Win-back processes were examined to determine whether they are compliant. The event detail report for 01/10/18 to 29/08/19 was analysed to identify all withdrawn switches with a CX code applied prior to the switch completion date for any switch save protected retailer.

**WEL Networks**

Not applicable

**Audit commentary**

**OurPower**

OurPower is not a switch save protected retailer.

No win-back activity is initiated with lost customers during or after the switch.

The event detail report identified 23 CX coded switch withdrawal requests; all were sent after the switch was completed.

**WEL Networks**

Not applicable

**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

##### OurPower

The process to identify and monitor unmetered load was discussed. The registry list for 01/10/18 to 29/08/19 was reviewed to identify all unmetered load.

##### WEL Networks

Not applicable

#### Audit commentary

##### OurPower

OurPower does not supply any ICPs with shared unmetered load, and does not intend to.

Processes to prevent ICPs with unmetered load from switching in, and to monitor existing ICPs for addition of unmetered load are discussed in **section 3.7**.



**WEL Networks**

Not applicable

**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****OurPower**

The process to identify and monitor unmetered load was discussed. The registry list for 01/10/18 to 29/08/19 was reviewed to identify all unmetered load.

**WEL Networks**

Not applicable

**Audit commentary****OurPower**

OurPower does not supply any ICPs with unmetered load, and does not intend to.

**WEL Networks**

Not applicable

**Audit outcome**

Compliant

**5.3. Unmetered threshold exceeded (Clause 10.14 (5))****Code reference**

*Clause 10.14 (5)*

**Code related audit information**

*If the unmetered load limit is exceeded the retailer must:*

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

### Audit observation

#### OurPower

The process to identify and monitor unmetered load was discussed. The registry list for 01/10/18 to 29/08/19 was reviewed to identify all unmetered load.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

OurPower does not supply any ICPs with unmetered load, and does not intend to.

#### WEL Networks

Not applicable

### 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

#### OurPower

The process to identify and monitor unmetered load was discussed. The registry list for 01/10/18 to 29/08/19 was reviewed to identify all unmetered load.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

OurPower does not supply any ICPs with shared unmetered load, and does not intend to.

#### WEL Networks

Not applicable

### 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

##### **OurPower**

Processes for distributed generation were reviewed. The registry list for 01/10/18 to 29/08/19 was reviewed to confirm whether OurPower had supplied any ICPs with generation during the audit period.

##### **WEL Networks**

Not applicable

#### Audit commentary

##### **OurPower**

###### Metering installations installed

All active ICPs have an MEP, and at least one meter channel. No submission information is determined using subtraction.

No new connections were completed during the audit period.

###### Distributed Generation

Analysis of the registry list and submission data found OurPower supplies four ICPs with distributed generation indicated by the distributor. All four have import/export metering installed, and energy is measured in accordance with the code. Submission is occurring correctly for all four ICPs.

###### Bridged meters

OurPower confirmed that no meters were bridged during the audit period.

##### **WEL Networks**

Not applicable

#### 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

#### **OurPower**

The NSP table was reviewed to confirm whether OurPower is responsible for any GIPs.

#### **WEL Networks**

Not applicable

### Audit commentary

#### **OurPower**

Review of the NSP table confirmed that OurPower are not responsible for any GIPs.

#### **WEL Networks**

Not applicable

### 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

##### **OurPower**

The registry list for 01/10/18 to 29/08/19 was reviewed, to identify any ICPs with profiles that require certification of the control device.

##### **WEL Networks**

Not applicable

#### Audit commentary

##### **OurPower**

Examination of the list file found that OurPower has only used the HHR profile, and control devices are not used for reconciliation purposes.

##### **WEL Networks**

Not applicable

#### 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

##### **OurPower**

Processes for defective metering were examined.

##### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of the AMS audit report.

## Audit commentary

### OurPower

Defective meters are typically identified through the HHR volume validation process, monitoring of AMI events, or from information provided by the MEP or customer. Upon identifying a possible defective meter, a field services job will be raised to investigate.

One example was found where the meter at ICP 0000041024WE4CD was found to be faulty. Liaison occurred with the MEP as required by this clause.

### WEL Networks

Compliance with these clauses is recorded in AMS' audit report.

AMS confirmed that no meter defects were identified between 01/10/18 and 25/09/19.

## Audit outcome

Compliant

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

### Code reference

Clause 2 Schedule 15.2

### Code related audit information

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

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

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

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

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

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

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

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

## Audit observation

### OurPower

HHR AMI data is provided by WEL Networks as an MEP. Interrogation requirements and clock synchronisation was reviewed as part of their MEP audit.

### WEL Networks

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of the AMS agent audit.

## Audit commentary

### OurPower

Fulfilment of the interrogation systems requirements was examined as part of WEL Networks' MEP audit, and found to be compliant.

Clock synchronisation events are handled by WEL Networks. There have not been any clock synchronisation events outside the maximum permissible errors during the audit period.

### WEL Networks

Compliance with this clause is recorded in AMS' audit report.

AMS provided a current time differences report and confirmed that there have been no time differences outside the permissible thresholds between 01/10/18 and 25/09/19.

## Audit outcome

Compliant

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

### Code reference

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

### Code related audit information

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

*All validated meter readings must be derived from meter readings.*

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

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

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

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

## Audit observation

### OurPower

The data collection process was examined. No manual, customer, or photo reads are received.

**WEL Networks**

Not applicable

**Audit commentary**

**OurPower**

AMI data is provided by WEL Networks as an MEP. Validated readings are derived from actual meter readings.

**WEL Networks**

Not applicable

**Audit outcome**

Compliant

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

**Code reference**

*Clause 6 Schedule 15.2*

**Code related audit information**

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

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

**Audit observation**

**OurPower**

At the time of the audit, there were 29 NHH ICPs. I checked switch files and submission files to ensure meter readings were applied correctly.

**WEL Networks**

Not applicable

**Audit commentary**

**OurPower**

The system is designed to correctly apply meter readings to the end of the day for submission and to the beginning of the day for switching.

One exception was found. As recorded in Section 4.10, ICP 0000027690WE6EB did not have a “midnight read” at the beginning of the switch date of 17/03/19, so the system automatically used a reading from one day earlier, on 16/03/19, but it was date stamped as 17/03/19. This matter is now resolved, and CS files will not be sent with incorrect readings.

**WEL Networks**

Not applicable

**Audit outcome**

Non-compliant



| Non-compliance  | Description  |                 |                        |
|---|--|-----------------|------------------------|
| Audit Ref: 6.7<br>With: Clause 6<br>Schedule 15.2<br><br>From: 17-Mar-19<br>To: 17-Sep-19   | <b>OurPower</b><br>One switch event meter reading not applied correctly<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Strong<br>Breach risk rating: 1 |                 |                        |
| Audit risk rating   | Rationale for audit risk rating  |                 |                        |
| <b>Low</b>  | The controls are recorded as strong because this matter is now resolved.<br>The impact on settlement and participants is minor; therefore the audit risk rating is low.                    |                 |                        |
| Actions taken to resolve the issue  |  | Completion date | Remedial action status |
| Delay the automated job to allow time for record to be received – check in automation to ensure date is correct and read received |  | October 2019    | Cleared                |
| Preventative actions taken to ensure no further issues will occur   |  | Completion date |                        |
| Amendments to the automated process's timing to ensure meter readings are present before CS is sent.                              |  | October 2019    |                        |

## 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

#### OurPower

A review of the registry list for 01/10/18 to 29/08/19 confirmed that no ICPs had switched in and then out again whilst still NHH.

**WEL Networks**

Not applicable

**Audit commentary****OurPower**

All ICPs had submission type HHR at the time of switch out, and this clause does not apply.

**WEL Networks**

Not applicable

**Audit outcome**

Compliant

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

*Clause 8(1) and (2) Schedule 15.2*

**Code related audit information**

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

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

**Audit observation****OurPower**

Review of the registry list for 01/10/18 to 29/08/19 confirmed that no NHH ICPs had been with OurPower for 12 months.

**WEL Networks**

Not applicable

**Audit commentary****OurPower**

Review of the registry list for 01/10/18 to 29/08/19 confirmed that no NHH ICPs had been with OurPower for 12 months.

**WEL Networks**

Not applicable

**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

#### **OurPower**

Review of the registry list for 01/10/18 to 29/08/19 confirmed that no NHH ICPs had been with OurPower for 4 months.

#### **WEL Networks**

Not applicable

### Audit commentary

#### **OurPower**

Review of the registry list for 01/10/18 to 29/08/19 confirmed that no NHH ICPs had been with OurPower for 4 months.

#### **WEL Networks**

Not applicable

### Audit outcome

Not applicable

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

### Code reference

*Clause 10 Schedule 15.2*

### Code related audit information

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

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

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

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

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

### Audit observation

#### OurPower

NHH meters are not manually read. The meter removal read is used to calculate consumption.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

NHH meters are not manually read. The meter removal read is used to calculate consumption.

#### WEL Networks

Not applicable

### 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

#### OurPower

HHR data is collected by WEL Networks as a MEP, and compliance was assessed as part of their MEP audit.

#### WEL Networks

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of their agent audit.

### Audit commentary

#### OurPower

Compliance with this clause is recorded in WEL Networks' audit report.

#### WEL Networks

Compliance with this clause is recorded in AMS' audit report.

### 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

#### **OurPower**

HHR data is collected by WEL Networks as a MEP, and compliance was assessed as part of their MEP audit.

#### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of their agent audit.

### Audit commentary

#### **OurPower**

Compliance with this clause is recorded in WEL Networks' audit report.

#### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

### 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

#### **OurPower**

HHR data is collected by WEL Networks as a MEP, and compliance was assessed as part of their MEP audit.

#### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of their agent audit.

### Audit commentary

#### **OurPower**

Compliance with this clause is recorded in WEL Networks' audit report.

#### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

### Audit outcome

Compliant

## 7. STORING RAW METER DATA

### 7.1. Trading period duration (Clause 13 Schedule 15.2)

#### Code reference

*Clause 13 Schedule 15.2*

#### Code related audit information

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

#### Audit observation

##### **OurPower**

Trading period duration was reviewed as part of WEL Network's MEP audit.

##### **WEL Networks**

Trading period duration was reviewed as part of AMS' agent audit.

#### Audit commentary

##### **OurPower**

Compliance with this clause is recorded in WEL Networks' audit report. Clock synchronisation is discussed further in **section 6.5**.

##### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report. Clock synchronisation is discussed further in **section 6.5**.

#### 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

##### **OurPower**

Raw meter data is retained by WEL Networks as an MEP, and compliance is assessed as part of their MEP audit.

Processes to archive and store raw meter data were reviewed.

##### **WEL Networks**

Processes to archive and store raw meter data were reviewed as part of AMS' agent audit.

HHR data is provided by the MEP and is compliant with this clause.

#### **Audit commentary**

##### **OurPower**

Compliance with this clause is recorded in WEL Networks' audit report.

Only actual reads provided by WEL Networks are recorded in OurPower's database, and an audit trail is created when reads are loaded. Access to modify readings is restricted through log on privileges.

OurPower intends to retain meter reading data for over 48 months.

##### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

#### **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**

##### **OurPower**

Processes to record non-metering information were discussed.

##### **WEL Networks**

Not applicable

#### **Audit commentary**

##### **OurPower**

No non-metering information is collected by OurPower.

##### **WEL Networks**

Not applicable

#### **Audit outcome**

Compliant



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

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

#### Code reference

Clause 19(1) Schedule 15.2

#### Code related audit information

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

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

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

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

#### Audit observation

##### **OurPower**

NHH reads are provided by the ATH when the NHH meter is removed. Validation is in place for high and low consumption. I checked the process for correction and whether there were any examples.

##### **WEL Networks**

Not applicable

#### Audit commentary

##### **OurPower**

OurPower has a process for correction and it has an appropriate audit trail. There were no examples during the audit period.

##### **WEL Networks**

Not applicable

#### Audit outcome

Compliant

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

### Code reference

Clause 19(2) Schedule 15.2

### Code related audit information

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

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

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

### Audit observation

#### OurPower

Processes for correction and estimation were reviewed.

#### WEL Networks

HHR correction processes were reviewed as part of AMS' agent audit.

### Audit commentary

#### OurPower

I checked the HHR aggregates files for differences between revisions to identify potential corrections and estimates. Only one correction has occurred during the audit period. The meter at ICP 0000041024WE4CD failed and historic data from a period with similar consumption was used as the basis for the correction.

Clause 19(5) of Schedule 15.2 requires that a journal be created containing the details of any correction. OurPower had appropriate details but I recommend a "journal note" is made in the database against the ICP detailing the points required in this clause, which are as follows:

- a) the date of the correction or alteration; and
- b) the time of the correction or alteration; and
- c) the operator identifier for the person within the reconciliation participant who made the correction or alteration; and
- d) the half hour meter reading data or the non half hour meter reading data corrected or altered, and the total difference in volume of such corrected or altered data; and
- e) the technique used to arrive at the corrected data; and
- f) the reason for the correction or alteration

| Clause                 | Recommendation  | Audited party comment  | Remedial action |
|------------------------|---|--|-----------------|
| 19(5) of Schedule 15.2 | Populate correction and estimation details in the database against each relevant ICP. | We have now journalled a note on how and why this estimate was done. | Cleared         |

**WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

AMS confirmed that no corrections occurred between 01/10/17 and 27/09/19.

**Audit outcome**

Compliant

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

*Clause 19(3) Schedule 15.2*

**Code related audit information**

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

**Audit observation****OurPower**

OurPower has only supplied ICPs with metering category 1. No ICPs have required error or loss compensation.

**WEL Networks**

Not applicable

**Audit commentary****OurPower**

OurPower has only supplied ICPs with metering category 1. No ICPs have required error or loss compensation.

**WEL Networks**

Not applicable

**Audit outcome**

Compliant

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

### Code reference

Clause 22(1) and (2) Schedule 15.2

### Code related audit information

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

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

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

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

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

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

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

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

### Audit observation

#### **OurPower**

Processes for correction and estimation were reviewed.

#### **WEL Networks**

HHR correction processes were reviewed as part of AMS' agent audit.

### Audit commentary

#### **OurPower**

HHR raw meter data is not altered or edited. When estimates or corrections occur, they are created and saved into the "reconciliation channel estimates table and the raw data is maintained unedited.

Retention of raw metering data is discussed in **section 7.2**.

#### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

### 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

##### OurPower

I checked that switch files had readings correctly identified and I checked that the NHH submission process correctly identified forward estimates vs historic estimates.

I checked that HHR estimates were appropriately labelled.

##### WEL Networks

Not applicable

#### Audit commentary

##### OurPower

Review of CS content in **sections 4.3** and **4.10** confirmed that switch reads were correctly labelled as actual.

HHR estimates are clearly labelled as estimates.

NHH forward estimates are not identified as estimates. All NHH data is submitted as historic estimates.

##### WEL Networks

Not applicable

#### Audit outcome

Non-compliant

| Non-compliance   | Description  |
|--|--|
| Audit Ref: 9.1<br>With: Clause 3(3)<br>Schedule 15.2<br><br>From: 01-Oct-18<br>To: 26-Sep-19 | <b>OurPower</b><br>Forward estimates identified as historic estimates.<br>Potential impact: Low<br>Actual impact: None<br>Audit history: None<br>Controls: Moderate<br>Breach risk rating: 2 |
| <b>Audit risk rating</b>   | <b>Rationale for audit risk rating</b>   |

|  |   |                        |                               |
|--|---|------------------------|-------------------------------|
| <b>Low</b>   | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br>The impact on settlement and participants is minor; therefore the audit risk rating is low. |                        |                               |
| <b>Actions taken to resolve the issue</b>                                |   | <b>Completion date</b> | <b>Remedial action status</b> |
| Fixed automated process to correctly identify estimates                  |   | September 2019         | Cleared                       |
| <b>Preventative actions taken to ensure no further issues will occur</b> |   | <b>Completion date</b> |                               |
| Fixed automated process to correctly identify estimates                  |   | September 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

#### **OurPower**

Processes for derivation of volumes were discussed and observed.

#### **WEL Networks**

Compliance was assessed as part of AMS' agent audit.

### Audit commentary

#### **OurPower**

All reads are received from WEL Networks as a MEP from the services interface or from meter change records. OurPower does not complete any manual readings or accept customer or photo readings.

Where AMI readings are received, volumes are sourced from the AMI metering information. Where data is missing, estimates are created as described in **section 9.4**.

#### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

### 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

##### **OurPower**

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

HHR data is collected WEL Networks as an MEP. Compliance was assessed as part of their MEP audit.

NHH processes were assessed as part of OurPower's material change audit.

##### **WEL Networks**

AMS derives volumes as WEL Networks' agent. Compliance was assessed as part of their agent audit.

#### Audit commentary

##### **OurPower**

WEL Networks is responsible for data collection, and this is reviewed as part of their MEP audit. The MEPs retains raw, unrounded data.

Data is not rounded or truncated by OurPower until the submission files are produced, and then rounding occurs to two decimal places.

OurPower's material change audit for NHH submission recorded compliance with this clause.

##### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

#### 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

### OurPower

I checked the process for HHR estimation.

### WEL Networks

AMS provides estimates as WEL Networks' agent. Compliance was assessed as part of their agent audit.

## Audit commentary

### OurPower

I walked through the process to create HHR estimates. Where trading period data is missing, WEL Networks manually creates an estimate based on the surrounding readings, which is recorded in the reconciliation submission information. The profiles for the affected trading period(s) are also considered.

This process meets the reasonable endeavors requirement.

### WEL Networks

Compliance with this clause is recorded in AMS' audit report.

AMS confirmed that no estimations have been required for the period from 01/10/18 to 27/09/19.

## 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

### OurPower

NHH validation processes were confirmed by a walk-through.

### WEL Networks

Not applicable



## Audit commentary

### OurPower

Points “a” and “b” above are dealt with at the time of file loading. Points “c” and “d” are managed by consumption validation. There are configurable high and low settings and any exceptions are colour coded and examined to ensure no errors exist.

### WEL Networks

Not applicable

## 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

#### OurPower

I reviewed the HHR and AMI data validation process, including meter event logs and validation checks.

#### WEL Networks

AMS validates HHR volumes as WEL Networks’ agent. Compliance was assessed as part of their agent audit.

## Audit commentary

### OurPower

Electronic meter reading information is provided to OurPower by WEL Networks as an MEP. Meters are interrogated regularly, and there is little risk that data can be overwritten. Data is held for a longer period at the meter and can be re-interrogated later if required.

WEL Networks validates the HHR data including:

1. identification of missing data, so replacement data can be estimated
2. identification of invalid dates and times
3. unexpected zero values are checked
4. minimum, maximum and average kWh are checked to identify consumption that is not in line with expected patterns
5. a sum-check process to compare the difference between the register readings and the sum of the channels
6. meter event logs are reviewed prior to submissions being created.

#### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

AMS provided meter event information and confirmed that no meter events that have affected submission accuracy occurred between 01/09/17 and 01/10/18.

#### **Audit outcome**

Compliant

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

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

##### **Code reference**

*Clause 13.136*

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

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

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

##### **Audit observation**

Not applicable

##### **Audit commentary**

Not applicable

##### **Audit outcome**

Not applicable

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

### Code reference

Clause 13.137

### Code related audit information

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

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

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

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

### Audit observation

Not applicable

### Audit commentary

Not applicable

### 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

Not applicable

### Audit commentary

Not applicable

### Audit outcome

Not applicable

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

##### **Code reference**

*Clause 13.140*

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

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

##### **Audit observation**

Not applicable

##### **Audit commentary**

Not applicable

##### **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

##### OurPower

A registry list for 01/10/18 to 29/08/19 was reviewed to confirm the profiles used.

##### WEL Networks

Not applicable

#### Audit commentary

##### OurPower

OurPower only uses HHR and RPS profiles; buying and selling notifications are not required.

##### WEL Networks

Not applicable

#### Audit outcome

Compliant

### 11.2. Calculation of ICP days (Clause 15.6)

#### Code reference

Clause 15.6

#### Code related audit information

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

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

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

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

## Audit observation

### OurPower

The process for the calculation of ICP days was examined by checking the NHH ICP days submitted for July 2019 against the active ICP days recorded on the registry list at each NSP.

I reviewed variances for 15 months of GR100 reports.

### WEL Networks

Not applicable

## Audit commentary

The July 2019 ICP days submission for HAM0111 was confirmed as accurate, despite a variance between the ICP days submitted and the ICP days expected. The reason for the difference is that OurPower had consumption for an ICP that was inactive in the registry.

The following table shows the ICP days difference between OurPower's database and the RM return file (GR100) for a sample of revisions for 15 months. Negative percentage figures indicate that OurPower's ICP days are higher than those contained on the registry, and positive percentage figures indicate that the OurPower's ICP days are lower than those contained on the Registry. There were no significant variations.

| Month  | Ri     | R1     | R3     | R7     | R14   |
|--------|--------|--------|--------|--------|-------|
| May-18 | 0.08%  | 0.08%  | 0.00%  | 0.00%  | 0.00% |
| Jun-18 | 0.00%  | 0.77%  | 0.00%  | 0.00%  | 0.00% |
| Jul-18 | 2.32%  | 0.00%  | 0.00%  | 0.00%  |       |
| Aug-18 | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Sep-18 | 0.00%  | 0.21%  | -0.09% | -0.09% |       |
| Oct-18 | 0.01%  | 0.00%  | 0.00%  | 0.00%  |       |
| Nov-18 | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Dec-18 | 0.23%  | 0.08%  | 0.00%  | 0.00%  |       |
| Jan-19 | -0.01% | -0.01% | -0.46% | -0.23% |       |
| Feb-19 | -0.74% | -0.55% | -0.55% |        |       |
| Mar-19 | -0.67% | -0.96% | -0.75% |        |       |
| Apr-19 | -0.89% | -0.90% | -0.90% |        |       |
| May-19 | -0.76% | -0.84% | -0.84% |        |       |

| Month  | Ri     | R1     | R3 | R7 | R14 |
|--------|--------|--------|----|----|-----|
| Jun-19 | -0.95% | -0.85% |    |    |     |
| Jul-19 | -0.44% | -0.47% |    |    |     |

ICP days submissions are reviewed by OurPower prior to submission, as discussed in **section 12.3**.

#### **WEL Networks**

Not applicable

#### **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**

##### **OurPower**

The process for the calculation of as billed volumes was examined.

GR130 reports for November 2017 to July 2018 were reviewed to confirm whether the relationship between billed and submitted data appears reasonable.

##### **WEL Networks**

Not applicable

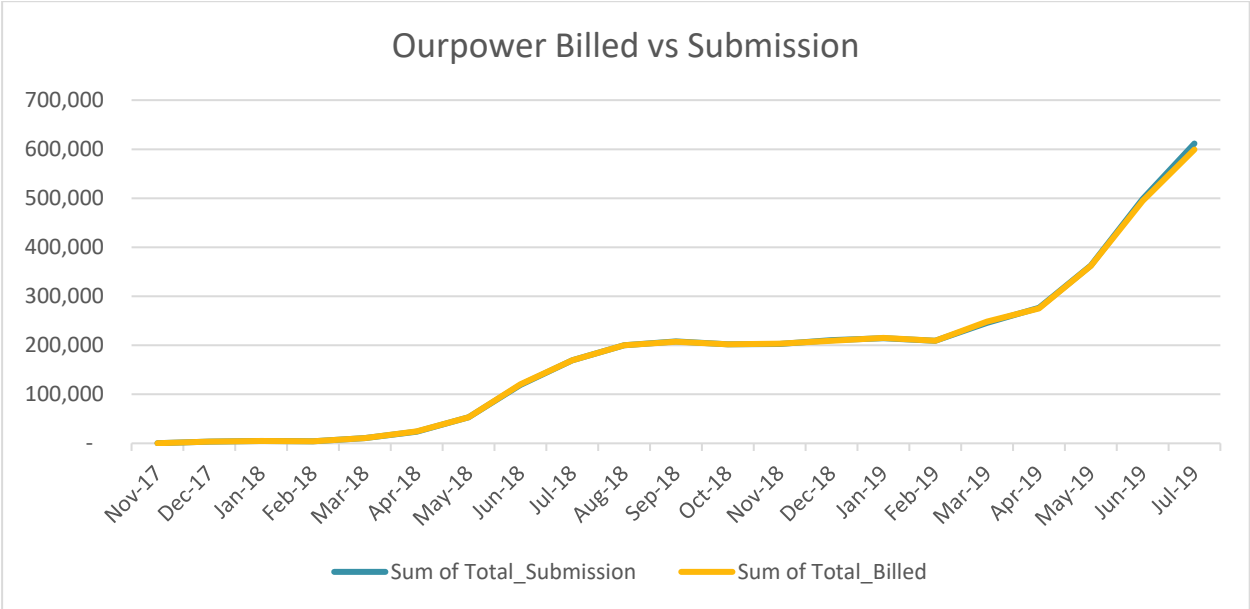
#### **Audit commentary**

OurPower invoices consumption daily and produces statements for customers weekly. OurPower produces an AV120 file each day, which includes all consumption billed from the beginning of the month until the date the report is run. The month end report is used for submission.

While consumption is expected to be provided for the invoice month rather than consumption month, the term invoice month is not defined in the code. I have recorded compliance in this section because the information provided is consistent with the outcome required by the code.

The chart below shows a comparison between submissions and electricity supplied information. At an aggregate level, submitted data is 0.4% higher than billed data for the period from November 2017 to July 2019. None of the minor differences warranted investigation.

**Comparison between Submitted Volumes and Electricity Supplied**



**WEL Networks**

Not applicable

**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**

**OurPower**

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 July 2019. I traced raw HHR data for two ICPs to the aggregates submission to July 2019.



I checked a sample of ICPs to ensure they were reported as expected, including vacant ICPs, disconnected ICPs, and ICPs with distributed generation.

GR090 ICP Missing files were examined for October 2018 to July 2019. All missing ICPs were checked.

**WEL Networks**

Not applicable

**Audit commentary**

**OurPower**

OurPower’s HHR aggregates reports contain submission information, not electricity supplied information as specified under clause 15.8. Although the reports OurPower produces are consistent with the Reconciliation Manager Functional Specification, this is recorded as non-compliance below.

I traced volumes for August 2018 for a sample of two HHR ICPs from the source data to the HHR aggregates submissions. All volumes matched the source files.

GR090 ICP Missing files were examined for October 2018 to July 2019. All ICPs missing on the reports provided were reviewed. Most issues related to backdated registry events; either switching or profile changes. ICP 0000780936WE7F7 switched in with an event date of 21/12/18. The switch completed on 01/02/19, but submission did not occur for Day 4 or Day 13.

HHR aggregates information matches HHR vols information.

All consumption is submitted regardless of status and whether there is an active customer.

Generation kWh is correctly submitted.

**WEL Networks**

Not applicable

**Audit outcome**

Non-compliant

| Non-compliance  | Description  |
|---|--|
| <p>Audit Ref: 11.4<br/>With: Clause 15.8<br/><br/>From: 01-Oct-18<br/>To: 26-Sep-19</p> | <p><b>OurPower</b><br/>HHR aggregates files do not contain electricity supplied information.<br/>ICP 0000780936WE7F7 did not have volume information submitted until R3 for January 2019.<br/><br/>Potential impact: Low<br/>Actual impact: Low<br/><br/>Audit history: Twice<br/>Controls: Strong<br/>Breach risk rating: 1</p> |
| <b>Audit risk rating</b>  | <b>Rationale for audit risk rating</b>   |

| <b>Low</b>  | <p>The issue relating to content of the aggregates file is an error in the code, OurPower are providing submission information as expected.</p> <p>Controls are rated as strong, because OurPower has checks in place to identify inaccurate information.</p> <p>The impact is assessed to be low because revised data was be washed up.</p> |                 |                        |
|---|--|-----------------|------------------------|
| Actions taken to resolve the issue  |  | Completion date | Remedial action status |
| Automation being reviewed to determine cause of incident and appropriate preventative action required |  | November 2019   | Investigating          |
| Preventative actions taken to ensure no further issues will occur                                     |  | Completion date |                        |
| Automation being reviewed to determine cause of incident and appropriate preventative action required |  | November 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

##### **OurPower**

Daylight savings processes for WEL Networks were reviewed as part of their MEP audit.

Daylight savings adjustments in April 2019 and September 2018 were reviewed.

##### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of their agent audit.

#### Audit commentary

##### **OurPower**

Compliance with this clause is recorded in WEL Networks' audit report.

The "trading period run on" technique is used for daylight saving adjustment. This was confirmed by checking data recorded for the end of daylight savings in April 2019 and beginning of daylight savings in September 2018. The correct number of trading periods were recorded for the sample of daylight savings adjustments reviewed.

##### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

## 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

#### OurPower

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

#### WEL Networks

NSP volumes submissions are created by AMS as an agent, and are discussed in **section 12.5**. Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

### Audit commentary

#### OurPower

No alleged breaches were recorded for late submission of volume information.

#### WEL Networks

NSP volumes submissions are discussed in **section 12.5**. No alleged breaches were recorded for late submission of volume information.

## 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

#### **OurPower**

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry were reviewed in **section 2.1**.

The processes to ensure that submissions are accurate were discussed and observed.

NHH processes were assessed as part of OurPower's material change audit.

#### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of their agent audit.

### Audit commentary

#### **OurPower**

Prior to submission OurPower reviews the reconciliation submissions by comparing between revisions for ICP days, number of ICPs and kWh. Outliers at ICP level are investigated. Validation occurs for the number of intervals in HHR data.

#### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

### Audit outcome

Compliant

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

### Code reference

Clause 15.9

### Code related audit information

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

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

### Audit observation

Not applicable

### Audit commentary

Not applicable

### 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

#### **OurPower**

OurPower is not an embedded network owner.

#### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of their agent audit.

### Audit commentary

#### **OurPower**

Not applicable

#### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

## Audit outcome

Compliant

## 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

Not applicable

### Audit commentary

Not applicable

### 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

#### **OurPower**

Processes to ensure the accuracy of submission information were reviewed, and the submission data itself was reviewed in **sections 11.2, 11.3 and 11.4**.

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

#### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of their agent audit.

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

## Audit commentary

### OurPower

HHR estimates are replaced with actual data where it is available and submitted through the revision process. No alleged breaches were recorded for late provision of information.

The following submission accuracy issues were identified, and are recorded as non-compliance below:

- for three transfer switches where the estimated CS read provided by the losing trader differed from the start read applied by OurPower, resulting in over submission of 493 kWh; this is discussed further in **section 4.4**.
- ICP 0000780936WE7F7 was missing from the Day 13 file for January 2019

### WEL Networks

Compliance with this clause is recorded in AMS' audit report.

No alleged breaches were recorded for late provision of information.

## Audit outcome

Non-compliant

| Non-compliance   | Description   |                 |                        |
|--|---|-----------------|------------------------|
| Audit Ref: 12.7<br>With: Clause 15.12<br><br>From: 01-Jan-19<br>To: 26-Sep-19  | <b>OurPower</b><br>For three ICPs, the start read applied by OurPower was inconsistent with the CS read.<br>ICP 0000780936WE7F7 was missing from the Day 13 file for January 2019.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Once<br>Controls: Moderate<br>Breach risk rating: 2 |                 |                        |
| Audit risk rating  | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>   | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br>The impact on settlement and participants is minor; therefore the audit risk rating is low.   |                 |                        |
| Actions taken to resolve the issue   |   | Completion date | Remedial action status |
| Automation and processes being applied to correctly send RR files, and ensure that all ICPs are reported in RM files |   | November 2019   | Investigating          |
| Preventative actions taken to ensure no further issues will occur  |   | Completion date |                        |

| Non-compliance   | Description           |  |
|--|-----------------------|--|
| Automated process being reviewed to determine cause of missing read<br><br>Automation and processes being applied to correctly send RR files, and ensure correct opening read used if RR file isn't sent | October/November 2019 |  |

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

### Code reference

Clause 4 Schedule 15.2

### Code related audit information

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

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

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

### Audit observation

#### **OurPower**

I checked whether there were any NHH ICPs present at the 14-month point.

#### **WEL Networks**

Not applicable

### Audit commentary

#### **OurPower**

No ICPs have been continuously traded for 14 months.

#### **WEL Networks**

Not applicable

### Audit outcome

Compliant



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

### Code reference

Clause 2 Schedule 15.3

### Code related audit information

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

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

#### OurPower

Submission processes and files were checked in several previous sections.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

Compliance with this clause was assessed:

- NHH ICPs have submission information provided.
- HHR ICPs have submission information provided.
- no ICPs with unmetered load are supplied
- no profiles requiring a certified control device are used
- no loss or compensation arrangements are required.

#### WEL Networks

Not applicable

### 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

#### OurPower

I checked NHH FE and HE processes to determine compliance.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

Forward estimates and historic estimates have been conducted. Forward estimates are calculated until an HHR meter is installed and sometimes the forward estimates are still being used when submission occurs. The average daily consumption from the CS file is used to calculate the forward estimates, but they are identified as historic estimates, which is not compliant with this clause.

#### WEL Networks

Not applicable

### Audit outcome

Non-compliant

| Non-compliance  | Description  |
|---|--|
| Audit Ref: 12.10<br>With: Clause 3<br>Schedule 15.3<br><br>From: 01-Jul-19<br>To: 26-Sep-19 | <b>OurPower</b><br>FE identified as HE in NHH vols file<br><br>Potential impact: Low<br>Actual impact: Low<br><br>Audit history: None<br>Controls: Moderate<br><br>Breach risk rating: 2 |
| <b>Audit risk rating</b>  | <b>Rationale for audit risk rating</b>   |

|  |   |                        |
|--|---|------------------------|
| <b>Low</b>   | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br><br>The impact on settlement and participants is minor; therefore the audit risk rating is low. |                        |
| <b>Actions taken to resolve the issue</b>                                |   | <b>Completion date</b> |
| Corrected code to fix estimate process                                   |   | September 2019         |
| <b>Preventative actions taken to ensure no further issues will occur</b> |   | <b>Completion date</b> |
| Corrected code to fix to fix estimate process                            |   | September 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

#### OurPower

I checked the HE calculation processes for NHH ICPs.

#### WEL Networks

Not applicable

### Audit commentary

#### OurPower

Some ICPs are NHH until the meter is changed to HHR. The NHH consumption is calculated by subtracting the switch even meter reading from the NHH meter removal reading. The HE calculation methodology has been built and was checked during the material change audit conducted in August 2018, but this capability has not been activated, so all HE calculations are based on a “flat line” methodology because shape files are not used.

#### WEL Networks

Not applicable

### Audit outcome

## Non-compliant

| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| Audit Ref: 12.11<br>With: Clause 4 and 5<br>Schedule 15.3<br><br>From: 01-Mar-19<br>To: 26-Sep-19 | <b>OurPower</b><br>Shape files not used to calculate HE<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Weak<br>Breach risk rating: 3  |                 |                        |
| Audit risk rating   | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>  | The calculation based on a flat lien is accurate but there are no controls in place regarding the use of shape files.<br><br>The impact on settlement and participants is minor because the total kWh is correct, but the apportionment is incorrect; therefore the audit risk rating is low. |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |
| Corrected code to use shape profile instead of flat profile                                       |   | September 2019  | Cleared                |
| Preventative actions taken to ensure no further issues will occur                                 |   | Completion date |                        |
| Corrected code to use shape profile instead of flat profile                                       |   | September 2019  |                        |

## 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

#### OurPower

I checked the FE calculation methodology.

#### WEL Networks

Not applicable

## Audit commentary

### OurPower

OurPower uses the average daily consumption from the CS file for calculating FE. Validation is in place to ensure the average daily consumption is reasonable.

### WEL Networks

Not applicable

## Audit outcome

Compliant

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

### Code reference

*Clause 7 Schedule 15.3*

### Code related audit information

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

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

### Audit observation

#### OurPower

The registry list for 01/10/18 to 29/08/19 was reviewed to identify all ICPs which had a profile change.

#### WEL Networks

Not applicable

## Audit commentary

### OurPower

There were profile changes from NHH to HHR and in all cases the meter reading from the meter removal notification was used.

### WEL Networks

Not applicable

## Audit outcome

Compliant

## 13. SUBMISSION FORMAT AND TIMING

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

#### Code reference

*Clause 8 Schedule 15.3*

#### Code related audit information

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

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

#### Audit observation

##### **OurPower**

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry were reviewed in **section 2.1**.

##### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of their agent audit.

#### Audit commentary

##### **OurPower**

Submission information is provided to the reconciliation manager in the appropriate format and is aggregated to the following level:

- NSP code
- reconciliation type
- profile
- loss category code
- flow direction
- dedicated NSP
- consumption period.

The registry (list file with history) forms the starting point for all submissions to ensure the aggregation factors are correct.

##### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

#### 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

#### **OurPower**

I reviewed HHR vols, HHR aggs and NHH vols reports to confirm compliance.

#### **WEL Networks**

AMS carry out this function on behalf of WEL Networks and this process was evaluated as part of their agent audit.

### Audit commentary

#### **OurPower**

All files are rounded to two decimal places.

#### **WEL Networks**

Compliance with this clause is recorded in AMS' audit report.

### 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

#### **OurPower**

I checked NHH vols files to confirm compliance.

## WEL Networks

Not applicable

### Audit commentary

#### OurPower

All NHH submissions are recorded as 100% HE, which is not correct because there is some FE for a small number of ICPs. Whilst the thresholds are likely to be met but compliance is not achieved with the requirement to report the quantify of HE.

### Audit outcome

Non-compliant

| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| Audit Ref: 13.3<br>With: Clause 10<br>Schedule 15.3<br><br>From: 01-Mar-19<br>To: 26-Sep-19 | <b>OurPower</b><br>Quantity of HE not correctly recorded<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Moderate<br>Breach risk rating: 2   |                 |                        |
| Audit risk rating   | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>  | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br><br>The impact on settlement and participants is minor; therefore the audit risk rating is low. |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |
| Changed code to do HE and FE correctly  |   | September 2019  | Cleared                |
| Preventative actions taken to ensure no further issues will occur                           |   | Completion date |                        |
| Changed code to do HE and FE correctly  |   | September 2019  |                        |



## CONCLUSION

### OurPower

Most of OurPower's controls are sound and many of the issues identified during the previous audit have been resolved.

During the audit period, OurPower commenced trading a small number of NHH ICPs for short periods until HHR meters were installed. Some of the historic and forward estimate calculations and reports required minor changes or the activation of existing functionality.

There were a small number of ICPs where the switch event meter reading was not used by OurPower and an RR file was not sent to the losing trader.

### WEL Networks

WEL Networks is an embedded network operator and is therefore required to be a certified reconciliation participant in accordance with clause 15.38 of part 15. In this report I have only recorded matters where specific analysis was undertaken.

WEL Networks' compliance is reliant on the compliance of AMS, who acts as their agent.

AMS' agent audit report completed in May 2019 records compliance in relation to the activities performed on behalf of WEL Networks. As part of this audit I also confirmed that:

- no defective meters have been identified
- no meter events affecting accuracy have occurred
- no clock synchronisation errors outside the allowable tolerances have occurred
- no estimations occurred; and
- no corrections occurred

Compliance was confirmed for all relevant parts of the code.

### Conclusion

The audit found 16 non-compliances and made two recommendations, all related to OurPower's activities. The breach risk rating total is 28, which gives an indicative next audit due date of 12 months. Taking into account OurPower's comments and that some of the non-compliances are already resolved or are very minor, I agree that the next audit period is reasonable.

## PARTICIPANT RESPONSE