

ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT

VERITEK

For

THE EMBEDDED NETWORK COMPANY
(TENC)

Prepared by: Tara Gannon

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Date audit report completed: 14 February 2020

Audit report due date: 1 March 2020

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EXECUTIVE SUMMARY

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of **The Embedded Network Company (TENC)**, to support 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.

TENC 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 those matters where issues were discovered, or where specific analysis was undertaken.

The embedded network is managed by TENCO, who assisted with this audit.

TENC's compliance is reliant on the compliance of Simply Energy Limited and EMS as agents to TENC. Although Simply Energy Limited is the primary agent to TENC, EMS conducts all the relevant activities. EMS' June 2019 audit report was reviewed as part of this audit, and will be submitted along with this report. Because the EMS report will be more than seven months old on TENC's audit due date, I confirmed the following as part of TENC's audit:

- one potentially defective meter was identified for the LE ICP connected to TGC0011, and the potential defect was appropriately identified, investigated, and resolved;
- no clock synchronisation errors outside the allowable tolerances have occurred;
- no corrections were required; and
- estimation occurred for the LE ICP connected to TGC0011, when data could not be obtained due to a communication fault.

One minor non-compliance was identified, relating to late provision of some NSP volumes information. The non-compliance has already been considered by the Authority, and no action was taken because there was no market impact and TENC has taken steps to prevent recurrence of the issue. I recommend that the next audit be due on 1 March 2022, which is the maximum period allowable under the Code.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Provision of NSP submission information	12.5	15.10	Submission data was provided one business day late for revision submissions in December 2017, initial submissions in February 2018, and the initial submission for TSB0011 in April 2019.	Moderate	Low	2	Identified
Future Risk Rating						2	

Future risk rating	0	1-3	4-14	16-40	41-55	55+
Indicative audit frequency	36 months	24 months	18 months	12 months	6 months	3 months

RECOMMENDATIONS

Subject	Section	Description	Recommendation
		Nil	

ISSUES

Subject	Section	Description	Issue
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

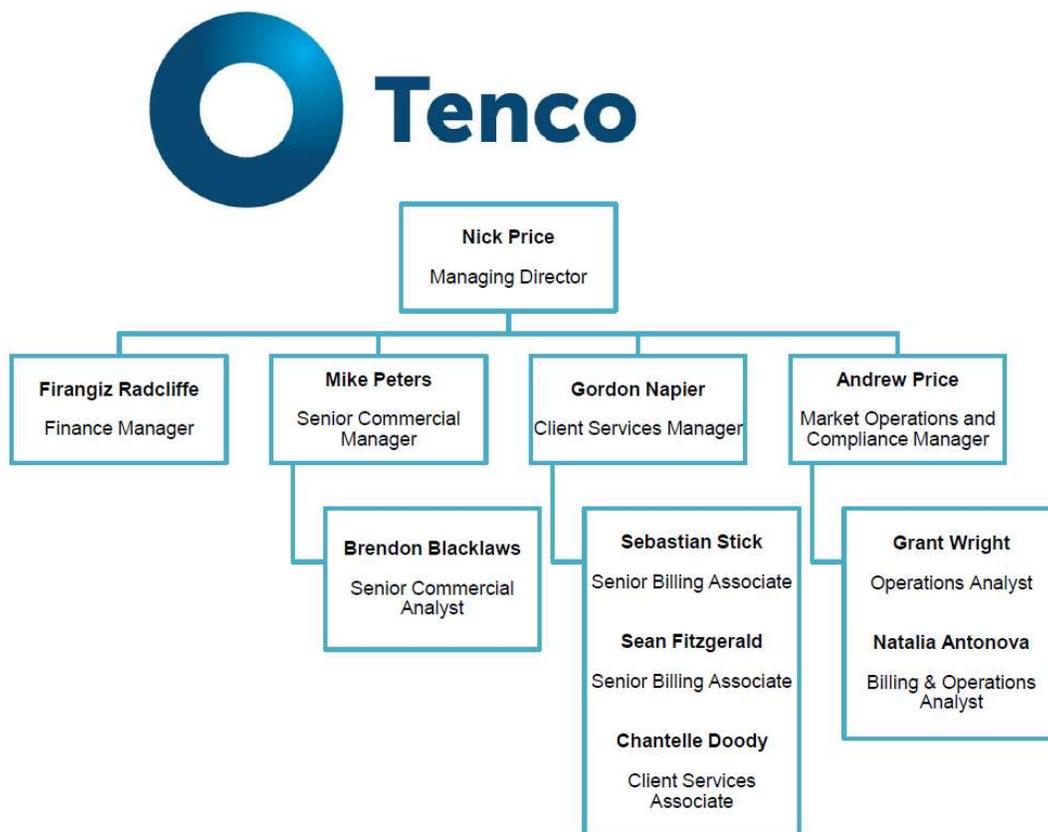
The Electricity Authority's website was reviewed to identify any exemptions relevant to the scope of this audit.

Audit commentary

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

1.2. Structure of Organisation

TENCO provided an organisation chart:



1.3. Persons involved in this audit

Auditor:

Tara Gannon

Veritek Limited

Electricity Authority Approved Auditor

Personnel assisting in this audit were:

Name	Title	Organisation
Grant Wright	Operations Analyst	TENCO
Nick Price	Managing Director	TENCO
Sunny Feng	Data Analyst	EMS

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

EMS performs all TENC's responsibilities.

1.5. Hardware and Software

Hardware and software are discussed in EMS' audit report.

1.6. Breaches or Breach Allegations

The EA confirmed that three alleged breaches relevant to the scope of this audit occurred during the audit period:

Breach no	Breach of	Description	Outcome
1803TENC1	Part 15 clause 15.4 (2)	October 2016, May 2017, September 2017, and November 2017 revision submissions were not provided by 4pm on BD 13 in December 2017. Revision	No action was taken, because there was no market impact and TENC had taken steps to prevent recurrence of the issue.

Breach no	Breach of	Description	Outcome
		<p>information was provided the following day.</p> <p>The RM portal displayed a file status of “successful” immediately after the files were processed. EMS later discovered that the status later changed to “rejected” after the zipped files finished processing.</p> <p>EMS corrected the error that caused the original failure and resubmitted the files.</p> <p>Only NSPs where data had changed between the revision and previous submission were affected by the issue.</p>	
1803TENC2	Part 15 clause 15.4 (1)	<p>TENC failed to provide an initial NSP volumes submission to the RM for February 2018 by 4pm on BD 4. The NSP volumes file was rejected by the RM and a replacement file was not uploaded.</p> <p>The file was rejected because a gate meter was set up with an incorrect participant code. The RM portal displayed a file status of “successful” immediately after the files were processed. EMS later discovered that the status later changed to “rejected” after the zipped files finished processing.</p> <p>EMS corrected the error that caused the original failure and resubmitted the file. Procedures were amended so that the status is re-checked to determine whether it has changed once all files are processed</p>	No action was taken, because there was no market impact and TENC had taken steps to prevent recurrence of the issue.
1904TENC1	Part 15 clause 15.10	<p>TENC failed to provide an initial NSP volumes submission to the RM for new embedded network TSB0011 for March 2019 by 4pm on BD 4. The embedded network started on 01/03/19.</p> <p>The RM notified TENC that the information was missing at 4.40pm, and a corrected file was provided on business day 5 before the RM’s reconciliation process for March 2019 began.</p>	No action was taken, because there was no market impact and TENC had taken steps to prevent recurrence of the issue.

1.7. NSP Data

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Type	Start Date	MEP
CGA0011	48 GREYS AVENUE AUCKLAND	PEN1101	VECT	CGA0011TENCE	EN	1/09/2017	AMCI
CLN0011	351 LINCOLN ROAD ADDINGTON	ISL0661	ORON	CLN0011TENCE	EN	1/01/2016	AMCI
CPP0111	Central Park	PEN0331	VECT	CPP0111TENCE	EN	1/08/2018	NGCM
CRN0011	51 CORINTHIAN DRIVE PROPERTY	ALB0331	UNET	CRN0011TENCE	EN	1/10/2015	AMCI
DST0011	OUTLET CITY TAWA	TKR0331	CKHK	DST0011TENCE	EN	1/05/2016	AMCI
HBS0011	1 Hobson St Auckland	HOB1101	VECT	HBS0011TENCE	EN	26/09/2019	AMCI
HGH0011	Highbury Shopping Centre	WRD0331	UNET	HGH0011TENCE	EN	1/06/2018	AMCI
KDH0011	10 WORLEY PLACE	HAM0331	WAIK	KDH0011TENCE	EN	1/06/2018	AMCI
KMW0011	KIWI MAJESTIC CENTRE	CPK0331	CKHK	KMW0011TENCE	EN	1/09/2019	AMCI
KNA0011	205 Queen Street Auckland	PEN1101	VECT	KNA0011TENCE	EN	1/02/2018	AMCI
KNW0111	North City Shopping Centre	TKR0331	CKHK	KNW0111TENCE	EN	9/07/2018	AMCI
MXS0011	South City Centre	ISL0661	ORON	MXS0011TENCE	EN	10/10/2019	AMCI
PFB0011	55 Featherston Street Wellington	WIL0331	CKHK	PFB0011TENCE	EN	1/06/2018	FCLM
PHP0011	171 FEATHERSTON ST PROPERTY	CPK0331	CKHK	PHP0011TENCE	EN	14/09/2018	AMCI

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Type	Start Date	MEP
PHS0011	195 Lambton Quay Wellington	KWA0111	CKHK	PHS0011TENCE	EN	1/06/2018	FCLM
PTC0011	125 THE TERRACE	CPK0331	CKHK	PTC0011TENCE	EN	14/09/2018	AMCI
RTB0011	TELCO BUILDING	HOB1101	VECT	RTB0011TENCE	EN	26/09/2019	FCLM
STL0011	The Sentinel	WRD0331	UNET	STL0011TENCE	EN	21/09/2019	AMCI
TAA0011	50 Anzac Ave Auckland	PEN1101	VECT	TAA0011TENCE	EN	1/07/2017	AMCI
TAC0011	250 Tancred Street ASHBURTON	ASB0331	EASH	TAC0011TENCE	EN	1/07/2019	NGCM
TAQ0011	104 QUAY ST AUCKLAND	PEN1101	VECT	TAQ0011TENCE	EN	1/12/2016	AMCI
TAT0011	154 THE TERRACE WELLINGTON	CPK0331	CKHK	TAT0011TENCE	EN	14/09/2018	AMCI
TAW0011	TE AWA SHOPPING CENTRE	TWH0331	WAIK	TAW0011TENCE	EN	1/11/2014	AMCI
TBA0011	36-42 CUSTOMS ST EAST AUCKLAND	PEN1101	VECT	TBA0011TENCE	EN	15/09/2016	AMCI
TBC0011	BNZ CENTRE CHRISTCHURCH	ISL0661	ORON	TBC0011TENCE	EN	21/05/2018	AMCI
TBD0011	DOMINION BUILDING	CPK0331	CKHK	TBD0011TENCE	EN	1/06/2015	AMCI
TBE0011	2-16 TAKU TAI SQUARE	PEN1101	VECT	TBE0011TENCE	EN	1/11/2013	AMCI
TBQ0011	2-8 White St Auckland	PEN1101	VECT	TBQ0011TENCE	EN	1/09/2019	AMCI
TBS0011	26-28 CUSTOMS ST EAST	PEN1101	VECT	TBS0011TENCE	EN	1/11/2015	AMCI
TBW0011	33 Broadway Newmarket Auckland	PEN0331	VECT	TBW0011TENCE	EN	1/10/2018	AMCI

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Type	Start Date	MEP
TCA0011	CENTURY CITY APARTMENTS	CPK0331	CKHK	TCA0011TENCE	EN	2/04/2013	AMCI
TCB0011	4 Williamson Ave Auckland	ROS1101	VECT	TCB0011TENCE	EN	1/07/2017	AMCI
TCD0011	Chaffers Dock	CPK0331	CKHK	TCD0011TENCE	EN	20/01/2012	AMCI
TCG0011	103 Carlton Gore Road	PEN0331	VECT	TCG0011TENCE	EN	1/01/2019	AMCI
TCH0011	46-58 Customs Street East Auck	PEN1101	VECT	TCH0011TENCE	EN	1/05/2017	AMCI
TCL0011	CHEWS LANE APARTMENTS	CPK0331	CKHK	TCL0011TENCE	EN	14/09/2018	AMCI
TCO0011	95 SWAYNE ROAD CAMBRIDGE	CBG0111	WAIP	TCO0011TENCE	EN	16/04/2018	AMCI
TCP0011	370 Oriental Parade Wellington	CPK0331	CKHK	TCP0011TENCE	EN	1/10/2017	AMCI
TCR0011	9 11 CORINTHIAN DR AUCKLAND	ALB0331	UNET	TCR0011TENCE	EN	1/02/2016	AMCI
TCT0011	TAURANGA CROSSING TAURIKURA DR	TGA0331	POCO	TCT0011TENCE	EN	15/03/2019	AMCI
TCU0011	50 Customhouse Quay Wellington	KWA0111	CKHK	TCU0011TENCE	EN	1/06/2019	AMCI
TDS0011	AWLY BUILDING 80 ARMAGH ST CHCH	ISL0661	ORON	TDS0011TENCE	EN	13/05/2018	AMCI
TDX0011	111 Dixon Street Wellington	CPK0111	CKHK	TDX0011TENCE	EN	11/11/2019	NGCM
TES0011	1-3 EDWARD STREET WELLINGTON	CPK0111	CKHK	TES0011TENCE	EN	1/12/2019	AMCI

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Type	Start Date	MEP
TET0011	EAGLE TECHNOLOGY HOUSE	CPK0111	CKHK	TET0011TENCE	EN	14/09/2018	AMCI
TFJ0011	FUJITSU TOWER 141 THE TERRACE	CPK0331	CKHK	TFJ0011TENCE	EN	14/09/2018	AMCI
TFM0011	FIVE MILE SHOPPING CENTRE	FKN0331	DUNE	TFM0011TENCE	EN	8/07/2015	AMCI
TFS0011	152 FANSHAWE ST AUCKLAND	HOB1101	VECT	TFS0011TENCE	EN	26/09/2019	AMCI
TFT0011	4 Fred Thomas Drive	WRD0331	UNET	TFT0011TENCE	EN	20/09/2019	AMCI
TGB0011	96 St Georges Bay Road Auckland	PEN1101	VECT	TGB0011TENCE	EN	1/02/2018	AMCI
TGC0011	THE GRAND ARCADE	CPK0331	CKHK	TGC0011TENCE	EN	14/09/2018	AMCI
TGD0011	Goddards Shopping Centre	TGA0331	POCO	TGD0011TENCE	EN	1/06/2019	NGCM
TGR0011	141 CASHEL ST CHRISTCHURCH 8011	ISL0661	ORON	TGR0011TENCE	EN	13/05/2018	AMCI
TGS0011	650 Great South Rd Auckland	PEN0331	VECT	TGS0011TENCE	EN	1/09/2017	AMCI
TGT0011	Guardian Trust Building	CPK0331	CKHK	TGT0011TENCE	EN	14/09/2018	AMCI
THD0011	Hazeldean Business Park	ISL0661	ORON	THD0011TENCE	EN	1/10/2019	AMCI
THH0011	21 Home Straight Te Rapa	TWH0331	WAIK	THH0011TENCE	EN	1/10/2018	AMCI
THP0011	HOPETOUN RESIDENCES	ROS1101	VECT	THP0011TENCE	EN	8/06/2018	AMCI
THP0012	7 Hopetoun Street Auckland	ROS1101	VECT	THP0012TENCE	EN	8/06/2018	AMCI

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Type	Start Date	MEP
THS0011	THE HSBC TOWER	ISL0661	ORON	THS0011TENCE	EN	1/04/2015	AMCI
TJS0011	3-11 Hunter Street Wellington	CPK0331	CKHK	TJS0011TENCE	EN	14/09/2018	AMCI
TJW0011	243-261 Princes Street Dunedin	SDN0331	DUNE	TJW0011TENCE	EN	1/04/2018	AMCI
TKI0011	2 Kitchener St Auckland	PEN1101	VECT	TKI0011TENCE	EN	1/08/2017	AMCI
TKL0011	16 West Coast Rd Glen Eden Akld	HEP0331	UNET	TKL0011TENCE	EN	1/09/2019	AMCI
TKM0011	The Karori Mall	WIL0331	CKHK	TKM0011TENCE	EN	20/01/2012	AMCI
TKO0011	10 Waterloo Quay Wellington	WIL0331	CKHK	TKO0011TENCE	EN	12/07/2018	AMCI
TKS0011	KATE SHEPPARD APARTMENTS	WIL0331	CKHK	TKS0011TENCE	EN	1/03/2015	AMCI
TLB0011	88 Te Oneroa Way Auckland	ALB0331	UNET	TLB0011TENCE	EN	7/11/2018	AMCI
TLN0011	131 LINCOLN ROAD AUCKLAND	HEN0331	UNET	TLN0011TENCE	EN	1/07/2015	AMCI
TMC0011	2 Connolly St Lower Hutt	MLG0111	CKHK	TMC0011TENCE	EN	22/08/2017	AMCI
TML0011	1 MARKET LANE WELLINGTON	CPK0331	CKHK	TML0011TENCE	EN	1/04/2015	AMCI
TMM0111	80b BURWOOD RD MATAMATA	HIN0331	POCO	TMM0111TENCE	EN	8/07/2019	AMCI
TNV0011	NOUVO APARTMENTS MT COOK WLG	CPK0331	CKHK	TNV0011TENCE	EN	1/06/2016	AMCI
TOT0011	131 QUEEN STREET	HOB1101	VECT	TOT0011TENCE	EN	26/09/2019	AMCI
TOX0011	32 Oxford Terrace	ISL0661	ORON	TOX0011TENCE	EN	1/05/2019	NGCM

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Type	Start Date	MEP
TPK0011	Peak Apartments Wellington	CPK0111	CKHK	TPK0011TENCE	EN	1/08/2018	AMCI
TPM0011	THE PIERMONT/MONUMENT APARTMENTS	CPK0331	CKHK	TPM0011TENCE	EN	1/09/2013	AMCI
TPW0011	141 Pakenham St West Auck	PEN1101	VECT	TPW0011TENCE	EN	26/09/2017	AMCI
TPW0012	132 Halsey Street Auckland	HOB1101	VECT	TPW0012TENCE	EN	1/12/2018	AMCI
TQB0011	51 WEBB STREET	CPK0111	CKHK	TQB0011TENCE	EN	14/09/2018	AMCI
TQC0011	Queenstown Central	FKN0331	DUNE	TQC0011TENCE	EN	11/06/2018	AMCI
TQS0011	246 QUEEN STREET AUCKLAND	PEN1101	VECT	TQS0011TENCE	EN	1/10/2019	AMCI
TQW0011	CLYDE QUAY WHARF	CPK0331	CKHK	TQW0011TENCE	EN	1/10/2014	AMCI
TRT0011	REPUBLIC BUILDING	CPK0331	CKHK	TRT0011TENCE	EN	1/06/2013	AMCI
TSA0011	46 Sales St Auckland	HOB1101	VECT	TSA0011TENCE	EN	1/07/2017	AMCI
TSB0011	66 THE SQUARE PALMERSTON NORTH	BPE0331	POCO	TSB0011TENCE	EN	1/03/2019	AMCI
TSG0011	THE SOUTHGATE MALL	TAK0331	VECT	TSG0011TENCE	EN	1/08/2013	AMCI
TSN0011	79 QUEEN STREET	PEN1101	VECT	TSN0011TENCE	EN	5/11/2012	AMCI
TSP0011	43 MULGRAVE ST WELLINGTON	CPK0331	CKHK	TSP0011TENCE	EN	14/09/2018	AMCI
TSQ0011	10 Ebor Street Te Aro Wellington	CPK0331	CKHK	TSQ0011TENCE	EN	1/02/2020	Not active

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Type	Start Date	MEP
TSS0011	34 SHORTLAND ST AUCKLAND	PEN1101	VECT	TSS0011TENCE	EN	1/12/2016	AMCI
TTA0011	19 College Street Wellington	CPK0331	CKHK	TTA0011TENCE	EN	1/07/2017	AMCI
TTC0011	THE CUBE	CPK0331	CKHK	TTC0011TENCE	EN	1/06/2013	AMCI
TTH0011	THE HUB 398 MAIN SOUTH ROAD	ISL0331	ORON	TTH0011TENCE	EN	1/08/2014	AMCI
TTR0011	162 FLAT BUSH SCHOOL RD	PAK0331	VECT	TTR0011TENCE	EN	1/05/2016	AMCI
TTS0011	TAKAPUNA AUCKLAND	WRD0331	UNET	TTS0011TENCE	EN	21/09/2019	AMCI
TTT0011	TOURISM & TRAVEL HOUSE	CPK0331	CKHK	TTT0011TENCE	EN	14/09/2018	AMCI
TVP0011	166 VICTORIA ST Wellington	CPK0111	CKHK	TVP0011TENCE	EN	1/01/2020	Not active
TVS0011	ORACLE BUILDING 162 VICTORIA ST	PEN1101	VECT	TVS0011TENCE	EN	1/08/2015	AMCI
TVT0011	VICTORIA ST AUCKLAND	PEN1101	VECT	TVT0011TENCE	EN	1/11/2015	AMCI
TWA0011	2026 STEWART DUFF DR Wellington	CPK0331	CKHK	TWA0011TENCE	EN	1/04/2018	AMCI
TWG0011	8 Wigan Street Wellington	CPK0111	CKHK	TWG0011TENCE	EN	1/06/2018	AMCI
TWL0011	84 WILLIS ST WELLINGTON	CPK0331	CKHK	TWL0011TENCE	EN	2/08/2018	AMCI
TWM0011	WAITAKERE MEGA CENTRE AUCKLAND	HEP0331	UNET	TWM0011TENCE	EN	1/03/2016	AMCI
TWQ0011	14 WEST QUAY AHURIRI NAPIER	RDF0331	HAWK	TWQ0011TENCE	EN	1/08/2016	AMCI
TWS0011	Willbank house WELLINGTON	CPK0331	CKHK	TWS0011TENCE	EN	14/09/2018	AMCI

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Type	Start Date	MEP
WGF0011	GLENFIELD SHOPPING CENTRE	WRD0331	UNET	WGF0011TENCE	EN	1/02/2016	AMCI
WPK0011	WESTFIELD PAKURANGA	PAK0331	VECT	WPK0011TENCE	EN	1/04/2013	AMCI
WSC0011	WESTFIELD SHORE CITY	WRD0331	UNET	WSC0011TENCE	EN	21/09/2019	AMCI
WWC0011	WESTFIELD WESTCITY	HEP0331	UNET	WWC0011TENCE	EN	1/03/2018	AMCI

1.8. Authorisation Received

A letter of authorisation was provided.

1.9. Scope of Audit

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of TENC, to support 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.

TENC is an embedded network operator 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:

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks
(b) – Gathering and storing raw meter data	EMS
(c)(i) - Creation and management of HHR volume information	
(e) – Provision of submission information for reconciliation	

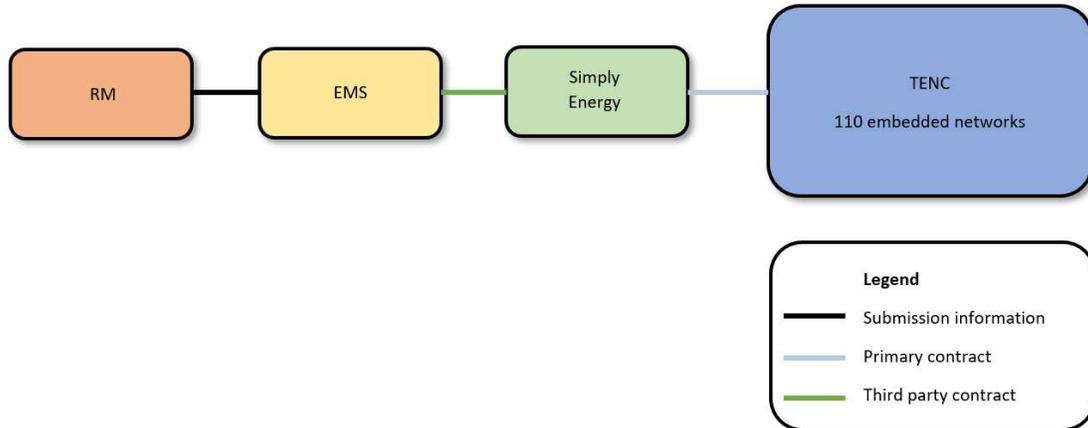
TENC's compliance is reliant on the compliance of Simply Energy Limited and EMS as agents to TENC. Although Simply Energy Limited is the primary agent to TENC, EMS conducts all the relevant activities. EMS' June 2019 audit report was reviewed as part of this audit, and will be submitted along with this report. Compliance was recorded in relation to the clauses relevant to TENC.

Because the EMS report will be more than seven months old on TENC's audit due date, I confirmed the following as part of TENC's audit:

- one potentially defective meter was identified for the LE ICP connected to TGC0011, and the potential defect was appropriately identified, investigated, and resolved;
- no clock synchronisation errors outside the allowable tolerances have occurred;

- no corrections were required; and
- estimation occurred for the LE ICP connected to TGC0011, when data could not be obtained due to a communication fault.

The scope of the audit is shown in the diagram below:



1.10. Summary of previous audit

The previous audit was conducted in October 2017 by Tara Gannon of Veritek Limited. Compliance was recorded and no recommendations were raised.

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 10.6, 11.2, 15.2

Code related audit information

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

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

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

Audit observation

The process to find and correct incorrect information was discussed.

Audit commentary

Any instances of incorrect, incomplete, and misleading information are resolved as they arise.

Compliance is recorded in the EMS audit report in relation to this clause. No incorrect, incomplete or misleading information was identified.

Audit outcome

Compliant

2.2. Provision of information (Clause 15.35)

Code reference

Clause 15.35

Code related audit information

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

Audit observation

Processes to provide information were reviewed as part of EMS' audit.

Audit commentary

Any instances of incorrect, incomplete, and misleading information are resolved as they arise.

Compliance is recorded in the EMS audit report in relation to this clause. No incorrect, incomplete or misleading information was identified.

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

Data transmission was reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS 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 for the person who performed the activity (clause 21(4)(c)).*

Audit observation

Audit trails were reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS 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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

The trader must use its best endeavours to provide access:

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

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

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

Audit observation

I discussed TENC's policy in relation to allowing access to metering and if any requests had been received during the audit period.

Audit commentary

Arrangements for access to metering are completed as necessary. There have been no cases where access 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

Metering is located at the point of connection.

Audit commentary

Metering is located at the point of connection.

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 10.33(1)

Code related audit information

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 10.33A(1)

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

2.12. Arrangements for line function services (Clause 11.16)

Code reference

Clause 11.16

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

2.13. Arrangements for metering equipment provision (Clause 10.36)

Code reference

Clause 10.36

Code related audit information

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

Audit observation

The NSP supply point table as at 24/12/19 was examined, and the NSP details are recorded in **section 1.7**.

Audit commentary

All connected embedded networks have an MEP recorded.

Audit outcome

Compliant

3. MAINTAINING REGISTRY INFORMATION

3.1. Obtaining ICP identifiers (Clause 11.3)

Code reference

Clause 11.3

Code related audit information

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

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

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

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

Audit observation

Not applicable

Audit commentary

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 10 Schedule 11.1

Code related audit information

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

3.4. Trader responsibility for an ICP (Clause 11.18)

Code reference

Clause 11.18

Code related audit information

A trader becomes responsible for an ICP when the trader is recorded in the registry as being responsible for the ICP.

A trader ceases to be responsible for an ICP if:

- *another trader is recorded in the registry as accepting responsibility for the ICP (clause 11.18(2)(a)); or*
- *the ICP is decommissioned in accordance with clause 20 of Schedule 11.1 (clause 11.18(2)(b)).*
- *if an ICP is to be decommissioned, the trader who is responsible for the ICP must (clause 11.18(3)):*
 - o *arrange for a final interrogation to take place prior to or upon meter removal (clause 11.18(3)(a)); and*
 - o *advise the MEP responsible for the metering installation of the decommissioning (clause 11.18(3)(b)).*

A trader who is responsible for an ICP (excluding UML) must ensure that an MEP is recorded in the registry for that ICP (clause 11.18(4)).

A trader must not trade at an ICP (excluding UML) unless an MEP is recorded in the registry for that ICP (clause 11.18(5)).

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 9 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 9 (1(k) of Schedule 11.1

Code related audit information

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 9(1)(f) of Schedule 11.1

Code related audit information

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 17 Schedule 11.1

Code related audit information

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

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

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

- *the ICP has only one customer, embedded generator, or direct purchaser (clause 17(2)(a))*

- *the electricity consumed is quantified by a metering installation or a method of calculation approved by the Authority (clause 17(2)(b)).*

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 19 Schedule 11.1

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

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

Code reference

Clause 2 Schedule 11.3

Code related audit information

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clauses 3 and 4 Schedule 11.3

Code related audit information

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 5 Schedule 11.3

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 6(1) and 6A Schedule 11.3

Code related audit information

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

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

If the gaining trader disputes a switch meter reading because the switch event meter reading provided by the losing trader differs by 200 kWh or more, the gaining trader must, within four calendar months of

the registry manager giving the gaining trader written notice of having received information about the switch completion, provide to the losing trader a changed switch event meter reading supported by two validated meter readings.

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 6(2) and (3) Schedule 11.3

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 7 Schedule 11.3

Code related audit information

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 9 Schedule 11.3

Code related audit information

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

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

In the event of a switch move, the gaining trader must advise the registry manager of a switch and the proposed event date no later than 2 business days after the arrangement comes into effect.

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 10(1) Schedule 11.3

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 10(2) Schedule 11.3

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 11 Schedule 11.3

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 12 Schedule 11.3

Code related audit information

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

- *if the switch meter reading established by the gaining trader differs by less than 200 kWh from that provided by the losing trader, both traders must use the switch event meter reading provided by the gaining trader (clause 12(2)(a)); or*
- *if the switch event meter reading provided by the losing trader differs by 200 kWh or more from a value established by the gaining trader, the gaining trader may dispute the switch meter reading. In this case, the gaining trader, within 4 calendar months of the date the registry manager gives the gaining trader written notice of having received information about the switch completion, must provide to the losing trader a changed validated meter reading or a permanent estimate supported by 2 validated meter readings and the losing trader must either (clause 12(2)(b) and clause 12(3)):*
 - *advise the gaining trader if it does not accept the switch event meter reading and the losing trader and the gaining trader must resolve the dispute in accordance with the disputes procedure in clause 15.29 (with all necessary amendments) (clause 12(3)(a)); or*
 - *if the losing trader notifies its acceptance or does not provide any response, the losing trader must use the switch event meter reading supplied by the gaining trader. (clause 12(3)(b)).*

12(2A) If the losing trader trades electricity from a non-half hour meter, with a switch event meter reading that is not from an AMI certified meter flagged Y in the registry,

- *the gaining trader will trade electricity from a meter with a half hour submission type in the registry (clause 12(2A)(b));*
- *the gaining trader no later than 5 business days after receiving final information from the registry manager, may provide the losing trader with a switch event meter reading from that meter. The losing trader must use that switch event meter reading. (clause 12(2B)).*

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 14 Schedule 11.3

Code related audit information

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

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

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

A gaining trader must advise the registry manager of the switch and expected event date no later than 3 business days after the arrangement comes into effect.

14(2) The gaining trader must include in its advice to the registry manager:

- a) a proposed event date; and*
- b) that the switch type is HH.*

14(3) The proposed event date must be a date that is after the date on which the gaining trader advises the registry manager, unless clause 14(4) applies.

14(4) The proposed event date is a date before the date on which the gaining trader advised the registry manager, if:

14(4)(a) – the proposed event date is in the same month as the date on which the gaining trader advised the registry manager; or

14(4)(b) – the proposed event date is no more than 90 days before the date on which the gaining trader advises the registry manager and this date is agreed between the losing and gaining traders.

Audit observation

Not applicable

Audit commentary

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

Not applicable

Audit commentary

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

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

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

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

Audit observation

Not applicable

Audit commentary

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

4.16. Metering information (Clause 21 Schedule 11.3)

Code reference

Clause 21 Schedule 11.3

Code related audit information

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 11.15AA to 11.15AB

Code related audit information

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

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

5. MAINTENANCE OF UNMETERED LOAD

5.1. Maintaining shared unmetered load (Clause 11.14)

Code reference

Clause 11.14

Code related audit information

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

11.14(2) - The distributor must give written notice to the traders responsible for the ICPs across which the unmetered load is shared, of the ICP identifiers of the ICPs.

11.14(3) - A trader who receives such a notification from a distributor must give written notice to the distributor if it wishes to add or omit any ICP from the ICPs across which unmetered load is to be shared.

11.14(4) - A distributor who receives such a notification of changes from the trader under (3) must give written notice to the registry manager and each trader responsible for any of the ICPs across which the unmetered load is shared.

11.14(5) - If a distributor becomes aware of any change to the capacity of a shared unmetered load ICP or if a shared unmetered load ICP is decommissioned, it must give written notice to all traders affected by that change as soon as practicable after that change or decommissioning.

11.14(6) - Each trader who receives such a notification must, as soon as practicable after receiving the notification, adjust the unmetered load information for each ICP in the list for which it is responsible to ensure that the entire shared unmetered load is shared equally across each ICP.

11.14(7) - A trader must take responsibility for shared unmetered load assigned to an ICP for which the trader becomes responsible as a result of a switch in accordance with Part 11.

11.14(8) - A trader must not relinquish responsibility for shared unmetered load assigned to an ICP if there would then be no ICPs left across which that load could be shared.

11.14(9) - A trader can change the status of an ICP across which the unmetered load is shared to inactive status, as referred to in clause 19 of Schedule 11.1. In that case, the trader is not required to give written notice to the distributor of the change. The amount of electricity attributable to that ICP becomes UFE.

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 10.14 (5)

Code related audit information

If the unmetered load limit is exceeded the retailer must:

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 11 Schedule 15.3, Clause 15.37B

Code related audit information

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

6. GATHERING RAW METER DATA

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

Code reference

Clause 10.13, Clause 10.24 and Clause 15.13

Code related audit information

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

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

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

The participant responsible for the metering installation must:

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

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

Audit observation

Not applicable

Audit commentary

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 10.43(2) and (3)

Code related audit information

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

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

Audit observation

Reporting of defective metering installations was reviewed as part of EMS' audit. Information on inaccurate or defective meters during the period from January 2018 to December 2019 was requested.

Audit commentary

EMS confirmed that one potentially defective meter was identified for the LE ICP connected to TGC0011, and the potential defect was appropriately identified, investigated, and resolved. The MEP was notified in accordance with this clause, and data was estimated for the period where a communications fault occurred.

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

Data collection was reviewed as part of EMS' audit. Information on clock synchronisation events during the period from January 2018 to December 2019 was requested.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

EMS confirmed that no clock synchronisation events outside the allowable threshold were identified during the period reviewed.

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 6 Schedule 15.2

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 7(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 8(1) and (2) Schedule 15.2

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 9(1) and (2) Schedule 15.2

Code related audit information

In relation to each NSP, each reconciliation participant must ensure that for each NHH ICP at which the reconciliation participant trades continuously for each 4 months, for which consumption information is required to be reported into the reconciliation process. A validated meter reading is obtained at least once every 4 months for 90% of the non half hour metered ICPs.

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

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

Audit observation

Not applicable

Audit commentary

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 11(1) Schedule 15.2

Code related audit information

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

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

Audit observation

Data collection is carried out by the MEP.

Audit commentary

Data collection is carried out by the MEP, and compliance is recorded in the EMS 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

HHR interrogation data was reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

Audit outcome

Compliant

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

Code reference

Clause 11(3) Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

HHR interrogation logs were reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

Audit outcome

Compliant

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

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

Audit observation

Trading period duration is the responsibility of the MEP.

Audit commentary

Trading period duration is the responsibility of the MEP.

As recorded in **section 6.5**, no clock synchronisation events outside the allowable threshold were identified during the period reviewed.

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

Archiving and storage of meter data was reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

Audit outcome

Compliant

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

Code reference

Clause 21(5) Schedule 15.2

Code related audit information

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

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

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

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

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

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

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

Audit observation

Correction processes were reviewed as part of EMS' audit. Information on corrections during the period from January 2018 to December 2019 was requested.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

EMS confirmed that no corrections were completed during the period reviewed.

Audit outcome

Compliant

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

Code reference

Clause 19(3) Schedule 15.2

Code related audit information

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 19(4) and (5) Schedule 15.2

Code related audit information

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

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

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

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

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

19(5)(d)- the half-hour metering data or the non half hour metering data corrected or altered, and the total difference in volume of such corrected or altered data

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

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

Audit observation

Correction processes were reviewed as part of EMS' audit. Information on corrections during the period from January 2018 to December 2019 was requested.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

EMS confirmed that no corrections were completed during the period reviewed.

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

Identification of readings was reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

Audit outcome

Compliant

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

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

Derivation of volumes was reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

Audit outcome

Compliant

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

Code reference

Clause 3(5) Schedule 15.2

Code related audit information

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

Audit observation

Derivation of volumes was reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

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

Estimation processes were reviewed as part of EMS' audit. Information on temporary and permanent estimates created during the period from January 2018 to December 2019 was requested.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

EMS confirmed that data for TGC0011 was estimated from 11/11/2019 19:30 until month end due to a meter communication fault for ICP 1001153299CKE24, in accordance with their normal procedures.

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 17 Schedule 15.2

Code related audit information

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

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

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

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

17(4)(c) - checks of unexpected zero values

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

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

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

Audit observation

Validation processes were reviewed as part of EMS' audit. Information on meter events that could affect meter accuracy during the period from January 2018 to December 2019 was requested.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

EMS confirmed that one potentially defective meter was identified for the LE ICP connected to TGC0011, and the potential defect was appropriately identified, investigated, and resolved. The MEP was notified in accordance with this clause, and data was estimated for the period where a communications fault occurred.

Audit outcome

Compliant

10. PROVISION OF METERING INFORMATION TO THE GRID OWNER IN ACCORDANCE WITH SUBPART 4 OF PART 13 (CLAUSE 15.38(1)(F))

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

Code reference

Clause 13.136

Code related audit information

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

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

Audit observation

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 relevant grid owner half-hour metering information for:

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

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

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

Audit observation

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 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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 15.8

Code related audit information

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

12. SUBMISSION COMPUTATION

12.1. Daylight saving adjustment (Clause 15.36)

Code reference

Clause 15.36

Code related audit information

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

Audit observation

Daylight savings adjustment was reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS audit report in relation to this clause.

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

This clause refers to ICPs. This audit is for NSP volumes only.

Audit commentary

This clause refers to ICPs. This audit is for NSP volumes only.

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Creation of submission information was reviewed as part of EMS' audit.

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

Audit commentary

Compliance is recorded in the EMS audit report.

The EA confirmed that three alleged breaches relevant to the scope of this audit occurred during the audit period. The alleged breaches were all for late provision of NSP volumes information (clause 15.10), and no action was taken because there was no market impact and steps were taken to prevent recurrence of the issues.

The alleged breaches are discussed in the table below:

Breach no	Breach of	Description	Outcome
1803TENC1	Part 15 clause 15.4 (2)	<p>October 2016, May 2017, September 2017, and November 2017 revision submissions were not provided by 4pm on BD 13 in December 2017. Revision information was provided the following day.</p> <p>The RM portal displayed a file status of "successful" immediately after the files were processed. EMS later discovered that the status later changed to "rejected" after the zipped files finished processing.</p> <p>EMS corrected the error that caused the original failure and resubmitted the files.</p> <p>Only NSPs where data had changed between the revision and previous submission were affected by the issue.</p>	No action was taken, because there was no market impact and TENC had taken steps to prevent recurrence of the issue.
1803TENC2	Part 15 clause 15.4 (1)	TENC failed to provide an initial NSP volumes submission to the RM for February 2018 by 4pm on BD 4. The NSP	No action was taken, because there was no market impact and TENC had taken steps to prevent recurrence of the issue.

Breach no	Breach of	Description	Outcome
		<p>volumes file was rejected by the RM and a replacement file was not uploaded.</p> <p>The file was rejected because a gate meter was set up with an incorrect participant code. The RM portal displayed a file status of “successful” immediately after the files were processed. EMS later discovered that the status later changed to “rejected” after the zipped files finished processing.</p> <p>EMS corrected the error that caused the original failure and resubmitted the file. Procedures were amended so that the status is re-checked to determine whether it has changed once all files are processed.</p>	
1904TENC1	Part 15 clause 15.10	<p>TENC failed to provide an initial NSP volumes submission to the RM for new embedded network TSB0011 for March 2019 by 4pm on BD 4. The embedded network started on 01/03/19.</p> <p>The RM notified TENC that the information was missing at 4.40pm, and a corrected file was provided on business day 5 before the RM’s reconciliation process for March 2019 began.</p>	No action was taken, because there was no market impact and TENC had taken steps to prevent recurrence of the issue.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 12.2</p> <p>With: Clause 15.10</p> <p>From: Dec-17, Feb-18 and Apr-19</p>	<p>Submission data was provided one business day late for revision submissions in December 2017, initial submissions in February 2018, and the initial submission for TSB0011 in April 2019.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time, and have subsequently been improved.</p> <p>There was no impact on settlement, because submission information was provided prior to the settlement process being started by the reconciliation manager.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Upon being made aware of the submission issue EMS on behalf of Tenco have promptly submitted the RM data for the month and no market impact occurred	During the audit period.	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Tenco and EMS have modified our systems and process to improve compliance in this area and the 3 issues that are recorded above were all 1 off explainable events that we are confident are not the result of systemic system or process issues.	Ongoing	

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

Accuracy of submission information was reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS audit report.

Audit outcome

Compliant

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

Code reference

Clause 4 Schedule 15.2

Code related audit information

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 2 Schedule 15.3

Code related audit information

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

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

- *to create non half hour submission information a reconciliation participant must only use information that is dependent on a control device if (clause 2(2)):*
 - a) *the certification of the control device is recorded in the registry; or*
 - b) *the metering installation in which the control device is location has interim certification.*
- *to create submission information for a point of connection the reconciliation participant must apply to the raw meter data (clause 2(3)):*
 - a) *for each ICP, the compensation factor that is recorded in the registry (clause 2(3)(a))*
 - b) *for each NSP the compensation factor that is recorded in the metering installations most recent certification report. (clause 2(3)(b))*

Audit observation

This clause refers to ICPs. This audit is for NSP volumes only.

Audit commentary

This clause refers to ICPs. This audit is for NSP volumes only.

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 4 and 5 Schedule 15.3

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 7 Schedule 15.3

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

13. SUBMISSION FORMAT AND TIMING

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

Code reference

Clause 8 Schedule 15.3

Code related audit information

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

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

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

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

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

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

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

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

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

Audit observation

Provision of submission information was reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS 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

Reporting resolution was reviewed as part of EMS' audit.

Audit commentary

Compliance is recorded in the EMS 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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

CONCLUSION

TENC 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 those matters where issues were discovered, or where specific analysis was undertaken.

The embedded network is managed by TENCO, who assisted with this audit.

TENC's compliance is reliant on the compliance of Simply Energy Limited and EMS as agents to TENC. Although Simply Energy Limited is the primary agent to TENC, EMS conducts all the relevant activities. EMS' June 2019 audit report was reviewed as part of this audit, and will be submitted along with this report. Because the EMS report will be more than seven months old on TENC's audit due date, I confirmed the following as part of TENC's audit:

- one potentially defective meter was identified for the LE ICP connected to TGC0011, and the potential defect was appropriately identified, investigated, and resolved;
- no clock synchronisation errors outside the allowable tolerances have occurred;
- no corrections were required; and
- estimation occurred for the LE ICP connected to TGC0011, when data could not be obtained due to a communication fault.

One minor non-compliance was identified, relating to late provision of some NSP volumes information. The non-compliance has already been considered by the Authority, and no action was taken because there was no market impact and TENC has taken steps to prevent recurrence of the issue. I recommend that the next audit be due on 1 March 2022, which is the maximum period allowable under the Code.

PARTICIPANT RESPONSE

Tenco have reviewed the above report on the 14/02/2020 and the findings contained within it and agree with these.