ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT

VERITEK

For

SIMPLY ENERGY LIMITED

Prepared by: Rebecca Elliot

Date audit commenced: 22 November 2021

Date audit report completed: 2 March 2022

Audit report due date: 15 March 2022

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EXECUTIVE SUMMARY

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

Simply Energy has used three participant codes during the audit period (SIMP, SELS and SELX), and also acts as an agent for other participants. Simply Energy has migrated its active SELX and SIMP ICPs to the SELS code. No active ICPs have been supplied by SELX or SIMP during this audit period (which began on 1 April 2021), but some backdated events have been recorded on the registry and revision submissions have been provided. All codes use the same systems and processes, and unless otherwise specified, the processes and non-compliances described in the report relate to all codes.

This audit period covers the time that Simply Energy had a period of resource constraint, and this is reflected in a further decline in the timeliness of updates. Staff have been onboarded and trained. I reviewed performance for the period post this and confirm that timeliness has greatly improved. Accuracy has also improved as the team are able to work the discrepancies as they arise. There is still room for improvement and Simply Energy are actively working on addressing these areas.

As was found with the CTCS/CTCX portion of the Contact Energy audit, overall performance has improved, and this is evident in the audit risk rating score which has reduced from 122 to 69. The score includes 13 points due to the rebranded Brightr not meeting some of the requirements in relation to terms and conditions. Brightr expect all their electricity retail customers will have switched away by 31/03/22, so I have excluded these, therefore the audit risk rating score is 56. The indicates the next audit be in three months. Taking into consideration the excellent progress Simply Energy has made during the audit period, allowing sufficient time for the areas of improvement to be worked on and that Simply Energy's processes will be reviewed as part of the next Contact Energy's audit under the CTCS and CTCX codes I recommend that the next audit be in 12 months.

The matters raised are shown in the tables below:

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Relevant information	2.1	11.2 & 15.2	Some inaccurate data is recorded and was not updated as soon as practicable. Some submission data was inaccurate and was not corrected at the next available opportunity. Some corrections identified in the last audit have not been corrected.	Moderate	Medium	4	Identified
Retailer responsibility for electricity conveyed - participant obligations	2.5	10.4	The Brightr terms and conditions do not include consent for access for other participants.	Weak	Low	3	Identified
Retailer responsibility for electricity conveyed - access to metering installations	2.6	10.7	The Brightr terms and conditions do not include consent for access for other participants.	Weak	Low	3	Identified
Trader contracts to permit assignment by the Authority	2.8	11.15B	The Brightr terms and conditions do not include assignment by the Electricity Authority in the event of retailer default.	Weak	Low	3	Identified
Electrical Connection of Point of Connection	2.11	10.33A	*SELS* One new connection was not certified within five business days of the initial electrical connection date. Two reconnections were not certified within five business days.	Moderate	Low	2	Identified
Provision of information on dispute resolution scheme	2.19	11.30A	Smart Energy (now Brightr) does not include information on Utilities Disputes on its website or when responding to queries from customers.	Weak	Low	3	Identified
Provision of information on electricity plan comparison site	2.20	11.30B	Smart Energy (now Brightr) does not include information on Powerswitch on its website, its invoices, or in outbound communications regarding price changes or billing.	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Changes to registry information	3.3	10 Schedule 11.1	*SIMP* • two late updates to active status, and • nine late updates to inactive status. *SELS* • 16 late updates to active status for reconnections, • 19 late updates to inactive status • 46 late trader updates, and • 20 late ANZSIC code updates, at least one of which was not genuine and related to correction of other attributes. *SELX* • one late trader update.	Moderate	Low	2	Identified
Provision of information to the registry manager	3.5	9 Schedule 11.1	*SIMP* • Ten late updates for new connections. *SELS* • 118 late updates for new connections, • ICP 0000163525CKB50 has a status date of 28/10/21 but should have 09/10/21, and • ICP 0120110020PNA29 has a status date of 16/03/21 but should have 15/03/21.	Moderate	Low	2	Identified
ANZSIC codes	3.6	9 (1(k)) of Schedule 11.1	*SELS* Eight ICPs had incorrect ANZSIC codes assigned. All were corrected during the audit.	Moderate	Low	2	Identified
Management of "active" status	3.8	17 Schedule 11.1	*SELS* • two SELS ICPs have more than one active customer, and • two ICPs made active for the incorrect date of the sample of 45 ICPs sampled (18 new connection late updates, 15 new connections with potential first active date discrepancies, ten late reconnection active updates and two reconnected ICPs with expired certification).	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Management of "inactive" status	3.9	19 Schedule 11.1	*SIMP* One incorrect inactive status update applied. *SELS* Three of the five ICPs set to the inactive vacant status were corrections to the first active date. The status events should have been reversed and taken straight to active.	Moderate	Low	2	Identified
Losing trader must provide final information - standard switch	4.3	5 Schedule 11.3	*SIMP* • one transfer CS file contained incorrect last actual read date, and • one transfer CS file contained the incorrect average daily kWh figure and the incorrect last read date. *SELS* • two E2 breaches, • one transfer CS file contained a negative average daily consumption figure, • one transfer CS files contained an incorrect average daily kWh of the sample of five ICPs with a greater than 200kWh average daily consumption, and • two ICPs of the three transfer CS files checked were sent with the incorrect final read resulting in consumption being pushed to the gaining trader. *SELX* • two ICPs of a sample of 13 transferred ICPs with the incorrect last read type of "E"	Moderate	Low	2	Identified
Retailers must use same reading - standard switch	4.4	9 Schedule 13.3	*SELS* One AC breach.	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Gaining trader informs registry of switch request - switch move	4.7	9 Schedule 11.3	*SELS* One NT file was issued more than two business days after pre-conditions were cleared of the 21 NT files sampled.	Strong	Low	1	Identified
Losing trader provides information - switch move	4.8	10(1) Schedule 11.3	*SELS* Five T2 breaches.	Strong	Low	1	Identified
Losing trader must provide final information - switch move	4.10	11 Schedule 11.3	*SIMP* • two of a sample of five ICPs checked with an average daily kWh value of greater than 200 kWh had an incorrect average daily consumption, • five of a possible 14 switch move CS files contained the incorrect read type of "E", • two switch move CS files contained the incorrect read type of "A", and • one of a typical sample of three CS files checked found one with the incorrect average daily kWh figure. *SELS* • three of a sample of 13 ICPs checked had an incorrect average daily consumption, and • five of a possible 17 switch move CS files contained the incorrect read type of "E". *SELX* • one of a sample of eight ICPs checked had an incorrect average daily consumption, • five of a possible 22 switch move CS files contained the incorrect read type of "E", and • one switch move CS file contained the incorrect read type of "A"	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Gaining trader changes to switch meter reading - switch move	4.11	6(1) and 6A Schedule 11.3	*SELS* • eight RR breaches, and • ICP 0003727038WF438 has the incorrect read type of "A" instead of "E" in Datahub and Madras.	Moderate	Low	2	Identified
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	*SIMP* Three incorrect NW withdrawal reason codes. *SELS* Six NA breaches. Two AW breaches. Two incorrect NW withdrawal reason codes. *SELX* One SR breach. One NW request issued in error. Four incorrect NW withdrawal reason codes.	Strong	Low	1	Identified
Metering information	4.16	21 Schedule 11.3	*SIMP* All five ICPs sampled of a possible 14 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E". Two switch move ICPs with the incorrect read type of "A" applied due to human error. *SELS* All five ICPs sampled of a possible 23 transfer where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E". All five ICPs sampled of a possible 17 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E".	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			Two CS files of a sample of six checked sent with the incorrect last actual reads resulting in 79 kWh being pushed to the gaining trader and reconciled in the wrong period. *SELX* All five ICPs sampled of a possible 22 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E". One switch move ICP with the incorrect read type of "A" applied due to human error.				
NHH meter reading application	6.7	6 Schedule 15.2	*SIMP* Five switch event readings of a possible 14 MI switches were incorrectly classified as estimates when they were actuals. Two MI switches with an incorrectly classified switch event reading classified as actuals when they were estimates. *SELS* Five switch event readings of a possible 23 TR switches were incorrectly classified as estimates when they were actuals. Five switch event readings of a possible 17 MI switches were incorrectly classified as estimates when they were actuals. Two ICPs of the three transfer CS files checked were sent with the incorrect final read resulting in consumption being pushed to the gaining trader. *SELX* Two TR switch event readings were incorrectly classified as estimates when they were actuals. Five switch event readings of a possible 22 MI switches were incorrectly classified as estimates when they were actuals.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			One MI switch event reading classified as an actual when it was an estimate.				
Interrogate meters once	6.8	7(1) and (2) Schedule 15.2	*SIMP* One ICP unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELS* For 12 ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Moderate	Low	2	
Identification of readings	9.1	3(3) Schedule 15.2	*SIMP* • five switch event readings of a possible 14 MI switches were incorrectly classified as estimates when they were actuals. • two switch event readings of a possible 14 MI switches were incorrectly classified as actuals when they were estimates. *SELS* • five switch event readings of a possible 23 TR switches were incorrectly classified as estimates when they were actuals, and • five switch event readings of a possible 17 MI switches were incorrectly classified as estimates when they were actuals. *SELX* • two TR switch event readings were incorrectly classified as estimates when they were actuals, and • five switch event readings of a possible 22 MI switches were incorrectly classified as estimates when they were actuals.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Half hour estimates	9.4	15 Schedule 15.2	*SELS* HHR estimate was not reasonable and not consistent with the ICPs consumption patterns for ICP 0000014504EACAF due to human error and a system vulnerability which has since been corrected. Estimates not replaced with actuals if the replacement file does not contain a register read.	Moderate	Medium	4	Identified
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	*SELS* AMI event logs are not routinely reviewed.	Moderate	Low	2	Investigating
Calculation of ICP days	11.2	15.6	*SELS* ICP days were not reported correctly one NSP. *SELX* ICP days were not reported correctly one NSP.	Moderate	Low	2	Identified
Accuracy of submission information	12.7	15.12	Invalid permanent estimate readings were used in the calculation of volumes due to a code change made by AXOS resulting in an +/-1% submission variance. These inaccuracies will be washed up through the revision process. Some submission data was inaccurate and was not corrected at the next available opportunity. EMS acting as an agent of Simply Energy submitted washup NHH volumes and ICP days for consumption months July 2021 (R3) and September 2021 (R1). There shouldn't have been volumes submitted on those months as Simply has not had any NHH customers since May 2021.	Moderate	Medium	4	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Permanence of meter readings for reconciliation	12.8	4 Schedule 15.2	*SIMP, SELX and SELS* Some estimates are not replaced at R14. Permanent estimates not calculated correctly resulting in inaccurate apportionment in volumes.	Moderate	Medium	4	Investigating
Historical estimates and forward estimates	12.10	3 Schedule 15.3	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Moderate	Medium	4	Identified
Historical estimate reporting to RM	13.3	10 of schedule 15.3	*SIMP, SELX and SELS* Historic estimate targets were not met for all months and revisions.	Moderate	Low	2	Identified
Future Risk Rating						69	

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

RECOMMENDATIONS

Subject	Section	Description	Recommendation
Management of "inactive" status	3.9	Monitoring of inactive consumption	Put reporting in place to detect consumption on vacant ICPs and develop BAU processes to investigate all instances.
Provision of information on dispute resolution	2.19	Consistent information on Utilities Disputes for inbound calls	Add Utilities Disputes information to recordings for inbound calls for Compass Communications to ensure this information is consistently provided for all inbound calls.
Changes to registry information	3.5	Correction to active date.	Contact Jade to assist with correcting ICP 0120110020PNA29 active date corrected from 16/03/21 to 15/03/21.
ICPs at new or ready status for 24 months	3.10	Monitoring of new and ready ICPs	A Registry List (type P) with proposed trader = SIMP, SELS and SELX and status = 000 and 999 should be run at least quarterly to identify ICPs which are at new or ready status, and investigation should be completed to determine whether the ICPs are still required.
Losing trader response to switch request and event dates - standard switch	4.2	AN response code hierarchy	Add the OC (occupied premises), and CO (contracted customer) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.

Subject	Section	Description	Recommendation
Switch saving protection	4.17	Recording of customer interactions	Work with white label retailer to capture customer conversations for withdrawn switches.
Half hour estimates	9.4	Replacement of estimates with actual data	*SELS* If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data.
		Replacement of actual data with actual data	*SELS* If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.

ISSUES

Subject	Section	Description	Issue
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

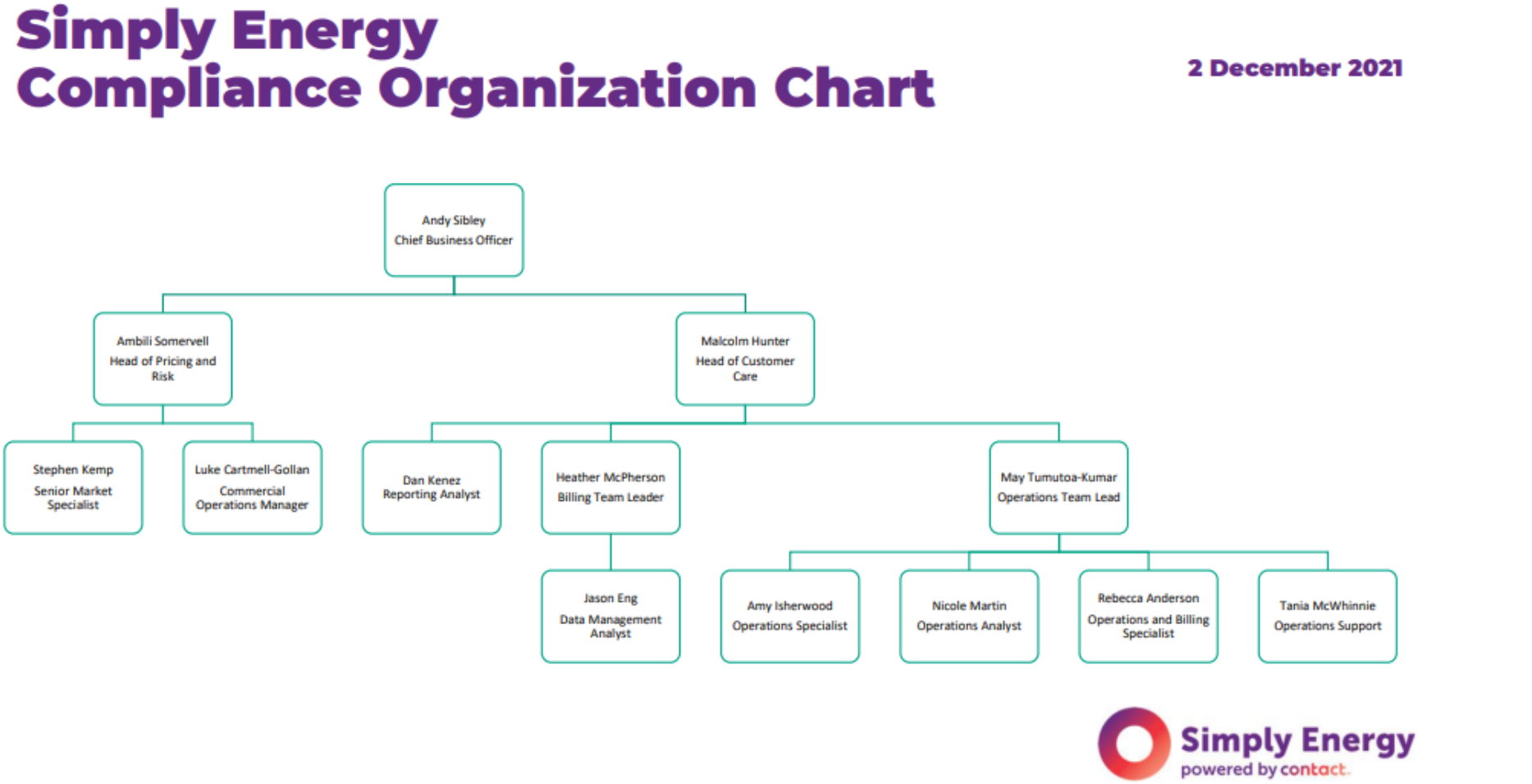
Audit observation

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

Audit commentary

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

1.2. Structure of Organisation



1.3. Persons involved in this audit

Auditors:

Name	Company	Role
Rebecca Elliot	Veritek Limited	Auditor

Simply Energy personnel assisting with this audit were:

Name	Title
Adam Ward	Customer Care Manager
Ambili Somervell	Head of Pricing and Risk
Luke Cartmell-Gollan	Commercials Operations Manager
May Tumutoa-Kumar	Operations Team Lead
Stephen Kemp	Senior Market Specialist

Other personnel assisting with this audit were:

Name	Title	Organisation
Craig Simpson	Operations Manager Service Hub	Wells
Julie Feasey	Senior C and I Data Services Specialist	AMS
Nick Appleby	Solution Support Specialist	EDMI
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

Use of agents was discussed with Simply Energy.

Audit commentary

Simply Energy has engaged the agents listed in the audit scope section. They understand their obligations and all functions conducted by agents have been subject to audit.

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

The last audit recorded that Northpower periodically provided manual meter readings for their three substations. AMI meters are now installed so Northpower no longer provides any reads.

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

1.5. Hardware and Software

Simply Energy's processes use the following systems:

- Emersion records ICP, customer and invoicing information,
- SalesForce is used for the management of ICP information, including process workflows and switching,
- Meter reading data is imported into AXOS DataHub; validated readings are transferred to the AXOS billing engines for billing and as billed reporting, and to EMS' MADRAS system for reconciliation for NHH ICP, and
- HHR reconciliation submissions are created using DataHub.

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

Agent systems and backup processes are described in their agent audit reports.

1.6. Breaches or Breach Allegations

There have been four breach allegations relevant to the scope of this audit during the audit period. These are discussed in the relevant report section.

Reference	Date	Clause	Summary	Status	Result
2103SIMP1	3/05/21 12:00 AM	Part 15 clause 15.2 (1) (a)	Simply Energy was missing approximately 4,000,000 kWh from its December 2020 submission and had to submit a volume dispute to resolve.	fact finding	no result yet
2105SIMP1	27/08/21 12:00 AM	Part 15 Schedule 15.4 (1)	CTCS and SELS both codes that Simply Energy facilitate, failed to submit information to the reconciliation manager by 1600 hours on the 4th business day of the reconciliation period. Simply Energy notified that they were still working on the submissions at 16:05 and that they were late in submitting for the month and would be submitting late. The RM later determined this was because a large volume of	closed	early closure

Reference	Date	Clause	Summary	Status	Result
			switches we're being actioned on BD4 by Simply Energy. The communication from the participant to the RM through this process was minimal.		
2110SIMP1	16/09/21	Part 15 clause 15.2 (1) (a) Part 15 clause 15.5 (2) Part 15 Schedule 15.2 clause (3)	Invalid permanent estimate readings were used in the calculation of NHH volumes for consumption months where there were no actual readings on the consumption month end date. All months impacted will be corrected via the washups process starting from BD13 in September 2021.	fact finding	no result yet
2110SIMP3	No date provided	Part 15 clause 15.2 (1) (a)	EMS acting as an agent of Simply Energy submitted washup NHH volumes and ICP days for consumption months July 2021 (R3) and September 2021 (R1). There shouldn't have been volumes submitted on those months as Simply has not had any NHH customers since May 2021.	fact finding	no result yet

1.7. ICP Data

SIMP

All active SIMP ICPs transferred to SELS or other traders prior to the start of the audit period, and SIMP is currently the trader for 11 inactive ICPs and 487 decommissioned ICPs.

Metering Category	Dec 2021	Mar 2021	2020	2019	2018	2017	2016	2015
1	-	1,182	1,527	1,141	1,139	1,102	589	493
2	-	29	101	118	152	157	78	64
3	-	11	20	24	30	39	21	17
4	-	9	11	13	21	21	10	6
5	-	4	5	5	5	5	5	2
9	-	9	12	9	2	21	-	-
Blank	-	16	20	20	22	39	63	25

Status	Number of ICPs (Dec 2021)	Number of ICPs (Mar 2021)	Number of ICPs (2020)	Number of ICPs (2019)	Number of ICPs (2018)	Number of ICPs (2017)	Number of ICPs (2016)
Active (2,0)	-	1,260	1,696	1,330	1,371	1,081	766
Inactive – new connection in progress (1,12)	2	6	13	24	3	-	1
Inactive – electrically disconnected vacant property (1,4)	4	20	22	19	16	14	6
Inactive – electrically disconnected remotely by AMI meter (1,7)	-	28	12	4	2	-	-
Inactive – electrically disconnected at pole fuse (1,8)	-	4	4	5	4	1	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	6	6	3	1	3	1
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-	-	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	3	3	3	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	5	6	6	4	-	12	13
Inactive – reconciled elsewhere (1,5)	-	-	-	-	1	1	1
Decommissioned (3)	487	484	450	395	331	272	158

SELS

The active ICPs from the list file are summarised by meter category in the table below. 28 active SELS ICPs have a metering category of nine or blank. 27 were unmetered load ICPs, and one was a timing difference where metering details were added on the registry after the report was run.

Metering Category	Dec 2021	Mar 2021	2020	2019
1	1,670	1,431	395	5
2	134	117	9	-
3	26	13	1	-
4	20	4	-	-
5	5	1	-	-
9	9	1	-	-
Blank	19	4	-	-

Status	Number of ICPs (Dec 2021)	Number of ICPs (Mar 2021)	Number of ICPs (2020)	Number of ICPs (2019)
Active (2,0)	1,883	1,571	405	5
Inactive – new connection in progress (1,12)	11	6	-	-
Inactive – electrically disconnected vacant property (1,4)	29	12	-	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	15	1	-	-
Inactive – electrically disconnected at pole fuse (1,8)	4	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	8	1	-	-
Inactive – electrically disconnected at meter box fuse (1,10)		-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	3	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-	-
Decommissioned (3)	58	44	36	36

SELX

All active SELX ICPs transferred to SELS or other traders prior to the start of the audit period, and SELX is currently the trader for three inactive ICPs and six decommissioned ICPs.

Metering Category	Dec 2021	Mar 2021	2020	2019	2018	2017
1	-	573	644	781	242	13
2	-	26	25	45	23	-
3	-	6	6	5	-	-
4	-	5	4	2	-	-
5	-	-	-	-	-	-
9	-	-	-	-	-	-
Blank	-	5	5	5	-	-

Status	Number of ICPs (Dec 2021)	Number of ICPs (Mar 2021)	Number of ICPs (2020)	Number of ICPs (2019)	Number of ICPs (2018)	Number of ICPs (2017)
Active (2,0)	-	615	684	838	265	13
Inactive – new connection in progress (1,12)	-	-	1	-	-	-
Inactive – electrically disconnected vacant property (1,4)	2	4	3	3	1	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	1	2	2	1	1	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	1	-	1	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-	-	-	-
Inactive – reconciled elsewhere (1,5)	-	1	1	1	-	-

Status	Number of ICPs (Dec 2021)	Number of ICPs (Mar 2021)	Number of ICPs (2020)	Number of ICPs (2019)	Number of ICPs (2018)	Number of ICPs (2017)
Decommissioned (3)	6	6	5	1	1	-

1.8. Authorisation Received

Authorisation was received from Simply Energy.

1.9. Scope of Audit

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

Simply Energy has used three participant codes during the audit period (SIMP, SELS and SELX), and also acts as an agent for other participants. Simply Energy has migrated its active SELX and SIMP ICPs to the SELS code. No active ICPs have been supplied by SELX or SIMP during this audit period (which began on 1 April 2021), but some backdated events have been recorded on the registry and revision submissions have been provided. All codes use the same systems and processes and unless otherwise specified, the processes and non-compliances described in the report relate to all codes.

For SIMP and SELX registry list, event detail, and audit compliance reports for 1 April 2021 to 2 December 2021 and a registry list snapshot and meter event details report for 2 December 2021 were reviewed.

For SELS registry list, event detail, and audit compliance reports for 1 April 2021 to 3 December 2021 and a registry list snapshot and meter event details report for 3 December 2021 were reviewed.

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

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
(a) - Maintaining registry information and performing customer and embedded generator switching	EMS for part of clause 11 of schedule 11.1 only (registry discrepancies)	
(b) - Gathering and storing raw meter data	Wells – NHH EMS – HHR (for SIMP and SELX) AMS – HHR EDMI - HHR	AMS Arc Innovations (Arc) Influx (FCLM) IntelliHUB Smartco WEL Networks (WASN) Nova (BOPE)
(c)(iii) - Creation and management of HHR & NHH volume information	EMS (for SIMP and SELX)	
(d)(i) - Calculation of ICP days	EMS	
(d)(ii) - delivery of electricity supplied information under clause 15.7	EMS – NHH EMS – HHR (for SIMP and SELX)	
(d)(iii) - delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8		
(e) - Provision of submission information for reconciliation	EMS – NHH EMS – HHR (for SIMP and SELX)	

Wells, EMS, EDMI and AMS' HHR agent audits will be submitted with this report. The MEPs provide AMI data as MEPs not agents, and the MEPs are subject to their own audit regime.

1.10. Summary of previous audit

Simply Energy provided a copy of their previous audit report conducted in June 2021 by Steve Woods (lead auditor) of Veritek Limited. The summary tables below show the statuses of the non-compliances and recommendations raised in the previous audit. Further comment is made in the relevant sections of this report.

Table of Non-compliance

Subject	Section	Clause	Non-compliance	Status
Relevant information	2.1	11.2 & 15.2	Some inaccurate data is recorded and was not updated as soon as practicable. Some submission data was inaccurate and was not corrected at the next available opportunity.	Still existing
Electrical Connection of Point of Connection	2.11	10.33A	*SIMP* Two new connections were not certified within five business days of the initial electrical connection. One reconnection was not certified within five business days of the initial electrical connection. *SELS* One new connection was not certified within five business days of the initial electrical connection.	Still existing
Provision of information on dispute resolution scheme	2.19	11.30A	Compass Communications does not include information on Utilities Disputes on its website or its invoices. MainPower does not include information on Utilities Disputes on its website. Simply Energy does not include information on Utilities Disputes when responding to customer queries but intends to resolve this.	Still existing for Brightr - cleared for all other parties
Provision of information on electricity plan comparison site	2.20	11.30B	Compass Communications does not include information on Powerswitch on its website, its invoices, or in outbound communications regarding price changes or billing. Simply Energy does not include information on Powerswitch in outbound communications regarding pricing and service changes for customers with residential ANZSIC codes but intends to resolve this.	Still existing for Brightr- cleared for all other parties
Changes to registry information	3.3	10 Schedule 11.1	*SIMP* • 46 late updates to inactive status. • 18 late trader updates. • 57 late ANZSIC code updates, at least three of which were not genuine and related to correction of other attributes. *SELS*	Still existing

Subject	Section	Clause	Non-compliance	Status
			• Three late updates to active status for reconnections. • Nine late updates to inactive status. • 15 late trader updates. • Ten late ANZSIC code update, at least three of which were not genuine and related to correction of other attributes. *SELX* • Two late updates to active status for reconnections. • Two late updates to inactive status. • One late trader update. 18 late ANZSIC code updates, at least five of which were not genuine and related to correction of other attributes.	
Trader responsibility for an ICP	3.4	11.18	*SIMP* There was no active ICP for the point of connection at Kiosk 1, 180 Lambton Quay between 28/12/12 and 20/01/21. *SELS* The MEP nomination for 0000013601TC4D6 was not accepted within 14 business days of the event date.	Cleared
Provision of information to the registry manager	3.5	9 Schedule 11.1	*SIMP* • 40 late updates for new connections. • ICP 0000003106TCEFF has a status date of 03/09/20 but should have 01/09/20. • ICP 0000034114EA3CE has a status date of 30/06/20 but should have 29/06/20. • ICP 0000572059NR221 has a status date of 25/09/20 but should have 21/09/20. • A further three ICPs had incorrect active dates and were corrected during the audit. *SELS* • 27 late updates for new connections. • Three ICPs had incorrect active dates and were corrected during the audit. *SELX* 18 late updates for new connections, which were switched to SELX and had the initial status update re-processed.	Still existing
ANZSIC codes	3.6	9 (1(k)) of Schedule 11.1	*SIMP* Two ICPs have incorrect ANZSIC codes assigned. *SELS*	Still existing

Subject	Section	Clause	Non-compliance	Status
			Three ICPs had incorrect ANZSIC codes assigned. One was corrected during the audit.	
Management of "active" status	3.8	17 Schedule 11.1	*SIMP* • ICP 0000003106TCEFF has a status date of 03/09/20 but should have 01/09/20. • ICP 0000034114EA3CE has a status date of 30/06/20 but should have 29/06/20. • ICP 0000572059NR221 has a status date of 25/09/20 but should have 21/09/20. • A further three ICPs had incorrect active dates and were corrected during the audit. • There was no active ICP for the point of connection at Kiosk 1, 180 Lambton Quay between 28/12/12 and 20/01/21. *SELS* • Six SELS ICPs have more than one active customer. • Two ICPs had incorrect active dates and were corrected during the audit. ICP 0000013012KP27B (active from 01/10/20) was not updated effective from the correct status date.	Still existing
Management of "inactive" status	3.9	19 Schedule 11.1	*SIMP* Six inactive status updates had incorrect status reason codes applied. Four inactive status updates had incorrect event dates applied. *SELS* One inactive status update had an incorrect event date applied. *SELX* One inactive status update had an incorrect event date applied.	Still existing
Inform registry of switch request for ICPs - standard switch	4.1	2 Schedule 11.3	*SELS* One NT file was issued more than two business days after pre-conditions were cleared.	Cleared
Losing trader must provide final information - standard switch	4.3	5 Schedule 11.3	For non-AMI meters average daily kWh is calculated as the daily average between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. Where these reads are not at least 21 days apart, average daily kWh will not be calculated as required by the Registry Functional Specification. *SIMP*	Still existing

Subject	Section	Clause	Non-compliance	Status
			• Three transfer CS files contained incorrect last actual read dates. • Three transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply. • One transfer CS file contained an incorrect read type. • One transfer CS file contained a CSPREMISES row only. • Five transfer CS files contained incorrect average daily kWh. *SELS* • One transfer CS files contained an incorrect last actual read date. • Four transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply. • Four transfer CS files contained an incorrect read type. • One transfer CS files contained an incorrect average daily kWh. *SELX* • One T2 breach. • One transfer CS file contained an incorrect last actual read date. • Five transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply. • Five transfer CS files contained an incorrect read type. Five transfer CS files contained incorrect average daily kWh.	
Retailers must use same reading - standard switch	4.4	9 Schedule 13.3	*SIMP* Three RR files were not supported by at least two validated actual readings. ICP 0005107200WM4AB (event date 27/11/20) had an incorrect event read recorded in Datahub. 13142 was recorded instead of 13154. ICPs 0000772550TE557 (event date 07/07/20) and 1000002127BPEE4 (event date 20/01/21) did not have the agreed switch event readings recorded in MADRAS. *SELS* 0000033275EA718 (event date 19/10/20) did not have the agreed switch event readings recorded in MADRAS. *SELX*	Still existing but for one late AC only.

Subject	Section	Clause	Non-compliance	Status
			0001270860PC7A5 (event date 07/08/20), 0000922534TUA6A (event date 04/11/20), 1000590726PC900 (event date 20/01/21), 0000906091TU572 (event date 24/02/21) and ICP 0001800470PC814 (event date 29/07/20) did not have the agreed switch event readings recorded in MADRAS.	
Non-half hour switch event meter reading - standard switch	4.5	6(2) and (3) Schedule 11.3	*SIMP* One RR issued under clause 6(2) and (3) Schedule 11.3 was rejected because an accompanying email was not sent and was accepted on reissue.	Cleared
Gaining trader informs registry of switch request - switch move	4.7	9 Schedule 11.3	*SIMP* Two NT files were issued more than two business days after pre-conditions were cleared. *SELS* One NT file was issued more than two business days after pre-conditions were cleared. *SELX* One NT file was issued more than two business days after pre-conditions were cleared.	Still existing for one late SELS NT
Losing trader provides information - switch move	4.8	10(1) Schedule 11.3	*SIMP* The AN for 0000144501KP26B (event date 14/11/20) had a proposed event date of 14/11/20, which was the day before the gaining trader's requested date. One T2 breach.	Still existing for late files only
Losing trader must provide final information - switch move	4.10	11 Schedule 11.3	For non-AMI meters average daily kWh is calculated as the daily average between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. Where these reads are not at least 21 days apart, average daily kWh will not be calculated as required by the Registry Functional Specification. *SIMP* • Seven switch move CS files contained incorrect last actual read dates. • Four switch move CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply. • Three switch move CS files contained an incorrect read type. • 12 switch move CS files contained a CSPREMISES row only. • Six switch move CS files contained an incorrect average daily kWh.	Cleared Still existing

Subject	Section	Clause	Non-compliance	Status
			SELS • Six switch move CS files contained incorrect last actual read dates. • One switch move CS file contained event reads which did not reflect the actual or estimated readings on the last day of supply. • Five switch move CS files contained an incorrect read type. • Four switch move CS files contained an incorrect average daily kWh. *SELX* • Three switch move CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply. • Three switch move CS files contained an incorrect read type. • One switch move CS file contained an incorrect average daily kWh.	
Gaining trader changes to switch meter reading - switch move	4.11	6(1) and 6A Schedule 11.3	*SIMP* • One RR breach. • One RR was not supported by two validated actual readings. • ICP 0000204747DE2DC (event date 10/01/21) did not have the agreed switch event readings recorded in MADRAS. • ICP 0000002043SF788 (event date 30/09/20) did not have the agreed switch event readings recorded in Datahub or MADRAS. SELS • One RR breach. • Two RRs were not supported by two validated actual readings. • ICP 0110117012AP421 (event date 01/10/20) does not have the correct event reading recorded in Datahub. The correct reading is recorded in MADRAS for settlement. • ICP 0003727196WF6B8 (event date 01/12/20) does not have a start read recorded in Datahub or MADRAS because the reading failed validation. • ICPs 0369229681LCC24 (event date 01/01/21), 0032300312DF387 (event date 27/01/21) did not have the agreed switch event readings recorded in MADRAS. • ICP 1001127640LC366 (event date 11/12/20) is not recorded in MADRAS. SELX	Cleared Cleared Cleared Still existing Still existing Cleared

Subject	Section	Clause	Non-compliance	Status
			ICP 0001332060PCB11 (event date 23/01/21) did not have the agreed switch event readings recorded in MADRAS.	
Gaining trader informs registry of switch request - gaining trader switch	4.12	14 Schedule 11.3	*SIMP* One late HH NT. *SELS* One late HH NT. Two PT breaches.	Cleared
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	*SIMP* One NA breach. One SR breach. Two incorrect NW withdrawal reason codes. *SELS* *Four NA* breaches. One SR breach. Three incorrect NW withdrawal reason codes. *SELX* Two NA breaches.	Still existing
Metering information	4.16	21 Schedule 11.3	*SIMP* At least seven switch event readings did not reflect the actual or best estimate of the switch event reading. *SELX* At least eight switch event readings did not reflect the actual or best estimate of the switch event reading. *SELS* At least five switch event readings did not reflect the actual or best estimate of the switch event reading.	Still existing
Electricity conveyed & notification by embedded generators	6.1	10.13	*SELS* The MEP nomination for 0000013601TC4D6 was not accepted within 14 business days of the event date.	Cleared
Derivation of meter readings	6.6	3(1), 3(2) and 5 Schedule 15.2	Meter condition information is not routinely reviewed to identify issues with seals, tampering, phase failure or safety.	Cleared

Subject	Section	Clause	Non-compliance	Status
NHH meter reading application	6.7	6 Schedule 15.2	*SIMP* 12 ICPs with incorrect application of readings. *SELS* 12 ICPs with incorrect application of readings. *SELX* 14 ICPs with incorrect application of readings.	Still existing
Interrogate meters once	6.8	7(1) and (2) Schedule 15.2	*SIMP* For four ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELX* For one ICP unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Still existing
NHH meters interrogated annually	6.9	8(1) and (2) Schedule 15.2	*SIMP* For at least ten ICPs unread in the previous 12 months, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELX* For at least two ICPs unread in the previous 12 months, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Cleared
NHH meters 90% read rate	6.10	9(1) and (2) Schedule 15.2	*SIMP* For at least two ICPs unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELS* For at least one ICP unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELX* For at least two ICPs unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Cleared
Identification of readings	9.1	3(3) Schedule 15.2	*SIMP* At least four switch event readings were incorrectly classified as actual. *SELX* At least eight switch event readings were incorrectly classified as actual.	Still existing

Subject	Section	Clause	Non-compliance	Status
			SELS At least five switch event readings were incorrectly classified as actual.	
Half hour estimates	9.4	15 Schedule 15.2	*SELS* HHR estimated data is not replaced with actual data if the actual trading period volumes are lower than the estimated volumes. Inaccurate estimations where the time periods used as a basis for estimations contains stat holidays. Estimates not replaced with actuals if the replacement file does not contain a register read.	Still existing
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	*SIMP, SELS, SELX* AMI event logs are not routinely reviewed.	Still existing
Calculation of ICP days	11.2	15.6	*SIMP, SELS and SELX* Some ICP days were not reported correctly for some NSPs.	Still existing
Electricity supplied information provision to the reconciliation manager	11.3	15.7	*SELS* Incorrect electricity supplied information from March to June 2020.	Cleared
HHR aggregates information provision to the reconciliation manager	11.4	15.8	HHR aggregates file does not contain electricity supplied information. *SIMP and SELS* Some HHR aggregates errors due to late processing of events, late data or issues not identified during validation.	Cleared Still existing
Creation of submission information	12.2	15.4	*SIMP* Unmetered submission did not occur for February 2021 for ICP 0000514131NR159. Incorrect submission for HHR ICPs 0000009033NT7F6 and 0000033374NT4F6. There was no active ICP for the point of connection at Kiosk 1, 180 Lambton Quay between 28/12/12 and 20/01/21. No submission occurred during this period. *SELS* ICP 0000024997EA2A8 did not have submission information for February 2021. Late HHR vols file for September 2020.	Cleared

Subject	Section	Clause	Non-compliance	Status
			75 ICPs missing from submission for December 2020.	
Allocation of submission information	12.3	15.5	*SIMP* CSC0012 3,720 kWh was not zeroed for July 2019 R7. *SELX* KMO0331, 216 kWh was not zeroed for July 2019 R14. MTN0331, 23 kWh was not zeroed for July 2020 R3, 253 kWh was not zeroed for August 2020 R3	Cleared
Accuracy of submission information	12.7	15.12	Some submission data was inaccurate and was not corrected at the next available opportunity. September 2020 HHR vols file for SELS sent late.	Still existing
Permanence of meter readings for reconciliation	12.8	4 Schedule 15.2	*SIMP and SELX* Some estimates are not replaced at R14.	Still existing
Historical estimates and forward estimates	12.10	3 Schedule 15.3	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Still existing
Forward estimate process	12.12	6 Schedule 15.3	*SIMP and SELX* The accuracy threshold was not met for some revisions.	Cleared
Historical estimate reporting to RM	13.3	10 of schedule 15.3	*SIMP, SELX and SELS* Historic estimate targets were not met for all months and revisions.	Still existing

Table of Recommendations

Subject	Section	Clause	Recommendation	Status
Electrical Connection of Point of Connection	2.11	Check meter certification dates	Check meter certification dates which changed after being reinstated or were not reinstated with the MEP: 0000007013NZA0A (SELS FCLM), 0110011967EL45F (SELS FCLM), 1002107974LC89D (SELX AMCI), and 1002107992LC3A8 (SELX AMCI).	Cleared
Changes to registry information	3.3	Check status events for 0000013012KP27B (active from 01/10/20)	*SIMP* Follow up the reconnection and relocation paperwork for ICP 0000013012KP27B to confirm the correct active and inactive status dates and update SalesForce and the Registry as needed.	Cleared
Trader responsibility for an ICP	3.4	Monitoring of active ICPs where the metering category is 9 or blank	I recommend active ICPs where the metering category is 9 or blank and no unmetered load recorded should be checked, to ensure that any load is quantified.	Adopted
Management of "inactive" status	3.9	Monitoring of inactive consumption	Where exceptions occur for readings after a data stream end date, check the readings to confirm whether there is consumption during an inactive period, and take corrective action to update the status as necessary.	Repeated
ICPs at new or ready status for 24 months	3.10	Monitoring of new and ready ICPs	A Registry List (type P) with proposed trader = SIMP, SELS and SELX and status = 000 and 999 should be run at least quarterly to identify ICPs which are at new or ready status, and investigation should be completed to determine whether the ICPs are still required.	Repeated
ICPs at new or ready status for 24 months	3.10	ICPs for potential decommissioning	*SIMP* Check the 47 ICPs where new connections did not proceed which remain at new or ready status, to determine whether they should be decommissioned.[1].	Cleared

[1] 0001410003TCFB3, 0000007059TC6AD, 0000007065TC24B, 0000007072TC52C, 0000007081TC9FB, 0000007082TC53B, 0000007096TCE9C, 0000007119TCD0C, 0000007122TC420, 0000007123TC865, 0000007124TC5AF, 0000007127TC96F, 0000008129TC394, 0240000002PN271, 0240000008PN0E0, 0240000009PNCA5, 0240000010PN859, 0240000011PN41C, 0240000012PN8DC, 0240000013PN499, 0240000014PN953, 0240000015PN516, 0240000016PN9D6, 0240000017PN593, 0240000018PNA4D, 0240000019PN608, 0240000020PNFA1, 0240000021PN3E4, 0240000022PNF24, 0240000023PN361, 0240000024PNEAB, 0240000025PN2EE, 0240000026PNE2E, 0240000027PN26B, 0240000028PNDB5,

Subject	Section	Clause	Recommendation	Status
Losing trader response to switch request and event dates - standard switch	4.2	AN response code hierarchy	Consider adding the OC (occupied premises), PD (premises electrically disconnected), and CO (contracted customer) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable. Prepaid metering is not usually supplied.	Repeated
Losing trader must provide final information - standard switch	4.3	CS estimated daily kWh	Consider reviewing the estimated daily consumption calculation to ensure compliance with the registry functional specification. Investigate the reasons for the failure to transfer some average daily kWh information from Datahub to SalesForce.	Cleared
Withdrawal of switch requests	4.15	Supporting information for withdrawals	Record information on the reasons for withdrawals, preferably within the case notes, so that they can be readily located.	Not adopted
Electricity conveyed & notification by embedded generators	6.1	Confirmation of distributed generation and installation of metering	*SIMP* Ensure that generation metering is installed for ICP 1001280320LC7AF. The ICP is currently under investigation to confirm the correct metering configuration. *SELS* Ensure that generation metering is installed for ICP 0000015252EAB8A if generation is confirmed to be present. SELX Confirm whether generation is installed for ICP 0000015253EA7CF and update the profile as necessary.	All cleared
NHH meter reading application (	6.7	HHR upgrade process	SIMP, SELS and SELX Develop and test procedures to handle meter upgrades and downgrades which occur part way through a month, for use in the event of changes between meter categories 1-2, and meter categories 3 or higher.	Cleared

0240000029PN1F0, 0240000030PN50C, 0240000031PN949, 0240000032PN589, 0240000033PN9CC, 0240000034PN406, 0240000035PN843, 0240000036PN483, 0240000037PN8C6, 0240000038PN718, 0240000039PNB5D, and 0240000040PN051

Subject	Section	Clause	Recommendation	Status
HHR estimates	9.4	Replacement of estimates with actual data	SELS If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data. HHR actual data is not currently loaded if it is lower than previously estimated data for the same period. It is expected that HHR actual data will replace estimated data.	Repeated - in development Cleared
HHR estimates	9.4	Replacement of actual data with actual data	SELS If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.	Repeated - in development
NHH metering information data validation	9.5	Consumption on inactive reporting.	Develop reporting of inactive ICPs with consumption.	Covered in recommendation in **section 3.4**.
Allocation of submission information	12.3	Identification of reads missing from MADRAS	Conduct regular checks to ensure that: 1. Start and end dates are aligned in MADRAS and Datahub. 2. Start and end reads are present and consistent with expected values, including CS and accepted RR reads which have received an AMI reading on the same day.	Adopted

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 processes to find and correct incorrect information were examined. The registry validation processes were examined in detail in relation to the achievement of this requirement.

The registry list and AC020 reports were examined to identify any registry discrepancies, and to confirm that all information was correct and not misleading.

Audit commentary

Registry and static data accuracy

Registry updates are processed directly on the registry using the web interface, and SalesForce is updated at the same time.

Registry acknowledgement files are run through an SQL (ETL) process and any errors are viewed and then resolved. I viewed the registry acknowledgement errors during the audit and found they had been cleared.

SalesForce's dashboards produce reports which are used to monitor workflows and identify exceptions which require investigation and correction. The previous audit found that the exceptions were not being consistently reviewed and actioned promptly. Staffing levels have been increased since then and where possible the checks are carried out. An issues log is now used by the reconciliation team to track issues that need resolution prior to submission. These are updated to closed as they are actioned. Some automation is required to achieve all the checks described below:

Exception	Findings
Don't know ANZSIC codes	The SalesForce Dashboard reports ICPs which have T9 series ANZSIC codes. Checks for T9 series ANZSIC codes decreased from fortnightly to monthly. ICPs with T9 series ANZSIC codes are checked to confirm the correct code and updated.

Exception	Findings
ICPs with estimated switch in reads with an AMI meter	The SalesForce Dashboard reports ICPs with estimated switch in reads with an AMI meter. These ICPs were previously being checked fortnightly to determine whether a read renegotiation was required. The operations team focus on determining whether RRs are required for ICPs with a gain read much lower or higher than the switch in read, which are identified through the read validation process. The switching automation project in progress is expected to identify and send an RR automatically for those ICPs received with an estimated read where an AMI read is available.
MADRAS workflow issues	The SalesForce Operations Registry Update screen alerts users when data maintained by another participant changes on the registry, including distributor and MEP populated data. The user then checks and updates SalesForce and DataHub as necessary and ensures that changes flow through to MADRAS. This process identifies any changes to unmetered load, NSP, or distributed generation details. The SalesForce Dashboard produces a series of reports for ICPs which have missing MADRAS workflows, are not set up in MADRAS, or are end dated by a Simply Energy code that is still responsible for the ICP. The exceptions are checked before the initial and revision submissions. I reviewed the dashboard and all ICPs requiring action are being resolved.
Unmetered load on metered ICPs	The SalesForce Dashboard reports unmetered load on metered ICPs. These ICPs are reviewed monthly to ensure that all unmetered load is recorded and reconciled.
ICPs with inactive new connection in progress status	The SalesForce Dashboard reports ICPs with inactive new connection in progress status. This report shows all ICPs at new connection in progress status and includes initial electrical connection dates and MEP details if populated on the registry. This report is reviewed daily, and any ICPs with initial electrical connection dates or meter certification details are checked and updated to active status once the correct connection date is confirmed. The report is also used to track MEP nominations. Six ICPs were on the list as of 11 February 2022 and none had a meter owner or initial electrical connection date.
ICPs with inactive status	The SalesForce Dashboard reports ICPs with inactive status. This report shows all ICPs with inactive status and is reviewed monthly to confirm that the inactive status was correct and genuine.
ICPs with an initial electrical connection date populated and inactive new connection in progress status	A report is run from the registry daily to identify ICPs which may have become active without having their status updated.
Metering details changes	Metering changes are identified through the daily read validation process. Where a ICP – meter – register match cannot be found for imported meter reading and volume information, an exception is generated for review. The operations team is advised by the Data Management Analyst where metering details need to be checked and updated.

Exception	Findings
	The SalesForce NHH meter registry dashboard detects changes to metering details on the registry and prompts users to check the data and process updates as necessary. This is being reviewed monthly.
Distributed generation	The SalesForce Dashboard reports ICPs with a "B" or "G" installation type. The ICPs are checked daily to determine whether generation is present, compliant metering is installed, and profiles are correct. Currently NT files default to RPS for NHH ICPs, and the profile needs to be corrected to RPS PV1 or EG1 for ICPs with distributed generation as soon as possible after switching in.

SIMP

This code is no longer being used by Simply Energy. All but six inactive SIMP ICPs have been switched to participant code SELS. The analysis of the list file and AC020 report returned the following findings.

Issue	Dec 2021	Mar 2021	2020	2019	2018	2017	Comments
Status mismatch between registry and Simply Energy	-	6	-	6	-	-	
ICP is at ready or inactive new connection in progress status but is active	-	-	2	-	-	-	
Active date variance with Initial Electrical Connection Date	-	67	8	-	-	-	
Incorrect active date	-	10	2	-	-	-	
Active with no MEP and unmetered flag = N	-	-	7	4	4	6	
Incorrect submission flag or profile	-	12	-	2	-	-	
Active with blank ANZSIC codes	-	3	4	4	-	-	
Active with ANZSIC "T99" not stated	-	-	-	-	6	-	
Active with ANZSIC "T994" don't know	-	-	-	-	-	-	

Issue	Dec 2021	Mar 2021	2020	2019	2018	2017	Comments
Active with an incorrect ANZSIC code	-	2	3	3	1	-	
Category 9 but Active with MEP and UML "N"	-	-	-	-	-	-	
ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	-	-	-	-	
ICPs with unmetered load flag Y but load is recorded as zero	-	-	-	-	-	-	
ICPs with incorrect shared unmetered load	-	-	-	-	-	-	
ICPs with Distributed Generation indicated but no DG profile	-	3	-	-	-	-	

SELS

The analysis of the list file and AC020 report returned the following findings.

Issue	Dec 2021	Mar 2021	2020	2019	Comments
Status mismatch between registry and Simply Energy	-	-	-	-	Compliant.
ICP is at ready or inactive new connection in progress status but is active	-	3	-	-	Compliant.
Active date variance with Initial Electrical Connection Date	130	73	-	-	The exceptions were reviewed and a sample of 19 were checked. Two ICPs had incorrect active status dates. See **sections 3.5** and **3.8**.

Issue	Dec 2021	Mar 2021	2020	2019	Comments
Incorrect active date	3	4	-	-	Two ICPs have the incorrect active status date. One was corrected during the audit. I have recommended that Simply Energy liaise with Jade to get the other ICP corrected on the registry as a subsequent network event is preventing this. See **sections 3.5** and **3.8**. ICP 0000044551WEEFA is a mobile clinic and is used for two weeks a year but is recorded as active all year. See **section 3.8**.
Active with no MEP and unmetered flag = N	-	5	-	-	Compliant.
Incorrect submission flag	-	-	-	-	Compliant.
Active with blank ANZSIC codes	-	-	-	-	Compliant
Active with ANZSIC "T999" not stated	-	-	-	-	Compliant.
Active with ANZSIC "T994" don't know	-	-	-	-	Compliant.
Active with an incorrect ANZSIC code	8	1	-	-	See **section 3.6**.
Category 9 but Active with MEP and UML "N"	-	-	-	-	Compliant.
ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	-	-	Compliant.
ICPs with unmetered load flag Y but load is recorded as zero	5	-	-	-	Compliant. Five residual load (SB) ICPs validly have zero daily unmetered kWh recorded.
ICPs with incorrect shared unmetered load	-	-	-	-	Compliant.
ICPs with Distributed Generation indicated but no DG profile	-	4	1	-	Compliant.

As discussed in **sections 3.3** and **3.9**, the incorrect inactive status reason of vacant instead of new connection in progress was applied to three ICPs. Training was provided to the team when this issue was found as part of BAU. Two trader updates were applied with the incorrect event date, both were corrected as a result of this audit. Neither had any impact on reconciliation.

As discussed in **section 3.7**, examination of the submitted unmetered volumes confirmed that it is recorded to two decimal places in SalesForce but only displays one decimal point. Staff have been made aware of this anomaly. Any updates to Registry are manual, and the staff load the information to two decimal places.

SELX

This code is no longer being used by Simply Energy. All but six inactive SELX ICPs have been switched to participant code SELS. The analysis of the list file and AC020 report returned the following findings.

Issue	Dec 2021	Mar 2021	2020	2019	2018	2017	Comments
Status mismatch between registry and Simply Energy	-	-	-	-	1	-	
ICP is at ready or inactive new connection in progress status but is active	-	-	1	-	-	-	
Active date variance with Initial Electrical Connection Date	-	14	-	-	-	-	
Incorrect active date	-	1	-	-	-	-	
Active with no MEP and unmetered flag = N	-	-	-	-	-	-	
Incorrect submission flag	-	2	-		-	-	
Active with blank ANZSIC codes	-	5	-	-	-	-	
Active with ANZSIC “T999” not stated	-	-	-	-	-	-	
Active with ANZSIC “T994” don’t know	-	-	-	-	-	-	
Active with an incorrect ANZSIC code	-	1	-	2	-	-	
Category 9 but Active with MEP and UML “N”	-	-	-	-	-	-	
ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	-	-	-	-	
ICPs with unmetered load flag Y but load is recorded as zero	-	-	-	-	-	-	

Issue	Dec 2021	Mar 2021	2020	2019	2018	2017	Comments
ICPs with incorrect shared unmetered load	-	-	-	-	-	-	
ICPs with Distributed Generation indicated but no DG profile	-	-	1	1	-	-	

Current audit data accuracy exceptions

As detailed in **section 12.7**, Incorrect data which was not identified and corrected through Simply Energy's data validation processes prior to the audit is recorded as non-compliance below.

Previous audit data accuracy exceptions

I re-checked data accuracy exceptions identified during the previous audit and found the following exceptions still remaining:

SIMP I rechecked active status discrepancies identified during the previous audit and found the ICPs have since been switched to the SELS code but have not been corrected and are now outside of the 14-month revision cycle:

ICP	Date	Applied date / status value	Correct date / status value	Current audit comment
0000003106TCEFF	01/09/20	03/09/20	01/09/20	Unchanged
0000034114EA3CE	29/06/20	03/06/20	29/06/20	Unchanged

The previous audit found ICP 0000006023CBE94 was created and claimed by SELS from 21 January 2021, and then switched to TODD the following day. There was no active ICP for this point of connection from 28 December 2012 until 20 January 2021, and the load during this period is unknown but I note that it is a café and was operating as Kapai Café for that period without the consumption being billed or submitted. It was only when the new tenant took over and applied for power that this came to light. The UFE on this embedded network (CBRE) was outside of the expected +/-1% threshold, likely due to this unsubmitted volume. Simply Energy trading as SIMP was the default trader for the Embedded Network Company's ICPs and had claimed the ICP in 2012 but then it was decommissioned as set up in error. Therefore, the ICP should have been claimed and estimated volumes submitted for the available 14-month revision cycle. This is recorded as non-compliance below and in **section 12.7**.

I rechecked inactive status discrepancies identified during the previous audit and found they had not been corrected:

ICP	Date	Applied date / status value	Correct date / status value	Current audit comment
0000555298NRE21	09/02/2021	09/02/2021	10/02/2021	Unchanged later decommissioned
0000536808NRB74	09/02/2021	09/02/2021	10/02/2021	
0000519025NR9DA	09/02/2021	09/02/2021	10/02/2021	
0230120018PNA5D	15/10/2020	1,5	1,12	Unchanged later made active
0230120017PN583	15/10/2020	1,5	1,12	
0230120016PN9C6	15/10/2020	1,5	1,12	
0230120015PN506	15/10/2020	1,5	1,12	
0230120014PN943	15/10/2020	1,5	1,12	
1000591469PC6D8	14/09/2020	1,4	1,12	
0005211398ALD99	14/12/2020	14/12/2020	15/12/20	Unchanged

SELS I rechecked SELS ICP 0000013012KP27B (active from 1 October 2020). The ICP was reconnected on switch in on 1 October 2020, but a job for reconnection and relocation was not raised until 16 October 2020. Job completion paperwork had not been received, and the MEP has re-certified the meter from 20 November 2020. No readings were received until the meter was relocated, and consumption was estimated to be zero. This has not been actioned post the last audit so remains unchanged and is now outside the 14-month revision cycle.

Other status exceptions identified during the previous audit were rechecked and found to be resolved, or not updated because the ICP was later decommissioned, or an incorrectly dated MEP nomination had already been accepted.

SELX I rechecked inactive status discrepancy identified during the previous audit and found it had not been corrected:

ICP	Date	Applied date / status value	Correct date / status value	Current audit comment
0048140600PCA85	09/11/2020	09/11/2020	10/11/2020	Unchanged

Read and volume data accuracy

Read and volume accuracy issues are identified through Simply Energy's validation processes, which are described in detail in **sections 9.5** and **9.6**. I walked through the correction process for each correction type.

Defective meters	Where a meter is found to be stopped or faulty, it will be replaced. Estimated consumption during the stopped or faulty period will be calculated based on the consumption of the replacement meter, or historic consumption prior to the stopped or faulty period. The consumption is typically added as a permanently estimated meter removal read and sent to EMS. No defective meters were identified during the audit period for SIMP, SELS or SELX.
Incorrect multipliers	Multipliers are stored in SalesForce and DataHub based on the metering information held on the registry. I viewed examples of the reading files sent to EMS and historic estimates calculated by MADRAS and confirmed that the meter multiplier accompanies the reading and is applied when historic estimate is calculated. Where a meter multiplier correction is required, the original meter is archived in MADRAS from the date of the change. A new meter is created with the correct multiplier and readings during the affected period are transferred to the new meter. No multiplier corrections were identified during the audit period for SIMP, SELS or SELX.
Bridged meters	Bridging of meters is against Simply Energy's policies. A correction process is followed in the unlikely event bridging occurs. Estimated consumption during the bridged period will be calculated based on the consumption on the replacement meter, or historic consumption prior to the stopped or faulty period. • If the meter is replaced as part of the un-bridging process, the estimated consumption during the bridged period is added as a permanently estimated meter removal read and sent to EMS. • If the meter is not replaced, a pseudo meter will be created to record the estimated consumption, so that it is included in reconciliation submissions. No bridged meters were identified during the audit period for SIMP, SELS or SELX.
Consumption while inactive	The data streams are no longer end dated in DataHub and MADRAS when ICPs are disconnected. Simply Energy does request that Wells stop manually reading meters once they become disconnected, but do not routinely ask the MEPs to stop reading ICPs. I note that reads are often unable to be obtained by the MEPs where the meter is disconnected. The billing team detects some instances of consumption on vacant, but this is done on an adhoc basis. The last audit made a recommendation to develop reporting to detect consumption on vacant. This is in development, but I have repeated the recommendation in **section 3.9** to maintain visibility. Six SIMP, one SELX and two SELS ICPs had consumption recorded during inactive periods. All except two of the ICPs had two kWh or less of inactive consumption recorded. Both were examined and confirmed there was no genuine inactive consumption.
Unmetered load corrections	Simply Energy records unmetered load by manually calculating and entering meter readings against an unmetered load register. The readings are calculated as previous reading + (daily unmetered kWh x number of days between reading dates). Where a correction is required, the reads are invalidated and recalculated and then resent to EMS using the read replacement process discussed in **section 12.3**.

<table>
<tr><td></td><td>The check of a typical sample of six ICPs confirmed that the volumes were correctly submitted for all but one. The unmetered load for ICP 0000514131NR159 was not identified and therefore a forward estimate of 20 units per day was applied. This was corrected in December 2021 to reflect the daily unmetered kWh volume and corrections will flow through the revision process from the gain date of 01/04/2021.

I rechecked the last audit's unmetered corrections and confirmed all have been corrected.</td></tr>
<tr><td>Incorrect active dates</td><td>SIMP
0000003106TCEFF has a status date of 03/09/20 but should have 01/09/20. This has switched to SELS from 26/05/21.
0000034114EA3CE has a status date of 30/06/20 but should have 29/06/20. This has switched to SELS from 01/01/21.
SELS
ICP 0120110020PNA29 was electrically connected on 15/03/21 but made active on 16/03/21
ICP 0000044551WEEFA is a mobile clinic and this supply is used for two weeks a year but is recorded as active all year.
Vacant consumption has been reconciled for ICP 0307323315LC895 for the incorrect period due to the incorrect active dates being applied:
<table><tr><th>Correct Active Period</th><th>Active period used</th></tr><tr><td>15/01/21-18/01/21</td><td>18/01/21-21/01/21</td></tr></table>These are also recorded as non-compliance below and in sections 3.8 and 12.7.</td></tr>
</table>

The following submission accuracy issues were not identified and resolved as soon as practicable:

Issue	Description	Section
NHH submission	Incorrect unmetered load submissions for one ICP. As detailed in **section 12.8**. Invalid permanent estimate readings were used in the calculation of NHH volumes for consumption months where there were no actual readings on the consumption month end date. All months impacted are being corrected via the washups process starting from BD13 in September 2021. During the previous audit it was found that some ICPs were missing start reads for switch ins and meter changes in MADRAS. When a start read is missing, forward estimate is calculated up to the first actual reading. This was still evident in this audit as detailed in **section 12.8**. This issue is expected to have been resolved from August 2021. HHR profile is sometimes applied in the AV080 submissions for SELS and SIMP.	12.7 12.8
HHR submission	HHR estimate was not reasonable and not consistent with the ICPs consumption patterns for ICP 0000014504EACAF due to human error resulting in 8,879 kWh of over submission. This was corrected in the next revision. HHR estimates are not always replaced with actual data	9.4
ICP days submission	ICP days not corrected from the previous audit for one ICP for SIMP and one ICP for SELS	11.2

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: Clause 11.2 & 15.2 From: 1-Mar-21 To: 1-Dec-21	Some inaccurate data is recorded and was not updated as soon as practicable. Some submission data was inaccurate and was not corrected at the next available opportunity. Some corrections identified in the last audit have not been corrected. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4
Audit risk rating	**Rationale for audit risk rating**
Medium	Controls are rated as moderate as the controls have been improved during the audit period but there is still room for improvement. The impact is assessed to be medium based on the impact on submission accuracy.

Actions taken to resolve the issue	Completion date	Remedial action status
All ICPs with issues in this Audit have been logged and we are currently working to resolve these where possible. Immediate updates in Reconciliation washups were put in place in August 2021.	8/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
All Audits, which included the most recent one, will have issues logs kept to identify all actions to be resolved.	8/03/2022	

2.2. Provision of information (Clause 15.35)

Code reference

Clause 15.35

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

2.3. Data transmission (Clause 20 Schedule 15.2)

Code reference

Clause 20 Schedule 15.2

Code related audit information

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

Audit observation

NHH

Wells NHH read data is transferred via SFTP and loaded into Sequel and then Datahub.

Northpower no longer provides any manual meter readings.

NHH AMI data is provided by AMS (AMS and Smartco), Arc, FCLM, IntelliHUB (MTRX, IHUB and Counties Power), Influx (FCLM), WEL Networks and BOPE as MEPs. AMI data is received via the registry SFTP for WASN, and SFTP for all other MEPs. WASN reads are loaded directly into Datahub. All other AMI readings are loaded into Sequel and a daily read file is extracted and imported into Datahub. AMI HHR interval data is imported directly into Datahub.

The process to transfer NHH reads to EMS was discussed with Simply Energy. Once validation is complete in Datahub, the validated (published) reads are exported back to Sequel , and then to AXOS billing engine and EMS' MADRAS for NHH settled ICPs. Changed reads are provided to EMS at least weekly, and switch event, meter change, and NSP change readings are all provided to EMS by Simply Energy.

I traced a sample of readings and AMI data received from Simply Energy's agents and MEPs from the source files to Datahub. I also traced a sample of readings for historic estimate calculations to DataHub and switch event readings on the registry, to confirm that the validated readings were received and applied by EMS.

HHR

No active ICPs have been supplied by SIMP or SELX during the audit period.

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

Audit commentary

NHH readings

All NHH read and AMI volume data is securely transferred.

Compliance for the data transmission process is confirmed for the sample of NHH and AMI readings checked. There were no further examples of readings not being sent to MADRAS, as there were in the last audit.

HHR readings

No active ICPs have been supplied by SIMP or SELX during the audit period.

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

Audit outcome

Compliant

2.4. Audit trails (Clause 21 Schedule 15.2)

Code reference

Clause 21 Schedule 15.2

Code related audit information

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

The audit trail must include details of information:

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

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

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

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

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

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

Audit observation

A complete audit trail was checked for all data gathering, validation and processing functions. I reviewed audit trails for a small sample of events. Large samples were not necessary because audit trail fields are expected to be the same for every transaction of the same type.

Audit commentary

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

An audit trail was reviewed for data gathering, validation and processing functions in Datahub. The logs of these activities include the activity identifier, date and time and an operator identifier. I confirmed the original data is retained during the estimation and correction processes.

A compliant manual permanent estimate log is used where permanent estimates are created, and I saw evidence that this is kept up to date.

The previous audit report recorded that SalesForce operators used generic logins, which were shared by three to five operators. This meant that the audit trails did not record the individual user who made the change. This matter is now resolved, and all agents have individual logins.

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

I reviewed Simply Energy's current terms and conditions.

Audit commentary

I checked whether current terms and conditions with their customers includes consent to access for authorised parties for the duration of the contract, for all brands supplying ICPs under the SIMP, SELS or SELX codes.

One exception was identified, Smart Energy have rebranded to Brightr and are in the process of transferring their electricity customers to other traders and expect to have completed this by March 2022. Their terms and conditions do not include other participants who need to rely on the consumers consent for access.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.5 With: Clause 10.4 From: 1-Oct-21 To: 28-Feb-22	The Brightr terms and conditions do not include consent for access for other participants. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as weak because the requirement has not been met for customers serviced by Brightr. The impact is low because all Brightr customers are transferring to other traders. This is expected to be completed by March 2022.

Actions taken to resolve the issue	Completion date	Remedial action status
We are currently working with Brightr for their exit of the electricity market.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

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

Code reference

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

Code related audit information

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

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

The trader must use its best endeavours to provide access:

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

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

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

Audit observation

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

Audit commentary

I checked whether current terms and conditions with their customers includes consent to access for authorised parties for the duration of the contract for all brands supplying ICPs under the SIMP, SELS or SELX codes.

One exception was identified, Smart Energy have rebranded to Brightr and are in the process of transferring their electricity customers to other traders. Their terms and conditions do not include other participants who need to rely on the consumers consent for access.

Where another party has difficulty arranging access to the metering installation, Simply Energy provides assistance by working with the customer to resolve the issue. There were no issues where access to metering could not be arranged.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.6 With: Clause 10.7 From: 1-Oct-21 To: 28-Feb-22	The Brightr terms and conditions do not include consent for access for other participants. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as weak because the requirement has not been met for customers serviced by Brightr. The impact is low because all Brightr customers are transferring to other traders. This is expected to be completed by March 2022.

Actions taken to resolve the issue	Completion date	Remedial action status
We are currently working with Brightr for their exit of the electricity market.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

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

Code reference

Clause 10.35(1)&(2)

Code related audit information

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

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

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

Audit observation

The SIMP, SELX and SELS registry list files were examined to confirm compliance. Loss compensation processes were discussed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.15B

Code related audit information

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

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

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

Audit observation

I reviewed Simply Energy's current terms and conditions.

Audit commentary

I checked whether current terms and conditions with their customers include assignment by the Electricity Authority in the event of retailer default for all brands supplying ICPs under the SIMP, SELS or SELX codes.

One exception was identified, Smart Energy have rebranded to Brightr and are in the process of transferring their electricity customers to other traders. Their terms and conditions do not include assignment by the Electricity Authority in the event of retailer default.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.8 With: Clause 11.15B From: 1-Oct-21 To: 28-Feb-22	The Brightr terms and conditions do not include assignment by the Electricity Authority in the event of retailer default. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as weak because the requirement has not been met for customers serviced by Brightr. The impact is low because all Brightr customers are transferring to other traders. This is expected to be completed by March 2022.

Actions taken to resolve the issue	Completion date	Remedial action status
We are currently working with Brightr for their exit of the electricity market.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

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

Audit observation

The new connection processes were examined in detail to evaluate the strength of controls, and the registry list and audit compliance reports were examined to confirm process compliance. Late updates to active for new connections are discussed in **section 3.5**.

The new connection job template was viewed.

Audit commentary

Simply Energy obtains the customer and ICP information required to complete the new connection either directly from the customer, or from their white label customer who liaises with the end customer. They are also the default retailer for The Embedded Network Company who manage multiple embedded networks. They are nominated for all ICPs created on embedded networks where the embedded network owner is the customer for the point of connection. These ICPs often switch out soon after electrical connection as the tenant in the property elects their preferred trader.

The ICP is then added to a workflow, and this raises a job for the new connection to be completed. The workflow is monitored to ensure that the job is completed, and SalesForce, Datahub, the registry, and MADRAS (if NHH settled) are updated.

The new connection process contains a step for Simply Energy to accept responsibility unless it is for a new connection on an embedded network where a blanket agreement is in place. Simply Energy completes MEP nominations when ICPs are moved to "inactive - new connection in progress" status.

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

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

SIMP	I checked all eight new connections for SIMP and found that responsibility had been accepted before initial electrical connection. These have since been switched to SELS.
SELS	I checked eight HHR new connections and ten NHH new connections for SELS and found that responsibility had been accepted before initial electrical connection. Exceptions identified during the previous audit were rechecked and found to be resolved.
SELX	No new connections were completed for SELX.

I checked the AC020 reports to confirm whether all active ICPs which did not have unmetered load details recorded were metered.

SIMP	SIMP has not supplied any active ICPs during the audit period.
SELS	One ICP had a blank metering category on the audit compliance report, and I found it was a timing difference resolved after the report was run. No active metered ICPs had a blank MEP, and all MEP nominations were accepted within 14 business days.
SELX	SELX has not supplied any active ICPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.33(1)

Code related audit information

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

- *for a point of connection to the grid – the grid owner has approved the connection,*
- *for an NSP that is not a point of connection to the grid - the relevant distributor has approved the connection.*
- *for a point of connection that is an ICP, but is not as NSP:*
- *the reconciliation participant is recorded in the registry as the trader responsible for the ICP,*
- *if the ICP has metered load, 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

The new connection process was examined in detail.

Audit commentary

If a temporary electrical connection is required, Simply Energy will ensure that the ICP is claimed so that they are recorded as responsible for the ICP in the registry. No potential temporary electrical connections were identified.

Audit outcome

Compliant

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

Code reference

Clause 10.33A(1)

Code related audit information

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

- *for a point of connection to the grid – the grid owner has approved the connection,*
- *for an NSP that is not a point of connection to the grid - the relevant distributor has approved the connection.*
- *for a point of connection that is an ICP, but is not as NSP:*
    - *the trader is recorded in the registry as the trader responsible for the ICP or has an arrangement with the customer and initiates a switch within 2 business days of electrical connection,*
    - *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 electrical connection.*

Audit observation

The new connection processes were examined in detail to evaluate the strength of controls, and the registry list and audit compliance reports were examined to confirm process compliance.

Audit commentary

Active ICPs without metering

I checked the AC020 reports to confirm whether all active ICPs which did not have unmetered load details recorded were metered.

SIMP SIMP has not supplied any active ICPs during the audit period.

SELS One ICP had a blank metering category on the audit compliance report, and I found it was a timing difference resolved after the report was run. No active metered ICPs had a blank MEP, and all MEP nominations were accepted within 14 business days.

SELX SELX has not supplied any active ICPs during the audit period.

New connections

Simply Energy usually claims ICPs at 1,12 (inactive - new connection in progress) status which helps to ensure that the trader is recorded on the registry if an ICP is temporarily electrically connected.

SIMP No new connections had late meter certification. These have all since switched to SELS.

SELS The audit compliance report recorded two ICPs which did not have meters certified within five business days of initial electrical connection. ICP 0000163511CKDA2 was initially made active for the incorrect dates due to incorrect dates on the paperwork returned. This has been corrected to the earlier active dates as part of BAU. ICP 0000003506TC2FE was made active on 3 July 2021 but was not certified until 29 July 2021 as burden resisters were not added by the test house until then. This is recorded as non-compliance below.

SELX No new connections were completed during the audit period.

I followed up the previous audit recommendation for ICPs with changed or missing certification dates following reversal of the original MEP record to be checked with the MEP. All have been corrected.

Reconnections

Simply Energy follows a template when reconnecting ICPs. The template clearly states that certification details should be checked prior to reconnection, and re-certification should be requested if the meter is uncertified.

SIMP There were no reconnections with expired meter certification.

SELS Two reconnections (ICPs 0148806031LC414 and 0000028585EAF0C) had expired meter certification at the time of reconnection. These were both missed due to human error and the team have been reminded of the requirement to request recertification when reconnection occurs on an uncertified meter.

SELX No reconnections were completed.

Bridged meters

No bridging occurred during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.11 With: Clause 10.33A From: 01-Apr-21 To: 03-Dec-21	*SELS* One new connection was not certified within five business days of the initial electrical connection date. Two reconnections were not certified within five business days. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as moderate as they will mitigate risk to an acceptable level. The audit risk is low as only three ICPs were affected during the audit period.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. This resulted in long delays in registry status updates between April and August. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Salesforce view created for the Operations Team Lead to monitor all field services jobs. We also import the EDA file so we have visibility with late registry updates - this is used to provide ongoing coaching to Operations team members and refine processes.	Ongoing	

2.12. Arrangements for line function services (Clause 11.16)

Code reference

Clause 11.16

Code related audit information

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

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

Audit observation

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

The registry list was reviewed to identify any new networks that Simply Energy began trading on during the audit period.

Audit commentary

Networks must be recorded in SalesForce before ICPs can be assigned to them. Simply Energy confirmed there are arrangements in place with all networks they currently trade on.

Simply Energy did not begin trading on any new networks during the audit period.

Audit outcome

Compliant

2.13. Arrangements for metering equipment provision (Clause 10.36)

Code reference

Clause 10.36

Code related audit information

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

Audit observation

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

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

Audit commentary

MEPs must be recorded in SalesForce before ICPs can be assigned to them. MEP responses to MEP nominations are monitored manually as discussed in **section 3.4**.

Simply Energy did not begin using any new MEPs during the audit period.

Audit outcome

Compliant

2.14. Connecting ICPs then withdrawing switch (Clause 10.33A(5))

Code reference

Clause 10.33B

Code related audit information

If a trader connects an ICP it is in the process of switching and the switch does not proceed or is withdrawn the trader must:

- *restore the disconnection, including removing any bypass and disconnecting using the same method the losing trader used,*
- *reimburse the losing trader for any direct costs incurred.*

Audit observation

The process for reconnecting ICPs in the process of switching in was examined, including review of reports used in the process.

Traders are only able to update ICP status for event dates where they are responsible for the ICP on the registry.

Audit commentary

If an ICP was reconnected as part of the switching process and the switch was later withdrawn, Simply Energy would restore the disconnection and reimburse the losing trader for any direct costs incurred if requested.

SIMP	None of the ICPs which switched in during the audit period were reconnected as part of the switch in process. These have since been switched to SELS.
SELS	No ICPs reconnected as part of the switch in process had their switches withdrawn.
SELX	No reconnections were completed during the audit period.

Audit outcome

Compliant

2.15. Electrical disconnection of ICPs (Clause 10.33B)

Code reference

Clause 10.33B

Code related audit information

Unless the trader is recorded in the registry or is meeting its obligation under 10.33A(5) it must not disconnect or electrically disconnect the ICP or authorise the metering equipment provider to disconnect or electrically disconnect the ICP.

Audit observation

The disconnection process was examined.

Traders are only able to update ICP status for event dates where they are responsible for the ICP on the registry.

Audit commentary

Simply Energy uses the SELS code for all ICPs and they check that they are listed as the current trader in the registry before initiating a disconnection.

Audit outcome

Compliant

2.16. Removal or breakage of seals (Clause 48(1C), 48 (1D), 48 (1E), 48 (1F) of Schedule 10.7)

Code reference

Clause 48(1C), 48 (1D), 48 (1E), 48 (1F) of Schedule 10.7

Code related audit information

A trader can remove or break a seal without authorisation from the MEP to:

- *reset a load control switch, bridge or un-bridge a load control switch – if the load control switch does not control a tome block meter channel,*
- *electrically connect load or generation, of the load or generation has been disconnected at the meter,*
- *electrically disconnect load or generation, if the trader has exhausted all other appropriate methods of electrical disconnection,*
- *bridge the meter.*

A trader that removes or breaks a seal in this way must:

- *ensure personal are qualified to remove the seal and perform the permitted work and they replace the seal in accordance with the Code,*
- *replace the seal with its own seal,*
- *have a process for tracing the new seal to the personnel,*
- *update the registry (if the profile code has changed)*
- *notify the metering equipment provider.*

Audit observation

Policies and processes for removal and breakage of seals were reviewed.

A sample of disconnections, reconnections, additions of export metering, and bridged meters were checked for compliance.

Audit commentary

All activities which could result in seals being removed or broken are completed by Wells, the MEP, or subcontractors to the MEP.

Simply Energy has agreements in place with Wells and the MEPs, which include service levels. Wells and the MEPs are required to ensure that only qualified personnel perform work and manage and trace seals. Wells and the MEPs do not usually provide details of seals in their job completion paperwork.

Simply Energy receives work completion paperwork from Wells and the MEPs. They use this information to confirm the correct ICP attributes including status and profile, and update SalesForce, MADRAS and the registry. Service orders are monitored using cases in SalesForce, and overdue service orders are followed up.

Most disconnections and reconnections are completed remotely, and any metering changes or addition of distributed generation is completed by the MEP. Wells completes any on-site disconnections and reconnections. No meters were bridged during the audit period.

A sample of disconnections, reconnections, and additions of distributed generation were checked. I found that the MEP had completed the work where the seals were confirmed to be removed or broken.

Audit outcome

Compliant

2.17. Meter bridging (Clause 10.33C and 2A of Schedule 15.2

Code reference

Clause 10.33C and 2A of Schedule 15.2

Code related audit information

A trader, or a distributor or MEP which has been authorised by the trader, may only electrically connect an ICP in a way that bypasses a meter that is in place ("bridging") if, despite best endeavours:

- *the MEP is unable to remotely electrically connect the ICP,*
- *the MEP cannot repair a fault with the meter due to safety concerns,*
- *the consumer will likely be without electricity for a period which would cause significant disadvantage to the consumer.*

If the trader bridges a meter, the trader must:

- *determine the quantity of electricity conveyed through the ICP for the period of time the meter was bridged,*
- *submit that estimated quantity of electricity to the reconciliation manager,*
- *within one business day of being advised that the meter is bridged, notify the MEP that they are required to reinstate the meter so that all electricity flows through a certified metering installation.*

The trader must determine meter readings as follows:

- *by substituting data from an installed check meter or data storage device*
- *if a check meter or data storage device is not installed, by using half hour data from another period where the trader considers the pattern of consumption is materially similar to the period during which the meter was bridged,*
- *if half hour data is not available, a non-half hour estimated reading that the trader considers is the best estimate during the bridging period must be used.*

Audit observation

The process for bridging meters was discussed.

Audit commentary

Simply Energy's policy is to never bridge meters, and no meter bridging was authorised by Simply Energy during the audit period.

Audit outcome

Compliant

2.18. Use of ICP identifiers on invoices (Clause 11.30)

Code reference

Clause 11.30

Code related audit information

Each trader must ensure the relevant ICP identifier is printed on every invoice or document relating to the sale of electricity.

Audit observation

The process to ensure that the ICP identifier is printed on every invoice or document relating to the sale of electricity was discussed, and an invoice was reviewed.

Audit commentary

The invoices for all brands supplying ICPs under the SIMP, SELS or SELX codes contain the ICP number, and ICP numbers are included in communications relating to the sale of electricity.

Audit outcome

Compliant

2.19. Provision of information on dispute resolution scheme (Clause 11.30A)

Code reference

Clause 11.30A

Code related audit information

A retailer must provide clear and prominent information about Utilities Disputes:

- *on their website*
- *when responding to queries from consumers*
- *in directed outbound communications to consumers about electricity services and bills.*

If there are a series of related communications between the retailer and consumer, the retailer needs to provide this information in at least one communication in that series.

Audit observation

The process to ensure that information on Utilities Disputes is provided to customers was discussed. Simply Energy's website and a sample of customer communications were reviewed.

Audit commentary

I checked whether clear and prominent information on Utilities Disputes is displayed on the website, invoices, in response to customer queries, and in terms and conditions, for all brands supplying ICPs under the SIMP, SELS or SELX codes.

The following exceptions were identified:

- Smart Energy have rebranded to Brightr and are in the process of transferring their electricity customers to other traders, they have information on Utilities Disputes listed on their invoices, but not other communications, and
- Compass Communications does not include information on Utilities Disputes in their voice recordings when calls are answered; information on Utilities Disputes is provided verbally.

Description	Recommendation	Audited party comment	Remedial action
Consistent information on Utilities Disputes for inbound calls	Add Utilities Disputes information to recordings for inbound calls for Compass Communications to ensure this information is consistently provided for all inbound calls.	Discussions will be held with Compass to update their pre-recorded voice recordings	Investigating

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.19 With: Clause 11.30A From: 01-Oct-21 To: 28-Feb-22	Smart Energy (now Brightr) does not include information on Utilities Disputes on its website or when responding to queries from customers. Potential impact: Low Actual impact: Low Audit history: Once Controls: Weak Breach risk rating: 3
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as weak as there is not a consistent approach. The audit risk rating is low because all brands achieved partial compliance and Brightr customers are transferring to other traders. This is expected to be completed by March 2022.

Actions taken to resolve the issue	Completion date	Remedial action status
We are currently working with Brightr for their exit of the electricity market.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

2.20. Provision of information on electricity plan comparison site (Clause 11.30B)

Code reference

Clause 11.30B

Code related audit information

A retailer that trades at an ICP recorded on the registry must provide clear and prominent information about Powerswitch:

- *on their website*
- *in outbound communications to residential consumers about price and service changes*
- *to residential consumers on an annual basis*
- *in directed outbound communications about the consumer's bill.*

If there are a series of related communications between the retailer and consumer, the retailer needs to provide this information in at least one communication in that series.

Audit observation

The process to ensure that information on Powerswitch is provided to customers was discussed. Simply Energy's website and a sample of customer communications were reviewed.

Audit commentary

Information on Powerswitch is required to be provided to the customer for any ICP with a residential ANZSIC code.

I checked whether information on Powerswitch is provided for all brands supplying ICPs with residential ANZSIC codes under the SIMP, SELS or SELX codes. One exception was identified; Smart Energy have rebranded to Brightr and are in the process of transferring their electricity customers to other traders. They do not provide information on Powerswitch.

All retailers except Smart Energy intend to communicate to customers annually regarding Consumer Powerswitch, with the first communications being sent between January and April 2022.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.20 With: Clause 11.30B From: 01-Oct-21 To: 28-Feb-22	Smart Energy (now Brightr) does not include information on Powerswitch on its website, its invoices, or in outbound communications regarding price changes or billing. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong overall as BrightR are exiting the market and all other parties are compliant. The audit risk rating is low because all brands achieved partial compliance and Brightr customers are transferring to other traders. This is expected to be completed by March 2022.

Actions taken to resolve the issue	Completion date	Remedial action status
We are currently working with Brightr for their exit of the electricity market.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

3. MAINTAINING REGISTRY INFORMATION

3.1. Obtaining ICP identifiers (Clause 11.3)

Code reference

Clause 11.3

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.7(2)

Code related audit information

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

Audit observation

The new connection processes were examined in detail to evaluate the strength of controls, and the registry list and audit compliance reports were examined to confirm process compliance. Late updates to active for new connections are discussed in **section 3.5**.

Audit commentary

The new connection processes are detailed in **section 2.9** above. The processes in place ensure that the trader required information is populated as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 11.1

Code related audit information

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

Audit observation

The processes to manage status changes are discussed in detail in **sections 3.8** and **3.9** below. The processes to manage MEP nominations and trader updates were discussed.

The registry list and audit compliance reports were examined and a sample of late status updates, trader updates and MEP nominations were checked as described in the audit commentary.

Audit commentary

Updates to active status

The timeliness of status updates to active (for reconnections) is set out on the table below. Simply are no longer using the SIMP and SELX participant codes. All SIMP ICPs have been switched to SELS and only this code will be used going forward. No reconnections were completed by SELX during the audit period.

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SIMP	2015	13	92%	2.6
	2016	65	32%	30.27
	2017	29	59%	7

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
	2018	14	88%	4
	2019	7	68%	8
	2020	16	60%	14.75
	Mar 2021	-	100%	0.50
	Dec 2021	2	0%	16
SELS	2020	1	75%	5.33
	Mar 2021	3	88.89%	4.85
	Dec 2021	16	61.90%	17.74
SELX	2018	2	100%	4
	2019	14	88%	2
	2020	2	86.7%	12
	Mar 2021	2	50.00%	89.50
	Dec 2021	-	-	-

The results above include the period where Simply Energy had a resource constraint. Additional resource has been onboarded and I have reviewed the results from the AC020 report for the period from 1 November 2021 to 31 January 2022:

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SELS	**Nov 2021-Jan 2022**	**3**	**84.21%**	**16.68**

The late updates for SIMP were 14 and 18 business days after the event date, and the late updates for SELS were six to 143 business days after the event date. I checked all late updates over 11 business days after the event date:

- seven were due to the resource constraint period,
- four were corrections to start dates and were updated as soon as these were found, and
- two were backdated move switches where Simply Energy could not update the status until the switch was complete (where a service order for reconnection is raised during the switching process, job completion paperwork may be received before the switch completes and when this occurs Simply Energy raises a future dated case in SalesForce as a reminder to process the reconnection once the switch is complete - in some cases these dates were pushed forward by over one week, causing late updates.

I rechecked SELS ICP 0000013012KP27B (active from 1 October 2020). The ICP was reconnected on switch in on 1 October 2020, but a job for reconnection and relocation was not raised until 16 October 2020. Job completion paperwork had not been received, and the MEP has re-certified the meter from 20 November 2020. No readings were received until the meter was relocated, and consumption was estimated to be zero. This was not followed up post the last audit and it is now outside the 14-month revision cycle.

Updates to inactive status

The timeliness of status updates to inactive is set out on the table below. No disconnections were completed by SELX during the audit period.

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SIMP	2019	67	52.7%	9.57
	2020	36	68.14%	29.84
	Mar 2021	46	48.31%	10.06
	Dec 2021	**9**	**0%**	**240.336**
SELS	2019	-	-	-
	2020	1	0%	51
	Mar 2021	**9**	**75.00%**	**7.56**
	Dec 2021	**21**	**66.67%**	**24.22**
SELX	2019	21	16%	34
	2020	2	86.67%	12
	Mar 2021	**2**	**50.00%**	**77.5**
	Dec 2021	**-**	**-**	**-**

As discussed above in relation to reconnections, the results above include the period where Simply Energy had a resource constraint. Additional resource has been onboarded and I have reviewed the results from the AC020 report for the period from 1 November 2021 to 31 January 2022:

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SELS	**Nov 2021-Jan 2022**	**4**	**92.86%**	**4.23**

All nine late updates for SIMP were to 1,12 (inactive - new connection in progress) status and were made after the initial electrical connection date. I checked a sample of five of the late updates and found all were corrections to ICPs that had been made active incorrectly and they were returned to status 1,12 and then made active for the correct date. These have all since switched to SELS.

13 of the 21 late updates for SELS were to 1,12 (inactive - new connection in progress) status. Two were made before the initial electrical connection date and are considered to be on time, and 11 were made after the initial electrical connection date. I checked a sample of five of the genuine late updates to 1,12 (inactive - new connection in progress) status and found all were corrections to ICPs that had been made active incorrectly and they were returned to status 1,12 and made active for the correct date.

The other eight late updates were to 1,4 (electrically disconnected vacant property) or 1,6 (electrically disconnected ready for decommissioning) status. I checked the five latest updates to 1,4 status which were between 27 and 288 business days late, and the one late update to 1,6 status. I found the late updates were caused by:

- corrections to the inactive vacant status date; three of these were new connections in progress, and the inactive vacant status was applied in error (training was provided to the team when this issue was found as part of BAU), and
- late receipt of paperwork confirming the decommission had been completed.

The incorrect information is recorded as non-compliance in **sections 2.1** and **3.9**.

Trader updates

The timeliness of trader updates is set out on the table below. No trader updates were completed by SIMP during the audit period.

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SIMP	2020	141	91.03%	2.47
	Mar 2021	18	72.73%	7.23
	Dec 2021	-	-	-
SELS	2020	1	90.00%	2
	Mar 2021	**15**	**67.39%**	**6.30**
	Dec 2021	**46**	**68.06%**	**19.91**
SELX	2020	4	96.26%	2.28
	Mar 2021	1	83.33%	1.17
	Dec 2021	1	0%	24

An extreme case sample of the five latest (or all late updates) for each update type were reviewed for each participant code to determine why they were late:

- seven were corrections to either the settlement flag or the profile,
- five were backdated submission and profile changes due to AMI data not being available; Simply Energy changes the profile as part of the end of month reconciliation process once it is more certain that AMI data will not be received,
- two were caused by the profile not being updated when distributed generation was added (training has been provided to the Operations team to address this), and
- two were backdated switches.

All SIMP and SELX ICPs have been switched to SELS.

The trader updates contained the correct attributes. Two trader event dates were recorded incorrectly. ICP 0000017222EAD97 was an MEP nomination sent with the incorrect event date. ICP 0000011533EA1BD had distributed generation added and the profile was updated to RPS PV1 at the same time the MEP nomination was sent. Both have since been corrected as a result of this audit.

ANZSIC code updates

The code requires the trader to update the ANZSIC code within 20 business days of trading at the ICP commencing. The audit compliance report was examined and found:

Code	Review period end	Number of ANZSIC code updates made more than 20 business days after trading commenced
SIMP	2020	14
	Mar 2021	57
	Dec 2021	-
SELS	2020	1
	Mar 2021	10
	Dec 2021	**20**
SELX	2020	2
	Mar 2021	18
	Dec 2021	**-**

An extreme case sample of the ten latest updates were reviewed to determine why they were late. I found that nine updates coincided with backdated new connections, and one was a profile and/or submission type correction. The profile and submission type correction appeared to be an initial ANZSIC code updates because it replaced an earlier record.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.3 With: Clause 10 Schedule 11.1 From: 01-Apr-21 To: 19-Nov-21	*SIMP* • two late updates to active status, and • nine late updates to inactive status. *SELS* • 16 late updates to active status for reconnections, • 19 late updates to inactive status, • 46 late trader updates, and • 20 late ANZSIC code updates, at least one of which was not genuine and related to correction of other attributes. *SELX* • one late trader update. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as moderate, the controls in place will mitigate risk to an acceptable level. The audit risk rating is assessed to be low as the overall volume of backdated events was small.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. This resulted in long delays in registry status updates between April and August. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Salesforce view created for the Operatons Team Lead to monitor all field services jobs. We also import the EDA file so we have visibility with late registry updates - this is used to provide ongoing coaching to Operations team members and refine processes.	Ongoing	

3.4. Trader responsibility for an ICP (Clause 11.18)

Code reference

Clause 11.18

Code related audit information

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

A trader ceases to be responsible for an ICP if:

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

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

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

Audit observation

The new connection, MEP nomination and decommissioning processes were reviewed, and the registry list and audit compliance reports were examined to confirm process compliance.

A sample of MEP nomination rejections and decommissioned ICPs were examined.

Audit commentary

Retailers responsibility to nominate and record the MEP in the registry

Simply Energy creates MEP nominations for all MEPs when the ICP moves to 1,12 (inactive - new connection in progress) status, or when a field services job is nominated. MN responses received from the registry are manually reviewed and actioned, and SalesForce cases are raised to monitor meter and MEP changes in progress.

SIMP	SIMP has not supplied any active ICPs or issued any MEP nominations during the audit period.
SELS	One ICP had a blank metering category on the audit compliance report, and I found it was a timing difference resolved after the report was run. No active metered ICPs had a blank MEP. One MEP nomination was rejected as the MEP wanted to discuss the job before they would accept the nomination. The next nomination was subsequently accepted by the MEP. All MEP nominations were accepted within 14 business days.
SELX	SELX has not supplied any active ICPs or issued any MEP nominations during the audit period.

ICP decommissioning

ICPs that are vacant and active, or inactive are being maintained in Simply Energy's systems.

Simply Energy's normal policy is to arrange for the meter(s) to be removed once decommissioning is confirmed and return the meter(s) to the MEP. The MEP is notified as part of the service order if they are to remove the meters, or through the registry status update and return of the meters if the service order is completed by Wells.

When an ICP is decommissioned, an attempt is made to read the meter at the time of removal. If this is not possible then the last actual meter reading will be used.

SIMP One ICP was decommissioned during the audit period. Final readings were obtained, and the MEP was notified. This occurred before the ICPs switched from SIMP to SELS.

The previous audit found ICP 0000006023CBE94 was created and claimed by SELS from 21 January 2021, and then switched to TODD the following day. There was no active ICP for this point of connection from 28 December 2012 until 20 January 2021, and the load during this period is unknown but I note that it is a café and was operating as Kapai Café for that period without the consumption being billed or submitted. It was only when the new tenant took over and applied for power that this came to light. The UFE on this embedded network (CBRE) was outside of the expected +/-1% threshold, likely due to this unsubmitted volume. Simply Energy trading as SIMP was the default trader for the Embedded Network Company's ICPs and had claimed the ICP in 2012 but then it was decommissioned as set up in error. Therefore, the ICP should have been claimed and estimated volumes submitted for the available 14-month revision cycle. This is recorded as non-compliance in **sections 2.1** and **12.7**.

SELS A sample of five decommissioned ICPs were checked. Final readings were attempted, and the MEP notified in all instances.

SELX No ICPs were decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 9 Schedule 11.1

Code related audit information

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

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

- *except if the ICP exists for the purposes of reconciling an embedded network or the ICP has distributor status, the trader must provide the relevant business classification code applicable to the customer (clause 9(1)(k)).*

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

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

Audit observation

The new connection processes were examined in detail to evaluate the strength of controls, and the registry list and audit compliance reports were examined to confirm process compliance.

Audit commentary

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

Timeliness of status updates

The timeliness of status updates to active (for new connections) is set out in the table below. No new connections were completed by SELX during the audit period and there is not expected to be any going forward for the SIMP code. SELS will be the only code being traded.

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SIMP	2015	26	75%	6.9
	2016	22	41%	30.8
	2017	25	83%	5
	2018	21	86%	4
	2019	46	73%	5
	2020	90	74.06%	4.91
	Mar 2021	40	64.60%	18.43
	Dec 2021	**10**	**0%**	**230.70**
SELS	2020	2	33.33%	16.67
	Mar 2021	27	65.38%	9.55
	Dec 2021	**118**	**16.31%**	**26.93**
SELX	2017	-	100%	-
	2018	1	50%	9
	2019	1	50%	7.5
	2020	5	54.55%	15.45

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
	Mar 2021	18	0.00%	40.50
	Dec 2021	**-**	**-**	**-**

The results above include the period where Simply Energy had a resource constraint. Additional resource has been onboarded and I have reviewed the results from the AC020 report for the period from 1 November 2021 to 31 January 2022:

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SELS	**Nov 2021-Jan 2022**	**36**	**37.93%**	**27.55**

This demonstrates performance is improving. Being the default trader for the Embedded Network Company ICPs is causing some difficulties as the embedded network owner drives the new connection process and Simply Energy is reliant on them to provide metering completion paper to then update. This is often provided some time after the event which causes Simply Energy to have to backdate new connections.

The late updates were examined:

SIMP The ten late updates were between 19 and 285 business days after the event date. Nine of these were corrections to the first active date. These were updated late due to the period of resource constraint but were within the 14-month revision cycle. ICP 0000010315TE8A8 was updated late due to the resource constraint in April. The updates were completed with the correct status and event date, and all have since been switched to the SELS code.

SELS 32 of the 118 late updates were made more than 30 business days after the event date, and the latest update was 287 business days after the event date. I checked an extreme case sample all eight late HHR new connections and the ten latest NHH new connections:

- 14 were delayed due to late notification from the Embedded Network Company,
- three were corrections to the first active date found as part of BAU, and
- HHR ICP 0000163525CKB50 was identified as electrically connected for 28 October 2021 on 29 November 2021. A review of the data confirmed this was electrically connected on 9 October 2021. This was corrected during the audit. This is recorded as non-compliance below and in **sections 2.1, 3.8**, and **12.7**.

SELX There were no new connections during the audit period.

The late updates to active are recorded as non-compliance below.

Accuracy of status updates

The AC020 report was examined for each code:

SIMP The SIMP code is no longer used by Simply Energy and no new connections are expected to be completed using this code.

There were no ICPs with initial electrical connection dates which had not been made active.

Active dates for new connections were compared to the distributor's initial electrical connection date, and MEP's certification date using the AC020 report. The AC020 report identified three ICPs with date discrepancies:

Exception type	Quantity	Commentary
IECD ≠ active date and MCD = active date	1	Active date confirmed as correct, and the Distributor has recorded the connected and not the electrically connected date.
No IECD and MCD = active date	2	Active date confirmed as correct.

Exceptions identified during the previous audit were re-checked, and the following have not been corrected and are now outside the 14-month revision cycle:

- 0000003106TCEFF has a status date of 3 September 2020 but should have 1 September 2020, and
- 0000034114EA3CE has a status date of 30 June 2020 but should have 29 June 2020.

SELS There were no ICPs with initial electrical connection dates which had not been made active.

Active dates for new connections were compared to the distributor's initial electrical connection date, and MEP's certification date using the AC020 report. The AC020 report identified 130 ICPs with date discrepancies:

Exception type	Quantity	Commentary
IECD = active date and MCD ≠ active date	1	The first active date is confirmed as correct. The MEP has corrected meter certification to the same date as the active and initial electrical connection date.
IECD ≠ active date and MCD = active date	9	The first active date is confirmed as correct. The distributor has corrected their initial electrical connection dates and all matched.
IECD ≠ active date and MCD ≠ active date	3	Two of the ICPs are part of the Electricity Ashburton ICP deconsolidation project. The first active date is correct.

		ICP 0000003506TC2FE has been made active for the correct date but the meter was certified more than five business days later and the distributor has the incorrect initial electrical connection date populated. The late certification of metering is recorded as non-compliance in **section 2.11**.
No IECD and MCD = active date	116	The sample of five found that the meter certification has since been populated in all cases and the initial electrical connection date has been populated in all but one case. Simply Energy's first active date was confirmed to be correct in all instances.
No IECD and MCD ≠ active date	1	ICP 0120110020PNA29 was electrically connected on 15/03/21 but made active on 16/03/21. Simply Energy have attempted to correct this, but a later network event is preventing this being accepted on the registry. I recommend below that Simply Energy contact Jade to get assistance to correct this

This is recorded as non-compliance in **sections 2.1**, **3.8** and **12.7**.

SELX There were no ICPs with initial electrical connection dates which had not been made active, and no new connections occurred during the audit period.

Description	Recommendation	Audited party comment	Remedial action
3.5 Provision of information to the registry	Contact Jade to assist with correcting ICP 0120110020PNA29 active date corrected from 16/03/21 to 15/03/21.	We are working with Jade, Distributor and MEP to correct the ICP Status on this ICP and aim to complete this by 31/3/2022	Identified

MEP nominations

MEP nominations are normally made when new ICPs are claimed at "inactive - new connection progress" status. Where the update to "inactive - new connection progress" status is made after the ICP is initially electrically connected, the MEP nomination will also be late. Some late updates to "inactive - new connection progress" and late MEP nominations are recorded as non-compliance in **section 3.3**.

ANZSIC code updates

The code requires the trader to update the ANZSIC code within 20 business days of trading at the ICP commencing. The audit compliance report was examined and found:

Code	Review period end	Number of ANZSIC code updates made more than 20 business days after trading commenced
SIMP	2020	14
	Mar 2021	57
	Dec 2021	-
SELS	2020	1
	Mar 2021	10
	Dec 2021	**20**
SELX	2020	2
	Mar 2021	18
	Dec 2021	**-**

An extreme case sample of the ten latest updates were reviewed to determine why they were late. I found that nine updates were backdated new connections, and one was a profile and/or submission type correction. The profile and submission type corrections appeared to be an initial ANZSIC code updates because it replaced an earlier record.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.5 With: Clause 9 Schedule 11.1 From: 01-Apr-21 To: 29-Nov-21	*SIMP* • Ten late updates for new connections. *SELS* • 118 late updates for new connections. • ICP 0000163525CKB50 has a status date of 28/10/21 but should have 09/10/21. • ICP 0120110020PNA29 has a status date of 16/03/21 but should have 15/03/21. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate, the controls in place will mitigate risk to an acceptable level. The audit risk rating is low as the controls in place are ensuring that ICPs are being made active as soon as possible and discrepancy reporting is ensuring any mismatches are being corrected as soon as possible therefore the impact on reconciliation is minimal.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. This resulted in long delays in registry status updates between April and August. Data quality during this period was significantly low however since an increase in staffing from mid-August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Salesforce view created for the Operations Team Lead to monitor all field services jobs. We also import the EDA file so we have visibility with late registry updates - this is used to provide ongoing coaching to Operations team members and refine processes.	Ongoing	

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

Code reference

Clause 9 (1(k) of Schedule 11.1

Code related audit information

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

Audit observation

The process to capture and manage ANZISC codes was examined. The registry list and AC020 reports were reviewed and ANZSIC codes were checked for a sample of ICPs to determine compliance.

Audit commentary

ANZSIC codes are provided as part of the application process for those customers who apply directly to Simply Energy. This is not being consistently captured for those customers for customers who sign up under one of the White Label brands. Simply Energy are working with them to get this put in place.

The SalesForce Dashboard reports ICPs which have T9 series ANZSIC codes. These are checked monthly. ICPs with T9 series ANZSIC codes are checked to confirm the correct code and updated.

SIMP SIMP has not supplied any active ICPs during the audit period.

I rechecked exceptions from the previous audit. ICPs 0230120004PN3EE (H451 Cafes Restaurants and Takeaway Food Services) and 0230120006PN36B (H451100 Cafes and Restaurants) were vacant sites and expected to be recorded with L671200 Non-Residential Property Operators. Both ICPs have switched to SELS, and the codes remain unchanged. These have since been reviewed and the ANZISC code corrected to the current business present.

SELS Five embedded network residual load ICPs have blank ANZSIC codes and are compliant.

Four meter category two, one meter category three and one meter category four ICP have residential ANZSIC codes. These were examined and found all were incorrect and these were corrected during the audit. This includes ICP 0000508585CEF21, that was identified in the last audit.

ANZSIC codes for a diverse sample of 30 ICPs with the ten most frequently applied ANZSIC codes were checked, and all were confirmed correct.

I rechecked exceptions from the previous audit, and both have been corrected as a result of this audit.

SELX SELX has not supplied any active ICPs during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.6 With: Clause 9 (1(k)) of Schedule 11.1 From: 01-May-21 To: 11-Feb-22	*SELS* Eight ICPs had incorrect ANZSIC codes assigned. All were corrected during the audit. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as moderate as there are no checks in place when white label customers are signed up. This is being addressed. The audit risk rating is low because there is no impact on settlement outcomes and a low impact on the Electricity Authority's reporting accuracy.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. This resulted in long delays in proactively following up with our customer between April and August. Data quality during this period was significantly low however since an increase in staffing, this has allowed us to increase productivity and proactiveness in terms of following up on ANZSIC code responses. The Operations Team Lead is also acting as quality control.	28/02/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Salesforce view created for the Operations Team Lead to monitor all 'Unknown' ANZIC codes – we contact the customer in order to correct the ANZIC code. A monthly process has been established to identify all ICPs with a residential ANZSIC code (as per the LIS file) and where the customer name or metering category suggests that the ANZSIC code is not appropriate - to contact the customer in order to correct the ANZSIC code. This process will be expanded to include different ANZSIC code checks over time	Ongoing	

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

Code reference

Clause 9(1)(f) of Schedule 11.1

Code related audit information

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

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

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

Audit observation

The processes to manage unmetered load was examined.

The audit compliance reports were examined to identify any ICPs where:

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

Audit commentary

Simply Energy records unmetered load by creating a dummy meter register and calculating "readings" based on the previous reading + daily unmetered kWh x days between readings. The SalesForce Dashboard reports unmetered load on metered ICPs. This is used at the end of each month to check for changes to the trader or distributor unmetered load fields in case this results in changes to the "dummy" meter readings loaded in Madras. The last audit recorded that SalesForce only recorded daily unmetered kWh values to one decimal place. Examination of the submitted volumes confirmed that it is recorded to two decimal places but only displays one decimal point. Staff have been made aware of this anomaly. Any updates to the Registry are manual. This is recorded as non-compliance in **section 2.1**.

A material change audit was completed in August 2021, but this process was not affected by the material change.

SIMP SIMP has not supplied any active ICPs during the audit period.

SELS SELS supplies 28 active ICPs with unmetered load recorded. 23 unmetered load ICPs have a non-zero daily unmetered kWh, and five residual load (SB) ICPs validly have zero daily unmetered kWh recorded.

All ICPs with unmetered load recorded by the distributor have trader unmetered load recorded. Six ICPs with unmetered load recorded by SELS do not have unmetered load details recorded by the distributor including the five residual load (SB) ICPs and 0000044551WEEFA which is a mobile clinic and is used for two weeks a year. Simply Energy is working with the distributor to determine when the supply is connected so the consumption is recorded correctly. This is recorded as non-compliance in **sections 2.1** and **3.8**.

The AC020 report recorded one difference between the trader and distributor unmetered load of more than ± 0.1 kWh. Simply Energy's load for ICP 0000638910MP0A3 was confirmed as correct as Mainpower have removed the wattage from their load details. Simply Energy is liaising with them to get this repopulated.

There were no unmetered builders temporary supplies recorded on the registry list.

SELX SELX has not supplied any active ICPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 17 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The new connection processes were examined in detail as discussed in **sections 2.9** and **3.5**.

The reconnection process was examined using the AC020 and event detail reports.

- The timeliness and accuracy of data for new connections is assessed in **section 3.5**.
- The timeliness of data for reconnections is assessed in **section 3.3**, and a sample of 20 updates were checked for accuracy.

For new connections which had been electrically connected during the audit period, the initial electrical connection date, earliest active date, and meter certification date were compared to determine the accuracy of the connection dates.

Audit commentary

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

Before being given an "active" status the trader is required to ensure that the ICP has only one customer, embedded generator, or direct purchaser; and that the electricity consumed is quantified by a metering installation(s) or other Authority approved method of calculation. SalesForce will not allow an ICP to become "active" without either a meter or a dummy meter (for unmetered load).

I checked the accuracy of status updates to "active", and whether there was more than one customer per ICP for each code:

SIMP The SIMP code is no longer used by Simply Energy and no new connections are expected to be completed using this code.

The accuracy of new connection status updates was assessed in **section 3.5**, and these were all confirmed to be correct and have since been switched to the SELS code.

There were no ICPs with initial electrical connection dates which had not been made active.

Two ICPs are at 1,12 (inactive new connection in progress) status. ICP 0000161580CKD40 had been at the status for more than two years. This was confirmed as no longer required and was incorrectly moved to ready for decommissioning. This is recorded as non-compliance in **section 3.9**. Simply Energy is confirming with the Embedded Network Company if ICP 0000002033TCCEC is still required. If it is this will be progressed using the SELS participant code.

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

ICP 0307323315LC895 was made active for the incorrect dates resulting in the submission being allocated to the incorrect period as detailed in **section 12.7**.

Exceptions identified during the previous audit were re-checked, and the following have not been corrected and are now outside the 14-month revision cycle:

- 0000003106TCEFF has a status date of 3 September 2020 but should have 1 September 2020. This has switched to SELS from 26/05/21.
- 0000034114EA3CE has a status date of 30 June 2020 but should have 29 June 2020; this has switched to SELS from 01/01/21.
- As discussed in **section 3.4**, ICP 0000006023CBE94 was created and claimed by SELS from 21 January 2021, and then switched to TODD the following day. There was no active ICP for this point of connection from 28 December 2012 until 20 January 2021, and the load during this period is unknown but I note that it is a café and was operating as Kapai Café for that period without the consumption being billed or submitted. It was only when the new tenant took over and applied for power that this came to light. The UFE on this embedded network (CBRE) was outside of the expected +/-1% threshold, likely due to this unsubmitted volume. Simply Energy trading as SIMP was the default trader for the Embedded Network Company's ICPs and had claimed the ICP in 2012 but then it was decommissioned as set up in error. Therefore, the ICP should have been claimed and estimated volumes submitted for the available 14-month revision cycle. This is recorded as non-compliance in **sections 2.1** and **12.7**.

SELS The last audit recorded six SELS ICPs have more than one customer. Four of these have since switched to another trader. The remaining two ICPs are:

- 0003133498AA34C has 18 metering installations attached for airline gates and the customer (airline) for each gate varies according to the airport's flight schedule; the airport provides gate usage dates and times which are matched to the meter data so that the appropriate customer can be billed, and
- 9999999992CL9B0 has three metering installations attached for airline gates; the airport provides arrival and departure dates, times, and gates, which are matched to the meter data so that the appropriate customer can be billed.

These have been reviewed and the billing process is being changed so that there is only one customer per contestable ICP. This is expected to be completed by mid-2022.

The accuracy of new connection status updates was assessed in **section 3.5**. Two ICPs had an incorrect active date. ICP 0000163525CKB50 was corrected during the audit. I have recommended in **section 3.5**, that Simply Energy contact Jade to assist with resolving ICP 0120110020PNA29 as a subsequent network event is preventing Simply Energy from updating this to the correct active date.

There were no ICPs with initial electrical connection dates which had not been made active.

No SELS ICPs have been at "inactive - new connection in progress" status for more than two years.

A sample of ten reconnection updates were checked for accuracy and confirmed to be correct.

As detailed in **section 3.7**, ICP 0000044551WEEFA is a mobile clinic and this supply is used for two weeks a year but is recorded as active all year. Simply Energy is working with the distributor to determine when the supply is connected so the consumption is recorded correctly. This is recorded as non-compliance below and in **sections 2.1** and **12.7.**

I rechecked SELS ICP 0000013012KP27B (active from 1 October 2020). The ICP was reconnected on switch in on 1 October 2020, but a job for reconnection and relocation was not raised until 16 October 2020. Job completion paperwork had not been received, and the MEP has re-certified the meter from 20 November 2020. No readings were received until the meter was relocated, and consumption was estimated to be zero. The reconnection date has not been corrected. This is recorded as non-compliance in **section 2.1**.

Other exceptions identified during the previous audit were rechecked and found to be resolved.

SELX The SELX code is no longer used by Simply Energy and no new connections are expected to be completed using this code.

There were no ICPs with initial electrical connection dates which had not been made active, and no active status updates were completed during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.8 With: Clause 17 Schedule 11.1 From: 04-Apr-21 To: 03-Dec-21	*SELS* • Two SELS ICPs have more than one active customer. • Two ICPs made active for the incorrect date of the sample of 45 ICPs sampled (18 new connection late updates, 15 new connections with potential first active date discrepancies, ten late reconnection active updates and two reconnected ICPs with expired certification). Potential impact: Low Actual impact: Low Audit history: Three times previously Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls have improved during the audit period with regular monitoring occurring to check status dates are applied correctly being reinstated. Controls are rated as moderate, as the processes are manual. The audit risk rating is low as the volume of ICPs with incorrect active status dates is small in comparison to the sample checked.

Actions taken to resolve the issue	Completion date	Remedial action status
The ICPs with more than 1 active customer are Customer Networks and to change billing structures required new commercial arrangements. Progress on this has been made since the last audit and we hope to be able to change the billing structure to be compliant with the code by the end of April 2022. A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. This resulted in long delays in registry status updates between April and August. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	30/4/2022 31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
All new customer networks will be set up to be compliant with the code.	Ongoing	

Salesforce view created for the Operatons Team Lead to monitor all field services jobs. We also import the EDA file so we have visibility with late registry updates - this is used to provide ongoing coaching to Operations team members and refine processes.		

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

Code reference

Clause 19 Schedule 11.1

Code related audit information

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

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

Audit observation

The disconnection process was examined using the AC020 and event detail reports. The timeliness of data for disconnections is assessed in **section 3.3**, and a sample of updates were checked for accuracy.

The registry list file was examined to identify any ICPs that had been at the "inactive - new connection in progress" for more than 24 months.

Audit commentary

Management of inactive status

Simply Energy manage "inactive" statuses as an agent, using the same processes as the existing trader codes that they manage. Simply Energy change the status of an ICP to "inactive" once confirmation has been received from a contractor. The status is then updated on the registry using the web interface.

SIMP Three ICPs which did not have the AMI flag set to yes were recorded as remote disconnections on the registry. All had their AMI flag changed to no following disconnection.

All updates to inactive status were to 1,12 (inactive new connection in progress) status. I checked a sample of five for accuracy and all were accurate. As discussed in **section 3.8**, ICP 0000161580CKD40 has been at 1,12 status for more than two years. This has been confirmed as no longer required. The ICP was incorrectly recorded as "ready for decommissioning" rather than returned to "ready" on the registry and the network has since decommissioned it on the registry. This is recorded as non-compliance as the installation was never made active and therefore cannot be dismantled.

I rechecked inactive status discrepancies identified during the previous audit and found they had not been corrected:

ICP	Date	Applied date / status value	Correct date/ status value	Current audit comment
0000555298NRE21	09/02/2021	09/02/2021	10/02/2021	Unchanged later decommissioned
0000536808NRB74	09/02/2021	09/02/2021	10/02/2021	
0000519025NR9DA	09/02/2021	09/02/2021	10/02/2021	
0230120018PNA5D	15/10/2020	1,5	1,12	Unchanged later made active
0230120017PN583	15/10/2020	1,5	1,12	
0230120016PN9C6	15/10/2020	1,5	1,12	
0230120015PN506	15/10/2020	1,5	1,12	
0230120014PN943	15/10/2020	1,5	1,12	
1000591469PC6D8	14/09/2020	1,4	1,12	
0005211398ALD99	14/12/2020	14/12/2020	15/12/20	Unchanged

This is recorded as non-compliance in **section 2.1**.

SELS No ICPs which did not have the AMI flag set to yes were recorded as remote disconnections on the registry list.

No SELS ICPs have been at 1,12 (inactive new connection in progress) status for more than two years.

Review of a sample of at least five (or all) inactive status updates per status reason code applied confirmed that the correct statuses and dates were applied except for three of the five ICPS sampled that were updated to the inactive vacant status to correct the first active date. The original active event should have been reversed and the correct date applied. Training was provided to the team when this issue was found as part of BAU.

I rechecked the inactive status discrepancy identified during the previous audit and found it had been corrected.

SELX No disconnections were completed during the audit period, and no ICPs which did not have the AMI flag set to yes were recorded as remote disconnections on the registry list.

No ICPs are at 1,12 (inactive - new connection in progress) status.

I rechecked inactive status discrepancy identified during the previous audit and found it had not been corrected:

ICP	Date	Applied date / status value	Correct date/ status value	Current audit comment
0048140600PCA85	09/11/2020	09/11/2020	10/11/2020	Unchanged

This is recorded as non-compliance **section 2.1.**

ICPs with inactive consumption

Meters are no longer end dated in DataHub when ICPs are disconnected. Simply Energy does request that Wells stop manually reading meters once they become disconnected, but do not routinely ask the MEPs to stop reading ICPs. I note that reads are often unable to be obtained by the MEPs where the meter is disconnected.

The billing team detects some instances of consumption on vacant, but this is done on an adhoc basis. The last audit made a recommendation to develop reporting to detect consumption on vacant ICPs. This is in development, but I have repeated the recommendation to maintain visibility.

Description	Recommendation	Audited party comment	Remedial action
Monitoring of inactive consumption	Put reporting in place to detect consumption on vacant ICPs and develop BAU processes to investigate all instances.	Processes to identify and manage inactive ICPs that (appear) to have recorded consumption are currently in our change management workplan.	Investigating

Six SIMP, one SELX and two SELS ICPs had consumption recorded during inactive periods. All except two of the ICPs had two kWh or less of inactive consumption recorded. Both were examined and confirmed there was no genuine inactive consumption.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.9 With: Clause 19 Schedule 11.1 From: 04-Apr-21 To: 03-Dec-21	*SIMP* One incorrect inactive status update applied. *SELS* Three of the five ICPs set to the inactive vacant status were corrections to the first active date. The status events should have been reversed and taken straight to active. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls have improved during the audit period with regular monitoring occurring to check status dates are applied correctly being reinstated. Controls are rated as moderate, as the processes are manual. The audit risk rating is low as the volume of ICPs with incorrect inactive statuses applied was small and had no impact on reconciliation.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. This resulted in long delays in registry status updates between April and August. Data quality during this period was significantly low however since an increase in staffing from mid-August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Salesforce view created for the Operations Team Lead to monitor all field services jobs. We also import the EDA file so we have visibility with late registry updates - this is used to provide ongoing coaching to Operations team members and refine processes.	Ongoing	

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

Audit observation

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

I analysed a registry list of ICPs with "new" or "ready" status and SIMP, SELS, or SELX as the proposed trader, and reviewed processes to monitor new connections.

Audit commentary

New connections in progress are monitored using SalesForce workflows, and cases remain open until the connection is complete. New connections were monitored using SalesForce dashboard reports on a daily basis:

Exception	Findings
ICPs with inactive new connection in progress status	The SalesForce Dashboard reports ICPs with inactive new connection in progress status. This report shows all ICPs at new connection in progress status and includes initial electrical connection dates and MEP details if populated on the registry. This report is expected to be reviewed daily, and any ICPs with initial electrical connection dates or meter certification details should be checked and updated to active status once the correct connection date is confirmed. The report is also used to track MEP nominations. A total of six ICPs were on the report as of 09/02/22 and none had a meter owner or initial electrical connection date.
ICPs with an initial electrical connection date populated and inactive new connection in progress status	A report is run from the registry monthly and is reviewed.

Requests for information on ICPs at "new" or "ready" status for more than two years will be responded to as they are received. As recorded in the last audit, ICPs at "new" and "ready" status are not monitored and I repeat the recommendation that these ICPs are reviewed via the registry report.

Description	Recommendation	Audited party comment	Remedial action
Monitoring of new and ready ICPs	A Registry List (type P) with proposed trader = SIMP, SELS and SELX and status = 000 and 999 should be run at least quarterly to identify ICPs which are at new or ready status, and investigation should be completed to determine whether the ICPs are still required.	This report is now being produced and reviewed monthly and includes all trader codes.	Identified

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

ICPs at "new" or "ready" status were reviewed:

SIMP Analysis of the registry list found 71 ICPs at "ready" status, including 53 ICPs at "ready" status for more than two years:

- for 31 ICPs, Simply Energy is liaising with the Embedded Network company to confirm if these are still required,
- for 27 ICPs, either the job has been turned down and the customer advised the installation is no longer required or the embedded network has advised the install is no longer required, and
- 13 ICPs have since been electrically connected in December and are active and have since been switched to the SELS code.

The site found to have been consuming for nine years with no ICP described in **section 2.1**, highlights the need for these ICPs to be managed carefully so that that situation is not repeated.

SELS Eight ICPs are at "ready" status, and none have been at the status for more than two years.

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

Audit outcome

Compliant

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

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

Code reference

Clause 2 Schedule 11.3

Code related audit information

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

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

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

Audit observation

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

Audit commentary

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

Customer, ICP, billing, pricing, and switch information including whether the customer is transferring between retailers at an address or moving into the address is loaded into Emersion on application. The information is checked to ensure that the correct trader code is selected and then "initiate switch" is selected to transfer the information to SalesForce.

Where large groups of ICPs are required to be switched at one time, Simply Energy loads the batch of ICPs directly into SalesForce and arranges for Emersion to load the ICPs over the next two to three days. This prevents NTs from being issued late.

Within SalesForce the switch gains are reviewed to check that the switch date, switch type, metering category, trader code and profile are consistent. NTs can be created for individual ICPs or groups of ICPs depending on what the user selects.

Transfer switch type is usually applied where a customer is transferring between retailers at an address unless a specific transfer date is required. In those cases, transfer switches may be requested as switch moves.

SIMP Three ICPs with metering category 1 had transfer switch NTs issued. All were sent with the correct switch type and the NT was sent within two business days of pre-conditions being cleared.

SELS 97 transfer switch NTs were issued. I checked the metering category for the 90 transfer switch ICPs where this information was available on the registry list with history, and found none had metering categories of three or above.

I checked a sample of five NTs and found the switch type was correct and the NT was sent within two business days of pre-conditions being cleared.

SELX One ICP with metering category 1 had a transfer switch NT issued and it was sent with the correct switch type and the NT was sent within two business days of pre-conditions being cleared.

Audit outcome

Compliant

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

Code reference

Clauses 3 and 4 Schedule 11.3

Code related audit information

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

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

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

Audit observation

The event detail report was reviewed to:

- identify AN files issued by Simply Energy during the audit period,
- assess compliance with the requirement to meet the setting of event dates requirement, and
- a diverse sample ANs were checked for each trader code to determine whether the codes had been correctly applied.

The switch breach history report was examined for the audit period.

Audit commentary

AN content

AN files are generated by SalesForce. Incoming NTs appear as switch losses on the switch loss dashboard, and are checked with the operations team to confirm that the switch is valid. Simply Energy generates the AN when a response is received, or just before the file is due if no response is received. Where groups of ICPs are switching out, approval is usually provided in advance.

The process to determine AN codes is automated. The AD (advanced metering) is applied if an AMI meter is present, MU (unmetered load) if the ICP is unmetered, PD (premise disconnected) if the ICP is disconnected, and AA (accept and acknowledge) is applied in all other circumstances. There is a switching automation project underway that will add the two additional codes of:

- CO (contracted customer), and
- OC (occupied premises).

I repeat the recommendation from the last audit to maintain visibility of this.

Description	Recommendation	Audited party comment	Remedial action
AN response code hierarchy	Add the OC (occupied premises), and CO (contracted customer) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.	Automation of the AN file generation process is scoped for development in 2022 and will go through the material change audit process.	Investigating

The proposed event date process is also automated. For transfer switches, the gaining trader's requested date is applied if it is within five business days of the NT receipt date, otherwise the NT receipt date + five business days is applied.

The accuracy of AN content was checked for each participant code and AN response code:

SIMP Five transfer AN files were issued. The ANs had the AA (acknowledge and accept), AD (advanced metering), and PD (premises electrically disconnected) response codes correctly applied.

The event detail report was reviewed for all five transfer ANs to assess compliance with the setting of event dates requirements, and found all NTs had a proposed event date within five business days of the NT receipt date.

SELS 625 transfer AN files were issued:

- 60 ANs had the AA (acknowledge and accept) code correctly applied, and no AMI metering or unmetered load was recorded at the time the AN was issued.
- 565 ANs had the AD (advanced metering) code correctly applied because AMI metering was recorded at the time the AN was issued.

The event detail report was reviewed for all 625 transfer ANs to assess compliance with the setting of event dates requirements:

- 609 (97.4%) had a proposed event date within five business days of the NT receipt date, and
- all had proposed event dates within ten business days of the NT receipt date.

SELX 30 transfer AN files were issued. The ANs had the AA (acknowledge and accept) and AD (advanced metering) response codes correctly applied.

The event detail report was reviewed for all 30 transfer ANs to assess compliance with the setting of event dates requirements:

- 29 (96.6%) had a proposed event date within five business days of the NT receipt date, and

- all had proposed event dates within ten business days of the NT receipt date.

AN timeliness

The timeliness of AN files is monitored using the switch breach history report, which is monitored twice daily, and SalesForce dashboard. The switch breach report did not record any late transfer AN files for any of the Simply Energy participant codes.

Audit outcome

Compliant

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

Code reference

Clause 5 Schedule 11.3

Code related audit information

If the losing trader provides information to the registry manager in accordance with clause 3(a) of Schedule 11.3 with the required information, no later than 5 business days after the event date, the losing trader must complete the switch by:

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

Audit observation

The event detail report was reviewed to identify CS files issued by Simply Energy during the audit period. The accuracy of the content of CS files was confirmed by checking a sample of records per trader code. The content checked included:

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

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

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

Audit commentary

CS timeliness

The timeliness of CS files is monitored using the switch breach history report, which is checked twice daily, and the SalesForce dashboard.

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

SELS The switch breach history report recorded two E2 breaches where the CS actual transfer date is more than ten business days after NT receipt. This was examined and found these were sent late due to the resource constraint at the time. Additional resource has been added and there have been no further breaches since August 2021.

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

CS content

CS files are created using an ETL (extract, transform, load) process from information contained in SalesForce and DataHub. Read data is manually copied into Salesforce from Datahub.

The registry functional specification requires estimated daily kWh to be based on the average daily consumption for the last read to read period. From October 2021, the average daily consumption is calculated via an SQL query tool. This can be run for up to 45 ICPs at a time. The read results from the query are then pasted into Excel and then reimported into SalesForce. The tool takes into consideration any multipliers and the registry functional specification requirement that the last read to read period is more than 21 days for a non-AMI meter. If there is insufficient history to calculate the average daily consumption using readings, it will be estimated at 55 kWh per day in the NHH submissions. The CS file will generate an error if the average daily kWh is left blank. The read type is manually applied by the operator.

This function is being automated as part of the switch automation project. A material change audit is expected to be undertaken before the switching automation is put into production.

The content of CS files was checked for each code:

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

- no CS files with average daily kWh which was negative or over 200 kWh, and
- 20 CS files with zero average daily kWh. A sample of five ICPs were examined and confirmed to be correct.

I compared switch event read types to the last actual read date for the 27 transfer CS files issued and identified the following exceptions:

- CS-3963590 for ICP 0242002121WF29C had a last actual read date 1250 days before the event date and an actual event read type; this was sent as an actual due to human error, and
- three with a CS premises row only, which were confirmed to be unmetered.

The accuracy of the content of CS files was confirmed by checking a sample a further three CS files and found all was correct except for:

- 0000014411KP6DA (event date 2 August 2021) contained average daily kWh of 41 but should have been zero and the last actual read date was 15 August 2019 not 24 May 2021.

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

- one CS file with average daily kWh which was negative - ICP 0000005361TE33E was sent with an average daily consumption of -64 kWh which was caused by the previous calculation process where there is only one actual read and estimation; this is not occurring with the SQL query tool that was deployed in October 2021,
- five CS files with average daily kWh which was over 200 kWh - four were correct but ICP 0000002040SFB48 was sent with the incorrect average daily consumption figure in April 2021 due to the earlier methodology being used to calculate, and

- 20 CS files with zero average daily kWh – a typical sample of five CS files were examined and confirmed these were correct.

I compared switch event read types to the last actual read date for the 1,109 transfer CS files issued and identified 23 CS files with a last actual read date on the day before the event date and an estimated switch event reading. I checked a typical sample of five ICPs and found these were all due to human error - the default read type is "E", and the operator failed to select the "A" read type in all instances, this is a small number of the overall transfer losses processed. The incorrect read type are recorded as non-compliance below and in **sections 4.16, 6.7** and **9.1.**

The accuracy of the content of CS files was confirmed by checking a sample a further three transfer switches and found all was correct except for:

- ICP 0044124262PCA14 (event date 18 August 2021) contained a last actual read of 15,852 but should have been 15,838, resulting in 14 kWh being pushed to the gaining trader and reconciled for the wrong period, and
- ICP 1000006431BP643 (event date 14 September 2021) contained a last actual read of 43,493 but should have been 43,428, resulting in 65 kWh being pushed to the gaining trader and reconciled for the wrong period.

These were both due to human error and the resource constraint that existed at the time.

The incorrect read values are recorded as non-compliance below and in **sections 4.16, 6.7** and **12.7.**

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

- no CS files with average daily kWh which was negative or over 200 kWh, and
- four CS files with zero average daily kWh and all were confirmed to be correct.

I compared switch event read types to the last actual read date for the 13 transfer CS files issued and identified two CS files which had a last actual read date the day before the event date and an estimated event read type. These were all due to human error - the default read type is "E", and the operator failed to select the "A" read type in all instances, this is a small number of the overall transfer losses processed but is recorded as non-compliance below and in **sections 4.16, 6.7** and **9.1.**

The accuracy of the content of CS files was confirmed by checking a sample a further three transfer switches and confirmed the content was correct.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.3 With: Clause 5 Schedule 11.3 From: 01-Mar-21 To: 03-Dec-21	*SIMP* • one transfer CS file contained incorrect last actual read date, and • one transfer CS file contained the incorrect average daily kWh figure and the incorrect last read date. *SELS* • two E2 breaches, • one transfer CS file contained a negative average daily consumption figure, • one transfer CS files contained an incorrect average daily kWh of the sample of five ICPs with a greater than 200kWh average daily consumption, • two ICPs of the three transfer CS files checked were sent with the incorrect final read resulting in consumption being pushed to the gaining trader. *SELX* • two ICPs of a sample of 13 transferred ICPs with the incorrect last read type of "E" Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are assessed to be moderate. The manual processing of CS files will always have the possibility of human error. Staff levels have been increased and controls are in place to mitigate to an acceptable level. The impact is assessed to be low based on the number of exceptions identified in the population examined and samples checked.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Automation of the CS file generation process is scoped for development in 2022 and will go through the material change audit process.	Ongoing	

In the meantime additional resource was added to the operational team between June 2021 - October 2021. And the team have developed a spreadsheet to use for bulk-switch outs which calculates the Estimated Daily Consumption & Last Actual Read Type for the users. Additional quality checks have also been added to the switching processes since the period in question.		

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

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

The event detail report was analysed to identify all read change requests and acknowledgements during the audit period. A sample of RR and AC files issued for transfer switches were checked to confirm that the content was correct, and that Datahub and MADRAS reflected the outcome of the RR process.

I also checked for CS files with estimated readings provided by other traders where no RR was issued, to determine whether the correct readings were recorded in Datahub and MADRAS.

The switch breach history report for the audit period was reviewed.

Audit commentary

RR

RRs are issued as soon as Simply Energy confirms that they are required and has received supporting readings. The switch breach history report did not record any RR breaches for any Simply Energy codes.

Incoming switch event readings are imported into SalesForce using the SQL (ETL) process and are transferred via SFTP to Datahub nightly. Once validated, the readings are transferred to MADRAS.

In cases where Simply Energy is the gaining trader and they dispute the switch meter reading because the validated meter reading or permanent estimate provided by the losing trader differs by 200 kWh or more, Simply Energy attempt to negotiate a changed switch meter reading which is supported by validated meter readings. Advanced meters which have switched in on an estimate reading are not being checked against AMI data to determine whether a read change is required. The switching automation project in progress is expected to identify and send an RR automatically for those ICPs received with an estimated read where an AMI read is available., but this is no longer routinely checked as discussed in **section 2.1**. Other read changes are identified through the read validation processes discussed in **section 9.5**.

Read changes are processed manually in SalesForce and then the reads are transferred to Datahub. Validated reads are transferred from Datahub to MADRAS for HHR settled ICPs.

SIMP No RRs were issued for transfer switches.

I rechecked 0005107200WM4AB (event date 27 November 2020) which had an incorrect event read recorded in Datahub during the previous audit. 13142 was recorded instead of 13154. This has been corrected.

SELS One RR file was issued and accepted for a transfer switch. I found there was a genuine reason for the RR, it was supported by at least two validated readings, and the reads recorded Datahub and MADRAS reflected the outcome of the RR process.

SELX No RRs were issued for transfer switches.

I rechecked ICP 0001800470PC814 (event date 29 July 2020) which had an incorrect reading recorded for 216300965/1 in MADRAS during the previous audit. 13026 was recorded instead of 13018. This has been corrected.

AC

Read change workflows are managed using the SalesForce dashboard, and the timeliness of AC files is also monitored using the switch breach report. The switch breach history report recorded one AC breach for SELS. This was due to a resource constraint at the time. Additional staff have been recruited and these files are being reviewed throughout the day.

Read changes are processed manually in SalesForce and then the reads are transferred to Datahub. Validated reads are transferred from Datahub to MADRAS for HHR settled ICPs.

SIMP No ACs were issued for transfer switches.

SELS 120 AC files were issued for transfer switches. 26 rejected the other trader's RR and 94 accepted it. All rejections were accepted on reissue. I checked a sample of five acceptances and five rejections and found the reads recorded Datahub and MADRAS reflected the outcome of the RR process, and there were valid reasons for RR rejections.

SELX No AC files were issued for transfer switches.

Incoming CS files with estimated switch event readings

I checked incoming CS files with estimated switch in readings to confirm whether the correct reading was applied in Datahub and MADRAS.

SIMP SIMP did not receive any incoming CS files with estimated readings where no RR was issued.

I rechecked 0000772550TE557 (event date 7 July 2020) and 1000002127BPEE4 (event date 20 January 2021) which had their switch event reads removed in MADRAS at the time of the previous audit. These have been corrected.

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

I rechecked 0000033275EA718 (event date 19 October 2020) which had its switch event reads removed in MADRAS at the time of the previous audit. This has been corrected.

SELX SELX did not receive any incoming CS files with estimated readings where no RR was issued.

I rechecked 0001270860PC7A5 (event date 7 August 2020), 0000922534TUA6A (event date 4 November 2020), 1000590726PC900 (event date 20 January 2021) and 0000906091TU572 (event date 24 February 2021) which had their switch event reads removed in MADRAS at the time of the previous audit. These have been corrected.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.4 With: Clause 9 Schedule 11.3 From: 09-Aug-21 To: 09-Aug-21	*SELS* One AC breach. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong as these are monitored closely. The impact is low as there was only one late AC file recorded and data accuracy was confirmed as compliant.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Automation of the RR/AC file generation process is scoped for development in 2022 and will go through the material change audit process. In the meantime additional resource was added to the operational team between Aug/Sept 2021. And the team have developed a spreadsheet to use for bulk-switch outs which calculates the Estimated Daily Consumption & Last Actual Read Type for the users. Additional quality checks have also been added to the switching processes since the period in question.	Ongoing	

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

Code reference

Clause 6(2) and (3) Schedule 11.3

Code related audit information

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

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

Audit observation

The process for the management of read requests was examined. The event detail report was analysed to identify read change requests issued and received under Clause 6(2) and (3) Schedule 11.3 and determine compliance.

Audit commentary

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

SIMP No RR or AC files were issued for transfer switches.

SELS No RRs were issued under Clause 6(2) and (3) of schedule 11.3.

47 ACs were issued for RRs issued by other traders within five business days of switch completion where the other trader had indicated they would use HHR profile. I checked all ten of the ACs where the other trader's RR was rejected and found:

- clause 6(2) and (3) of schedule 11.3 did not apply for five of the AC rejections because SELS had also applied HHR profiles during their period of supply, and
- clause 6(2) and (3) of schedule 11.3 applied for five of the AC rejections because estimated readings were recorded in the CS file and SELS had applied NHH profiles during their period of supply; in all cases the RRs were accepted on reissue with different readings which were within ± 1 kWh of the original RR. Compliance is recorded in this section because the initial RRs were rejected because they contained incorrect content.

SELX No RR or AC files were issued for transfer switches.

Audit outcome

Compliant

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

Code reference

Clause 7 Schedule 11.3

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 9 Schedule 11.3

Code related audit information

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

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

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

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

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

Audit observation

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

Audit commentary

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

Customer, ICP, billing, pricing, and switch information including whether the customer is transferring between retailers at an address or moving into the address is loaded into Emersion on application. The information is checked to ensure that the correct trader code is selected and then "initiate switch" is selected to transfer the information to SalesForce.

Where large groups of ICPs are required to be switched at one time, Simply Energy loads the batch of ICPs directly into SalesForce and arranges for Emersion to load the ICPs over the next two to three days. This prevents NTs from being issued late.

Within SalesForce the switch gains are reviewed to check that the switch date, switch type, metering category, trader code and profile are consistent. NTs can be created for individual ICPs or groups of ICPs depending on what the user selects.

Switch move is applied when a new customer is moving into an address. Transfer switch type is usually applied where a customer is transferring between retailers at an address, unless a specific transfer date is required. In those cases, transfer switches may be requested as switch moves.

SIMP	Three ICPs with metering category 1 or 2 had switch move NTs issued. All were sent with the correct switch type and the NT was sent within two business days of pre-conditions being cleared.
SELS	982 switch move NTs were issued. I checked the metering category for the 468 switch move ICPs where this information was available on the registry list with history, and found none had metering categories of three or above. I checked a sample of five NTs and found for four ICPs that the switch type was correct, and the NT was sent within two business days of pre-conditions being cleared. ICP 0000006266KP3EA was notified late due to a resource constraint. Staff levels have been increased since this time.
SELX	No switch move NTs were issued.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.7 With: Clause 9 Schedule 11.3 From: 19-Jul-21 To: 20-Sep-21	*SELS* One NT file was issued more than two business days after pre-conditions were cleared of the 21 NT files sampled. Potential impact: Low Actual impact: Low Audit history: Three times previously Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong as the sending of NT files is monitored throughout the business day to ensure that these are sent to the registry within the required timeframe. The impact is low as only one incident of a late NT file was identified of the total of 21 NT files sampled. .

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We now have several people across the switching area as well as daily check ins and monitoring of Registry breach report to be compliant in this area. Automation of the NT file generation process is due for development in 2022 and will go through the material change audit process.	Ongoing	

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

Code reference

Clause 10(1) Schedule 11.3

Code related audit information

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

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

Audit observation

The event detail report was reviewed to:

- identify AN files issued by Simply Energy during the audit period,
- assess compliance with the requirement to meet the setting of event dates requirement, and
- a diverse sample ANs were checked for each trader code to determine whether the codes had been correctly applied.

The switch breach history report was examined for the audit period.

Audit commentary

AN Content

AN files are generated by SalesForce. Incoming NTs appear as switch losses on the switch loss dashboard and are checked with the operations team to confirm that the switch is valid. Simply Energy generates the AN when a response is received, or just before the file is due if no response is received. Where groups of ICPs are switching out, approval is usually provided in advance.

The process to determine AN codes is automated. A recommendation is made in **section 4.2** to add the OC (occupied premises), and CO (contracted customer) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.

The proposed event date process is also automated. For switch moves, the gaining trader's requested date is applied if it is compliant, otherwise a withdrawal for date failure is issued.

The accuracy of AN content was checked for each participant code and AN response code:

SIMP 251 transfer AN files were issued:

- 54 ANs had the AA (acknowledge and accept) code; all were correct,
- 160 ANs had the AD (advanced metering) code; all were correct,
- eight ANs had the MU (unmetered supply) code correctly applied, and
- 29 ANs had the PD (premises disconnected) code correctly applied.

The event detail report was reviewed for all 251 switch move ANs to assess compliance with the setting of event dates requirements:

- all ANs had proposed event dates within ten business days of the NT receipt date, and
- no ANs had proposed event dates before the gaining trader's requested date, the gaining trader's requested date was applied in all cases.

SELS 777 transfer AN files were issued:

- 117 ANs had the AA (acknowledge and accept) code; all were correct,
- 645 ANs had the AD (advanced metering) code: all were correct,
- three ANs had the MU (unmetered supply) code correctly applied, and
- 12 ANs had the PD (premises disconnected) code correctly applied.

The event detail report was reviewed for all 777 switch move ANs to assess compliance with the setting of event dates requirements:

- all ANs had proposed event dates within ten business days of the NT receipt date, and
- no ANs had proposed event dates before the gaining trader's requested date, the gaining trader's requested date was applied in all cases.

SELX 593 switch move AN files were issued:

- 80 ANs had the AA (acknowledge and accept) code; all were correct, and
- 513 ANs had the AD (advanced metering) code, all were correct.

The event detail report was reviewed for all 593 switch move ANs to assess compliance with the setting of event dates requirements:

- all ANs had proposed event dates within ten business days of the NT receipt date, and
- no ANs had proposed event dates before the gaining trader's requested date, the gaining trader's requested date was applied in all cases.

AN and CS timeliness

The timeliness of AN and CS files are monitored using the switch breach history report, which is monitored twice daily, and SalesForce dashboard.

SIMP The switch breach history report did not record any AN or CS breaches.

SELS The switch breach history report recorded:

- no AN breaches, and
- five T2 breaches where the CS arrival date is more than five business days after receipt of the NT; these were examined and found to have been delayed due to the resource constraint present at the time and no breaches have occurred since July 2021.

SELX The switch breach history report did not record any AN or CS breaches.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.8 With: Clause 10(1) Schedule 11.3 From: 21-Jun-21 To: 13-Jul-21	*SELS* Five T2 breaches. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong. These files are monitored as part of BAU daily. The audit risk rating is low as the five late files were sent three to four days late.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Automation of the CS file generation process is scoped for development in 2022 and will go through the material change audit process. In the meantime additional resource was added to the operational team between August/Sept 2021. And the team have developed a spreadsheet to use for bulk-switch outs which calculates the Estimated Daily Consumption & Last Actual Read Type for the users incl Multipliers. Additional quality checks have also been added to the switching processes since the period in question.	Ongoing	

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

The event detail report was reviewed to identify switch move AN files issued by Simply Energy during the audit period, and assess compliance with the requirement to meet the setting of event dates requirement.

Audit commentary

I checked all ANs issued during the audit period and found that the gaining trader's requested event date was applied. Switches were completed as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 11 Schedule 11.3

Code related audit information

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

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

Audit observation

The event detail report was reviewed to identify CS files issued by Simply Energy during the audit period. The accuracy of the content of CS files was confirmed by checking a sample of records per trader code. The content checked included:

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

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

Audit commentary

CS files are created using an ETL (extract, transform, load) process from information contained in SalesForce and DataHub. Read data is manually copied into Salesforce.

The registry functional specification requires estimated daily kWh to be based on the average daily consumption for the last read to read period. From October 2021, the average daily consumption is calculated via an SQL query tool. This can be run for up to 45 ICPs at a time. The read results from the query are then pasted into Excel and then reimported into SalesForce. The tool takes into consideration any multipliers and the registry functional specification requirement that the last read to read period is more than 21 days for a non-AMI meter. If there is insufficient history to calculate the average daily consumption using readings, it will be estimated at 55 kWh per day in the NHH submissions. The CS file will generate an error if the average daily kWh is left blank. The read type is manually applied by the operator.

The content of CS files was checked for each code:

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

- no CS files with average daily kWh which was negative,
- 31 CS files with zero average daily kWh - a sample of five ICPs were examined and zero was confirmed to be correct, and
- 12 CS files with average daily kWh which was over 200 kWh - a sample of the five files with the largest volume were checked and three were correct (ICP 0000004032KP3AF was sent with the incorrect average daily consumption figure due to human error and ICP 0005505400ML431 was incorrect as the multiplier was not considered); these were prior to the SQL query deployed in October 2021 which considers multipliers as part of its calculation.

I compared switch event read types to the last actual read date for the 246 switch move CS files issued and identified the following exceptions:

- 14 CS files with a last actual read date the day before the event date. I checked a typical sample of five ICPs and found these are all due to human error - the default read type is "E", and the operator failed to select the "A" read type in all instances, this is a small number of the overall transfer losses processed but is recorded as non-compliance below and in **sections 4.16, 6.7** and **9.1**, and
- two CS files with a last actual read date more than one day before the event date and an actual event read type - these were examined found they had the incorrect read type of "A" due to human error.

The accuracy of the content of CS files was confirmed by checking a sample a further three switch moves. All were confirmed as correct except for:

- ICP 0003727024WFD8B (event date 3 August 2021) which contained average daily kWh of one, but this should have been zero.

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

- no CS files with average daily kWh which was negative,
- 116 CS files with zero average daily kWh. - a sample of five ICPs were examined and four were correct (ICP 0012412198PNDE7 was sent as zero but should have been recorded as four), and

- 14 CS files with average daily kWh which was over 200 kWh - a sample of five ICPs with the highest value were examined and found two were correct (the three incorrect values were due to the earlier average daily calculation method which has been replaced in October 2021 and the one example checked post October was correct).

I compared switch event read types to the last actual read date for the 750 switch move CS files issued and identified 17 CS files with a last actual read date on the day before the event date and an estimated switch event reading. I checked a typical sample of five ICPs and found these are all due to human error - the default read type is "E", and the operator failed to select the "A" read type in all instances, this is a small number of the overall transfer losses processed but is recorded as non-compliance below and in **sections 4.16, 6.7** and **9.1.**

The accuracy of the content of CS files was confirmed by checking a sample a further three switch moves, and these were correct.

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

- no CS files with average daily kWh which was negative or over 200 kWh, and
- 34 CS files with zero average daily kWh; four of the five ICPs sampled, were correct (ICP 0000168483TRA81 should have been sent with nine but was sent with zero due to human error).

I compared switch event read types to the last actual read date for the 591 switch move CS files issued and identified the following exceptions:

- 22 CS files with a last actual read date on the day before the event date and an estimated switch event reading; I checked a typical sample of five ICPs and found these are all due to human error - the default read type is "E", and the operator failed to select the "A" read type in all instances, this is a small number of the overall move switches processed, and
- one CS file (ICP 0000168483TRA81) with a last actual read date more than one day before the event date and an actual event read type when it should have been sent with a read type "E" due to human error.

These incorrect last read types are recorded as non-compliance below and in **sections 4.16, 6.7** and **9.1.**

The accuracy of the content of CS files was confirmed by checking a sample of a further three switch moves, and these were correct.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.10 With: Clause 11 Schedule 11.3 From: 01-Mar-21 To: 03-Dec-21	*SIMP* • two of a sample of five ICPs checked with an average daily kWh value of greater than 200 kWh had an incorrect average daily consumption, • five of a possible 14 switch move CS files contained the incorrect read type of "E", • two switch move CS files contained the incorrect read type of "A", and • one of a typical sample of three CS files checked found one with the incorrect average daily kWh figure. *SELS* • three of a sample of 13 ICPs checked had an incorrect average daily consumption, and • five of a possible 17 switch move CS files contained the incorrect read type of "E". *SELX* • one of a sample of five ICPs checked had an incorrect average daily consumption, • five of a possible 22 switch move CS files contained the incorrect read type of "E", and • one switch move CS file contained the incorrect read type of "A". Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are assessed to be moderate. The manual processing of CS files will always have the possibility of human error. Staff levels have been increased and controls are in place to mitigate to an acceptable level. The impact is assessed to be low based on the number of exceptions identified in the population examined and samples checked.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. Data quality during this period was significantly low however since an increase in staffing from mid Aug/Sept 2021, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Automation of the CS file generation process is scoped for development in 2022 and will go through the material change audit process. In the meantime additional resource was added to the operational team between August/Sept 2021. And the team have developed a spreadsheet to use for bulk-switch outs which calculates the Estimated Daily Consumption & Last Actual Read Type for the users. Additional quality checks have also been added to the switching processes since the period in question.	Ongoing	

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

Code reference

Clause 12 Schedule 11.3

Code related audit information

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

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

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

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

Audit observation

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

The event detail report was analysed to identify all read change requests and acknowledgements during the audit period. A sample of RR and AC files issued for transfer switches were checked to confirm that the content was correct, and that Datahub and MADRAS reflected the outcome of the RR process.

I also checked for CS files with estimated readings provided by other traders where no RR was issued, to determine whether the correct readings were recorded in Datahub and MADRAS.

The switch breach history report for the audit period was reviewed.

Audit commentary

RR

RRs are issued as soon as Simply Energy confirms that they are required and has received supporting readings. The switch breach history report recorded eight RR breaches for SELS. These were all due to the time it took to get two actual reads, and these were sent as soon as these were gained.

Incoming switch event readings are imported into SalesForce using the SQL (ETL) process and are transferred via SFTP to Datahub nightly. Once validated, the readings are transferred to MADRAS.

In cases where Simply Energy is the gaining trader and they dispute the switch meter reading because the validated meter reading or permanent estimate provided by the losing trader differs by 200 kWh or more, Simply Energy attempt to negotiate a changed switch meter reading which is supported by validated meter readings. Advanced meters which have switched in on an estimate reading were checked against AMI data to determine whether a read change is required, but this is no longer routinely checked as discussed in **section 2.1**. Other read changes are identified through the read validation processes discussed in **section 9.5**.

Read changes are processed manually in SalesForce and then the reads are transferred to Datahub. Validated reads are transferred from Datahub to MADRAS for HHR settled ICPs.

SIMP No RRs were issued for switch moves.

SELS 17 RR files were issued for switch moves; one was rejected and 16 were accepted. I checked a sample of five RRs determine whether there was a genuine reason for the RRs, they were supported by two validated actual readings, and the reads recorded in DataHub and MADRAS reflected the outcome of the RR process. I identified one exception for ICP 0003727038WF438. The RR read was sent and accepted as read type "E" but was incorrectly recorded in Datahub and Madras as read type "A".

I rechecked 0110117012AP421 (event date 1 October 2020) which did not have the correct event reading recorded in Datahub at the time of the last audit. 434,140 was recorded instead of 424,094. This has been corrected.

SELX No RRs were issued for switch moves.

AC

Read change workflows are managed using the SalesForce dashboard, and the timeliness of AC files is also monitored using the switch breach report. The switch breach history report did not record any RR breaches for any Simply Energy codes.

Read changes are processed manually in SalesForce and then the reads are transferred to Datahub. Validated reads are transferred from Datahub to MADRAS for HHR settled ICPs.

SIMP Six AC files were issued for switch moves; five were acceptances and one was a rejection. A sample of five files were checked including the rejected file. Datahub and MADRAS reflected the outcome of the RR process, and the rejection was valid.

I rechecked 0000002043SF788 (event date 30 September 2020) which had meter 216133899 r1 recorded with 9782, instead of the agreed switch read of 10353 during the previous audit. This has been corrected but the correction was not completed until January 2022 which is outside of the R14 revision cycle so submission will not be corrected. This is recorded as non-compliance in **sections 2.1** and **12.7**.

SELS 26 AC files were issued for switch moves. Two rejected the other trader's RR and 24 accepted it. All rejections were accepted on reissue. I checked a sample of five acceptances and both rejections and found the reads recorded Datahub and MADRAS reflected the outcome of the RR process, and there were valid reasons for RR rejections.

I rechecked 0003727196WF6B8 (event date 1 December 2020) which did not have a start read recorded in Datahub or MADRAS because the reading failed validation. This has been corrected.

SELX Eight AC files were issued for switch moves; seven were accepted and one was rejected. A sample of five files were checked including the rejected file. Datahub and MADRAS reflected the outcome of the RR process, and the rejection was valid.

Incoming CS files with estimated switch event readings

I checked incoming CS files with estimated switch in readings to confirm whether the correct reading was applied in Datahub and MADRAS.

SIMP SIMP did not receive any incoming CS files with estimated readings where no RR was issued.

I rechecked 0000204747DE2DC (event date 10 January 2021) which had its switch event reading removed in MADRAS at the time of the previous audit. This has been corrected.

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

I rechecked 0369229681LCC24 (event date 1 January 2021), 0032300312DF387 (event date 27 January 2021) which did not have start reads recorded in MADRAS at the time of the previous audit and 1001127640LC366 (event date 11 December 2020) which was not recorded in MADRAS at the time of the previous audit. These have been corrected.

SELX SELX did not receive any incoming CS files with estimated readings where no RR was issued.

I rechecked 0001332060PCB11 (event date 23 January 2021) which had its start read removed in MADRAS at the time of the previous audit. This has been corrected.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.11 With: Clause 6(1) and 6A Schedule 11.3 From: 09-Aug-21 To: 23-Nov-21	*SELS* • eight RR breaches, and • ICP 0003727038WF438 has the incorrect read type of "A" instead of "E" in Datahub and Madras. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate as BAU processes are bedded in and there is sufficient resource to manage switching. The impact is low as there was only one late AC file recorded and data accuracy was confirmed as compliant.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Automation of the CS file generation process is scoped for development in 2022 and will go through the material change audit process. In the meantime additional resource was added to the operational team between August/Sept 2021. And the team have developed a spreadsheet to use for bulk-switch outs which calculates the Estimated Daily Consumption & Last Actual Read Type for the users incl Multipliers. Additional quality checks have also been added to the switching processes since the period in question.	Ongoing	

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

Code reference

Clause 14 Schedule 11.3

Code related audit information

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

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

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

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

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

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

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

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

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

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

Audit observation

The switch gain process was examined to determine when Simply Energy deem all conditions to be met. A typical sample of HH NTs were checked to confirm whether they were notified to the registry within three business days.

HH NTs on the event detail report were matched to the metering information on the meter event details report to confirm whether the correct switch type was selected.

Audit commentary

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

Customer, ICP, billing, pricing, and switch information including whether the customer is transferring between retailers at an address or moving into the address is loaded into Emersion on application. The information is checked to ensure that the correct trader code is selected and then "initiate switch" is selected to transfer the information to SalesForce.

Where large groups of ICPs were required to be switched at one time, Simply Energy loads the batch of ICPs directly into SaleForce and arranges for Emersion to load the ICPs over the next two to three days. This prevents NTs from being issued late.

Within SalesForce the switch gains are reviewed to check that the switch date, switch type, metering category, trader code and profile are consistent. NTs can be created for individual ICPs or groups of ICPs depending on what the user selects. HH switch type is selected for ICPs with metering category 3 or above, and in future Simply Energy plans to automate the selection of HH switch type for all ICPs with metering category 3, 4, or 5.

The switch breach history reports did not record any alleged breaches for HH switches for any of the Simply Energy participant codes.

SIMP	No HH NT files were issued, and all ICPs with transfer or switch move NT files had metering category 1 or 2.
SELS	27 HH NT files were issued for ICPs with metering category 3, 4 or 5. A typical sample was checked and confirmed that these were internal transfers from the SIMP/SELX. I checked the metering category for the 90 transfer switch ICPs and 468 switch move ICPs where this information was available on the registry list with history, and found none had metering categories of three or above.
SELX	No HH NT files were issued. One ICP with metering category 1 had a transfer switch NT issued.

Audit outcome

Compliant

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

An event detail report was reviewed to identify AN files issued by Simply Energy during the audit period, and a sample of two (or all) ANs per response code were reviewed to determine whether the codes had been correctly applied.

The switch breach history report was examined for the audit period.

Audit commentary

The timeliness of AN files is monitored using the switch breach report. The switch breach history reports did not record any alleged breaches for HH switches for any of the Simply Energy participant codes.

The process to determine AN codes and event dates is automated. A recommendation is made in **section 4.2** to add the OC (occupied premises) and CO (contracted customer) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.

SIMP	19 AN files were issued for HH switches. All had the AA (acknowledge and accept) or AD (advanced metering) code correctly applied.
SELS	Eight AN files were issued for HH switches. All were sent with the correct code applied.
SELX	11 AN files were issued for HH switches. All had the AA (acknowledge and accept) code correctly applied.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.3

Code related audit information

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

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

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

Audit observation

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

Audit commentary

CS timeliness

HH switches are monitored using the SalesForce dashboard each day, and CS files are sent once the AN has been received from the losing trader. The switch breach history reports did not record any alleged breaches for HH switches for any of the Simply Energy participant codes.

CS files are created using an ETL (extract, transform, load) process from information contained in SalesForce.

SIMP	No HH CS files were issued.
SELS	27 HH CS files were issued correctly.
SELX	No HH CS files were issued.

Audit outcome

Compliant

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

Code reference

Clauses 17 and 18 Schedule 11.3

Code related audit information

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

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

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

Audit observation

The event detail reports were reviewed to:

- identify all switch withdrawal requests issued by Simply Energy, and check a sample for accuracy,
- identify all switch withdrawal acknowledgements issued by Simply Energy, and check a sample of rejections, and
- confirm timeliness of switch withdrawal requests.

The switch breach history reports were checked for any late switch withdrawal requests or acknowledgements.

Audit commentary

NW

NWs are created from SalesForce using the SQL (ETL) process, as soon as possible after Simply Energy has confirmed that a withdrawal is required. Confirmation is normally received via the operations email inbox, and outgoing NWs are monitoring using SalesForce workflows to make sure a response is received and actioned.

SIMP The switch breach history report did not record any NW breaches.

SIMP issued 16 NW files; one was rejected and 15 were accepted. The content of 14 NW files was checked, including two or all for each withdrawal advisory code. The withdrawal reason codes were correct apart from:

- two ICPs that were sent using UA (unauthorised switch) but WR (wrong retailer) would have been more appropriate as these were in the process of switching internally from the SELX/SIMP trader code to SELS; all ICPs have switched to SELS so this is not expected to occur again, and
- ICP 0075241257WE66C was sent using DF (date failed) but CE (customer error) is correct; Simply Energy have updated their work instructions so that the DF code is only used for switches forward dated more than ten days.

SELS The switch breach history recorded six NA breaches for a NWs issued more than two calendar months after the CS transfer date. Four were due to the resource constraint at the time and the remaining two were double withdrawals which can take more than the allowable time to be resolved due to their complexity.

SELS issued 109 NW files; 13 were rejected and 96 were accepted. The content of 15 NW files was checked, including two or all for each withdrawal advisory code and eight rejections. The withdrawal reason codes were correct apart from:

- two ICPs that were sent using DF (date failed) but CE (customer error) is correct as these were not requested ten days in advance but requested for the incorrect date.

SELX The switch breach history report recorded one SR breach where the NW arrival date if more than ten business days after the initial NW was issued by the same trader. This was late due to the resource constraints at the time.

SELX issued 91 NW files; three were rejected and 88 were accepted. The content of 12 NW files was checked, including two or all for each withdrawal advisory code and all rejections. The withdrawal reason codes were correct apart from:

- two ICPs that were sent using DF (date failed) but CE (customer error) is correct as these were not requested ten days in advance but were requested for the incorrect date; and
- two ICPs that were sent using UA (unauthorised switch), but WR (wrong retailer) would have been more appropriate as these were in the process of switching internally from the SELX/SIMP trader code to SELS; all ICPs have switched to SELS so this is not expected to occur again.

AW

AWs are created from SalesForce using the SQL (ETL) process. AWs are managed through SalesForce workflows and the switch breach report is also monitored twice daily.

SIMP The switch breach history report did not record any AW breaches. Six AW files were issued, and all accepted the other trader's NW.

SELS The switch breach history report recorded two AW breaches where the AW was issued more than five business days after receipt of the NW. These were late due to the resource constraints at the time.

Two of the 43 AW files issued rejected the other trader's NW. These were both rejected for genuine reasons.

SELX The switch breach history report did not record any AW breaches. Five AW files were issued, and all accepted the other trader's NW.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.15 With: Clauses 17 and 18 Schedule 11.3 From: 01-Mar-21 To: 03-Dec-21	*SIMP* Three incorrect NW withdrawal reason codes. *SELS* Six NA breaches. Two AW breaches. Two incorrect NW withdrawal reason codes. *SELX* One SR breach. One NW request issued in error. Four incorrect NW withdrawal reason codes. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong as BAU processes are bedded in and there is sufficient resource to manage switching. The impact is assessed to be low because a small proportion of NWs were issued late, or with incorrect codes.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August 2021 which put a lot of pressure on the limited number of staff within the Operations Team. Data quality during this period was negatively impacted however since increase in staffing from Sept 2021, we now have a dedicated staff member working on this process with the Operations Team Lead as back up and quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
The Operations Team have been updated around the different codes and when they should be applied following the recent audit, including what we have learnt recently that NWDF must only be used for future date NT's - NWCE to be used instead - all teams are across the different NW codes and when they	Ongoing	

must be applied. Automation of the NW file generation process is scoped for development in 2022 and will go through the material change audit process.		

4.16. Metering information (Clause 21 Schedule 11.3)

Code reference

Clause 21 Schedule 11.3

Code related audit information

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

> *21(a)- the trader who carries out the interrogation, switch event meter reading must ensure that the interrogation is as accurate as possible, or that the switch event meter reading is fair and reasonable.*
>
> *21(b) and (c) - the cost of every interrogation or switch event meter reading carried out in accordance with clauses 5(b) or 11(b) or (c) must be met by the losing trader. The costs in every other case must be met by the gaining trader.*

Audit observation

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

Audit commentary

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

As detailed in **sections 4.3** and **4.10**:

SIMP

All five ICPs sampled of a possible 14 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E" due to human error.

Two ICPs with the incorrect read type of "A" applied due to human error.

SELS

All five ICPs sampled of a possible 23 transfer where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E" due to human error.

All five ICPs sampled of a possible 17 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E" due to human error.

SELX

Two ICPs of a sample of 13 transferred ICPs with the incorrect last read type of "E".

All five ICPs sampled of a possible 22 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E" due to human error.

The switch move CS file for ICP 0000168483TRA81 was with the incorrect read type of "A" due to human error.

The readings contained in CS files contained an actual reading or reasonable estimate up to the last day of supply apart from:

Code	ICP and event date	Comment	kWh Difference	Report Section
SELS	0044124262PCA14 (event date 18 August 2021)	contained a last actual read of 15,852 but should have been 15,838.	14	4.3
SELS	ICP 1000006431BP643 (event date 14 September 2021)	contained a last actual read of 43,493 but should have been 43,428	65	4.3

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

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.16 With: Clause 21 Schedule 11.3 From: 01-Mar-21 To: 03-Dec-21	*SIMP* All five ICPs sampled of a possible 14 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E". Two switch move ICPs with the incorrect read type of "A" applied due to human error. *SELS* All five ICPs sampled of a possible 23 transfer where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E". All five ICPs sampled of a possible 17 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E". Two CS files of a sample of six checked sent with the incorrect last actual reads resulting in 79 kWh being pushed to the gaining trader and reconciled in the wrong period. *SELX* Two ICPs of a sample of 13 transferred ICPs with the incorrect last read type of "E" All five ICPs sampled of a possible 22 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E". One switch move ICP with the incorrect read type of "A" applied due to human error. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	The controls are assessed to be moderate. The manual processing of CS files will always have the possibility of human error. Staff levels have been increased and controls are in place to mitigate to an acceptable level. The impact is assessed to be low, the difference between the applied and correct readings was small.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Automation of the CS file generation process is scoped for development in 2022 and will go through the material change audit process. In the meantime additional resource was added to the operational team between August/Sept 2021. And the team have developed a spreadsheet to use for bulk-switch outs which calculates the Estimated Daily Consumption & Last Actual Read Type for the users incl Multipliers. Additional quality checks have also been added to the switching processes since the period in question.	Ongoing	

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

Code reference

Clause 11.15AA to 11.15AC

Code related audit information

A losing retailer (including any party acting on behalf of the retailer) must not initiate contact to save or win back any customer who is switching away or has switched away for 180 days from the date of the switch.

The losing retailer may contact the customer for certain administrative reasons and may make a counteroffer only if the customer initiated contacted with the losing retailer and invited the losing retailer to make a counteroffer.

The losing retailer must not use the customer contact details to enable any other retailer (other than the gaining retailer) to contact the customer.

Audit observation

Win-back processes were discussed. The event detail report was analysed to identify all withdrawn switches with a CX code applied within 180 days of switch completion where Simply Energy was the losing trader. All were checked to determine compliance.

Audit commentary

Simply Energy do not contact customers who are switching out.

SIMP No NWs were issued with the CX withdrawal reason code.

SELS One NW for ICP 0000046700TR569 was issued with a CX withdrawal reason code where SELS was the losing trader. This is a white label customer and they advised that they had spoken with their customer who advised they did not wish to switch. They do not record their calls so there is no way of verifying that saves are not being conducted. I recommend that this is explored with the secondary traders to ensure that there is a complete audit trail.

SELX One NW for ICP 0000907236TUB00 was issued with a CX withdrawal reason code where SELX was the losing trader in error due to confusion about the address. The gaining trader accepted the withdrawal. No win back activity was undertaken.

Recommendation	Description	Audited party comment	Remedial action
Switch saving protection	Work with white label retailer to capture customer conversations for withdrawn switches.	We will work with White Labels to ensure we have an auditable record of any customer requests to withdraw switches	Identified

Audit outcome

Compliant

5. MAINTENANCE OF UNMETERED LOAD

5.1. Maintaining shared unmetered load (Clause 11.14)

Code reference

Clause 11.14

Code related audit information

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

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

Audit observation

The processes to identify and monitor shared unmetered load were discussed. The registry lists and AC020 reports were reviewed to identify all ICPs with shared unmetered load and assess compliance.

Audit commentary

Additions and changes to shared unmetered load are monitored as part of the validation processes discussed in **section 3.7**.

No ICPs with shared unmetered load were supplied during the audit period by Simply Energy participant codes.

Audit outcome

Compliant

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

Code reference

Clause 10.14 (2)(b)

Code related audit information

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

Audit observation

The processes to manage ICPs over the unmetered thresholds were discussed. The registry lists and AC020 reports were reviewed to identify all ICPs with unmetered load over 3,000 kWh per annum and assess compliance.

Audit commentary

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

No ICPs with unmetered load over 3,000 kWh were supplied during the audit period by Simply Energy participant codes.

Audit outcome

Compliant

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

Code reference

Clause 10.14 (5)

Code related audit information

If the unmetered load limit is exceeded the retailer must:

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

Audit observation

The processes to manage ICPs over the unmetered thresholds were discussed. The registry lists and AC020 reports were reviewed to identify all ICPs with unmetered load over 6,000 kWh per annum and assess compliance.

Audit commentary

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

No ICPs with unmetered load over 3,000 kWh were supplied during the audit period by Simply Energy participant codes.

Audit outcome

Compliant

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

Code reference

Clause 11 Schedule 15.3, Clause 15.37B

Code related audit information

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

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

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

Audit observation

Processes for distributed unmetered load were discussed.

Audit commentary

Simply Energy does not supply any distributed unmetered load under the SIMP, SELS or SELX trader codes.

Simply Energy is aware of the requirements for DUML, including tracking of load changes as discussed in the Authority's memo dated 18 June 2019. If any DUML load switches in, they intend to settle the load as NHH.

Audit outcome

Compliant

6. GATHERING RAW METER DATA

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

Code reference

Clause 10.13, Clause 10.24 and Clause 15.13

Code related audit information

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

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

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

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

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

Audit observation

Processes for metering, submission, and distributed generation were reviewed. The registry list and AC020 reports were examined to determine compliance.

Audit commentary

Metering installations installed

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

SIMP	SIMP has not supplied any active ICPs during the audit period.
SELS	One ICP had a blank metering category on the audit compliance report, and I found it was a resolved after the report was run. No active metered ICPs had a blank MEP, and all MEP nominations were accepted within 14 business days.
SELX	SELX has not supplied any active ICPs during the audit period.

Generation

As discussed in **section 2.1**, the SalesForce Dashboard reports ICPs with a "B" or "G" installation type. The ICPs are checked daily to determine whether generation is present, compliant metering is installed, and profiles are correct. Currently NT files default to RPS for NHH ICPs, and the profile needs to be corrected to RPS PV1 or EG1 for ICPs with distributed generation as soon as possible after switching in.

SIMP	No active ICPs were supplied by SIMP during the audit period. ICP 1001280320LC7AF which was recorded as an exception in the previous audit switched to SELS and is discussed below.

SELS Review of the registry list identified 78 active ICPs which had generation capacity recorded by the distributor.

The AC020 report identified one ICP which had generation recorded by the distributor and an I flow register, without a distributed generation profile recorded. It was a timing difference and PV1 profile is now correctly recorded.

Four ICPs with generation indicated by the distributor did not have I flow metering installed:

- ICPs 0000030248EAD5B and 0110125155KPC0B do not have distributed generation and the distributors have removed these details from the registry,
- ICP 1001280320LC7AF has generation only, and AMS had recorded the flow direction for both meter registers as X; this has been corrected on the registry, and
- 0000518204NR36D has its energy being gifted and notification has been provided to the reconciliation manager; Northpower confirmed that because the load taken from the grid exceeds the generation it is not expected that any excess generation would be injected into the network, so an injection register will not be installed.

All other ICPs which had a generation profile recorded by SELS had compliant I flow metering, a profile consistent with the distributor's fuel type, and a non-zero generation capacity recorded by the distributor.

All other distributed generation exceptions identified during the previous audit have been cleared.

SELX No active ICPs were supplied by SIMP during the audit period.

I re-checked exceptions identified during the previous audit and found they had been resolved.

Bridged meters

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

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

The participant responsible for the metering installation must:

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

Audit observation

The AC020 reports and registry lists were reviewed to confirm the profiles used.

All active ICPs with profiles requiring control device certification were checked to determine whether AMI or HHR metering was installed, or the control device was appropriately certified.

Audit commentary

SIMP	No active ICPs have been supplied during the audit period.
SELS	SELS uses the Authority profiles HHR, DFP, RPS, UML and PV1. None of the profiles require a certified control device.
SELX	No active ICPs have been supplied during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.43(2) and (3)

Code related audit information

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

- *advise the MEP,*

- *include in the advice all relevant details.*

Audit observation

Processes relating to defective metering were examined.

Audit commentary

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

No defective meters were identified during the audit period. I reviewed Simply Energy's validation processes in **sections 9.5** and **9.6**, and found they are sufficient to detect potential stopped and faulty meters. Corrections for defective meters are discussed in **section 2.1**.

Audit outcome

Compliant

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

Code reference

Clause 2 Schedule 15.2

Code related audit information

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

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

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

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

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

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

2(6) – The interrogation systems must record:

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

Audit observation

The data collection and clock synchronisation processes were examined.

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

Audit commentary

HHR

Agents monitor clock synchronisation. This is covered as part of their agent audits and compliance is recorded. EMS and Simply Energy review the clock synchronisation events for the meters they complete HHR submission for and take corrective action as required. No clock synchronisation events requiring corrective action were identified during the audit period.

AMI

Information used to determine volume information is provided to Simply Energy by MEPs and agents and is manually reviewed by Simply Energy. There were no examples of clock synchronisation events requiring action during the audit period.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

All validated meter readings must be derived from meter readings.

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

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

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

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

Audit observation

The data collection process was examined.

Processes to provide meter condition information were reviewed as part of Wells' agent audit. Simply Energy's processes to manage meter condition information were reviewed, including viewing a sample of meter condition events.

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

Audit commentary

Derivation of volume and labelling of readings

Review of a diverse sample of meter readings in **section 2.3** confirmed they are appropriately labelled, and validated readings are derived from meter readings.

Wells readings

Wells' data collection processes were reviewed as part of their agent audit and found to be compliant. Wells provides information on meter condition along with the daily reads, and a monthly summary of ICPs with missing and broken seals.

Wells also provides a notes file with its readings which are imported into SalesForce. These are only reviewed where an issue is identified through the read attainment or validation processes. Any phone calls or emails from Wells are actioned as they are received.

Customer and photo readings

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

Customers may provide customer and photo readings directly to Simply Energy. Customer supplied readings are entered into DataHub as estimated readings and are excluded from reconciliation.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 15.2

Code related audit information

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

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

Audit observation

The process of the application of meter readings was examined.

Audit commentary

NHH readings apply from 0000hrs on the day after the last meter interrogation up to and including 2400hrs on the day of the meter interrogation except in the case of a switch event meter reading which applies to the end of the day prior to the event date for the losing trader and the start of the event date for the gaining trader as required by this clause.

All AMI systems have a clock synchronisation function, which ensures correct timestamping. Manual readings taken by Wells are applied correctly.

The content of CS and RR files was examined in **sections 4.3**, **4.4**, **4.10** and **4.11**. This found some examples of reads being incorrectly labelled as estimates when they were actuals and vice versa.

The sample of CS files identified the following discrepancies:

SELS

- five switch event readings of a possible 23 TR switches were incorrectly classified as estimates when they were actuals,
- five switch event readings of a possible 17 MI switches were incorrectly classified as estimates when they were actuals
- ICP 0044124262PCA14 (event date 18 August 2021) contained a last actual read of 15,852 but should have been 15,838, resulting in 14 kWh being pushed to the gaining trader and reconciled for the wrong period, and
- ICP 1000006431BP643 (event date 14 September 2021) contained a last actual read of 43,493 but should have been 43,428, resulting in 65 kWh being pushed to the gaining trader and reconciled for the wrong period.

SELX

- two ICPs of a sample of 13 transferred ICPs with the incorrect last read type of "E"

I checked corrections required following the previous audit:

SIMP

- ICP 0005107200WM4AB (event date 27 November 2020) had an incorrect event read recorded in Datahub; 13142 was recorded instead of 13154,
- ICPs 0000772550TE557 (event date 7 July 2020), 0000204747DE2DC (event date 10 January 2021) and 1000002127BPEE4 (event date 20 January 2021) did not have the agreed switch event readings recorded in MADRAS, and
- ICP 0000002043SF788 (event date 30 September 2020) did not have the agreed switch event readings recorded in Datahub or MADRAS.

SELS

- ICP 0110117012AP421 (event date 1 October 2020) does not have the correct event reading recorded in Datahub; the correct reading is recorded in MADRAS for settlement,
- ICP 0003727196WF6B8 (event date 1 December 2020) does not have a start read recorded in Datahub or MADRAS because the reading failed validation, and
- ICPs 0000033275EA718 (event date 19 October 2020), 0369229681LCC24 (event date 1 January 2021), 0032300312DF387 (event date 27 January 2021) did not have the agreed switch event readings recorded in MADRAS.

SELX

- ICPs 0001270860PC7A5 (event date 7 August 2020), 0000922534TUA6A (event date 4 November 2020), 1000590726PC900 (event date 20 January 2021), 0000906091TU572 (event date 24 February 2021), 0001332060PCB11 (event date 23 January 2021) and ICP 0001800470PC814 (event date 29 July 2020) did not have the agreed switch event readings.

All but ICP 0003727196WF6B8 have been corrected. The RR was accepted but this ICP was gained from the SIMP code by SELS on a read that was higher than the subsequent RR sent by the gaining trader. The earlier switch from SIMP to SELS should have been withdrawn so SELS gain read could be corrected. This will have resulted in an estimated 2,876 kWh of over submission by SELS. ICP 0000002043SF788 has been corrected in January 2022 but this is now outside the 14-month revision cycle. These incidents are recorded as non-compliance in **sections 2.1** and **12.7**, for not providing complete and accurate information despite being aware that it was incorrect.

ICPs 0110117012AP421 (SELS) and 0001270860PC7A5 (SELX) have been corrected since the last audit. The remaining corrections have not been processed and most are now outside of the 14-month revision cycle. This is recorded as non-compliance in **sections 2.1** and **12.7**. Simply Energy intends to review and process all corrections identified in this audit as part of their post audit process.

I walked through the process for NHH to HHR meter changes in relation to this clause, by checking all downgrades and a sample of five upgrades for SELS. No profile changes occurred for SIMP or SELX.

Upgrades and downgrades normally only occur for category 1 and 2 HHR meters, and the changes are applied effective from 12am on the first day of the month. The movement between NHH and HHR aligns with the actual volume data. In the event that an ICP's metering is upgraded from NHH category 1 or 2 to HHR category 3 or higher; or downgraded from HHR category 3 or higher to NHH category 1 or 2, the change of submission type occurs when the meter is changed. I reviewed five upgrades and one downgrade and confirmed compliance.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.7 With: Clause 6 Schedule 15.2 From: 01-Mar-21 To: 03-Dec-21	*SIMP* • five switch event readings of a possible 14 MI switches were incorrectly classified as estimates when they were actuals, and • two MI switches with an incorrectly classified switch event reading classified as actuals when they were estimates. *SELS* • five switch event readings of a possible 23 TR switches were incorrectly classified as estimates when they were actuals, • five switch event readings of a possible 17 MI switches were incorrectly classified as estimates when they were actuals, and • two ICPs of the three transfer CS files checked were sent with the incorrect final read resulting in consumption being pushed to the gaining trader. *SELX* • two TR switch event readings were incorrectly classified as estimates when they were actuals, • five switch event readings of a possible 22 MI switches were incorrectly classified as estimates when they were actuals, and • one MI switch event reading classified as an actual when it was an estimate. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as moderate overall but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Automation of the CS file generation process is scoped for development in 2022 and will go through the material change audit process. In the meantime additional resource was added to the operational team between August/Sept 2021. And the team have developed a spreadsheet to use for bulk-switch outs which calculates the Estimated Daily Consumption & Last Actual Read Type for the users incl Multipliers. Additional quality checks have also been added to the switching processes since the period in question.	Ongoing	

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

Code reference

Clause 7(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

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

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

Audit commentary

When a customer is switching out, staff check whether the ICP has an actual read and if possible, try to obtain one. Daily AMI reads are received and recorded in Datahub.

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

- **NRE (no read event) report** - this report shows ICPs that have received no read event information from Simply Energy's agents; the events are reviewed, and appropriate action is taken e.g., if the no read event indicates the property is demolished this is queried with the property manager or customer, and if the event indicates a key is required for access Simply Energy contacts the customer to arrange a key, and
- **Read KPI report** - the read KPI report shows AMI meters which have not been read for more than 35 days, and meters which have not been read for more than 80 and 120 days; the report is reviewed, and appropriate action is taken to resolve the issues preventing read attainment with the MEP or customer, and the report is prioritised by last actual read date.

If AMI readings cannot be obtained, and the MEP has advised that the communication issues will be difficult to resolve, Simply Energy will move the ICP to a manual Wells reading route. Read attainment was checked for each code:

SIMP	SIMP provided one ICP (0000278571MPD30) unread during the period of supply where the period of supply ended between 18 March 2021 and 31 March 2021 (14 days). The short period of supply did not allow sufficient time for the no read process to be executed which is recorded as non-compliance below.
SELS	SELS provided a list of 13 ICPs unread during the period of supply where the period of supply ended between 1 March 2021 and 30 September 2021. Three ICPs had actual gain and/or loss reads and were compliant, and five ICPs were supplied for one week or less. The best endeavours requirement was not met for 12 of the ICPs. Most were due to short periods of supply and in one instance (ICP 0000241973MPC35), the period of supply was 9 March 2021 to 19 July 2021 (133 days) but the ICP was never set up to be added to a read round due to the resource constraint at the time. These are recorded as non-compliant below.
SELX	All ICPs were read during the period of supply.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.8 With: Clause 7(1) and (2) Schedule 15.2 From: 01-Mar-21 To: 01-Dec-21	*SIMP* One ICP unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELS* For 12 ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate. There is a process in place, but compliance is not consistently achieved if the period of supply is short, or actual reads fail validation because they are lower than previous estimates. The impact on settlement from an estimate for a short period is minor, therefore the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
We are now receiving an automated report at the start of each month which allows us to easily identify unread sites.	5/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Analysis is performed each month and any unread meters and the no read reasons are sent to the White Label customers for investigation and to provide further information to aid with gaining a successful read on-going. Any updated information regarding the meter location or access instructions is updated and sent through to Wells.	5/03/2022	

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

Code reference

Clause 8(1) and (2) Schedule 15.2

Code related audit information

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

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

Audit observation

The meter reading process was examined.

No active ICPs were supplied by SIMP or SELX during the audit period, and no meter reading frequency reports were required to be supplied.

I reviewed the meter reading frequency reports for SELS for March 2021 to September 2021 to confirm the reports met the requirements of clauses 8 and 9 of schedule 15.2 and submissions were made on time.

All ICPs not read in the 12 months ending September 2021 were reviewed to determine whether reasonable endeavours were used to attain reads, and if exceptional circumstances existed.

Audit commentary

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

The meter reading frequency reports for SELS for March 2021 to September 2021 contained the required information and were submitted on time. Meter read attainment for SELS is summarised in the table below:

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Mar-21	11	1	1	97.44%
Apr-21	7	1	1	97.50%
May-21	6	1	1	97.96%
Jun-21	6	1	2	96.15%
Jul-21	6	1	1	98.11%
Aug-21	7	1	1	98.28%
Sep-21	7	1	1	98.33%

I checked the ICP unread in the year ended September 2021 where less than 90% read attainment was achieved at the NSP. ICP 0000352201MP48E has an inside meter and the meter reader was advised that the house was unlocked so no key was required. The meter reader elected not to enter the property and the customer has been providing photo reads. Exceptional circumstances exist in this instance.

Audit outcome

Compliant

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

Code reference

Clause 9(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

The meter reading process was examined.

No active ICPs were supplied by SIMP or SELX during the audit period, and no meter reading frequency reports were required to be supplied.

I reviewed the meter reading frequency reports for SELS for March 2021 to September 2021. All ICPs not read in the four months ending September 2021 were reviewed to determine whether reasonable endeavours were used to attain reads, and if exceptional circumstances existed.

Audit commentary

As discussed in **section 6.8**, there are processes in place to monitor read attainment, and attempt to resolve issues preventing read attainment. Meter read attainment for SELS is summarised in the table below:

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Mar-21	9	2	5	92.42%
Apr-21	7	1	5	92.19%
May-21	8	1	4	93.75%
Jun-21	8	1	3	95.16%
Jul-21	8	1	3	97.96%
Aug-21	8	1	3	95.16%
Sep-21	8	1	3	95.16%

I checked the ICPs unread in the four months ended September 2021 and found exceptional circumstances existed in all instances.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11(1) Schedule 15.2

Code related audit information

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

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

Audit observation

HHR data is collected by EMS, AMS and EDMI as agents.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11(2) Schedule 15.2

Code related audit information

The following information is collected during each interrogation:

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

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

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

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

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

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

Audit observation

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

Audit commentary

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

EMS' processes have been compliant for all download types since September 2020. A non-compliance is recorded in their agent report for not obtaining a meter event log for one ICP for two months prior to this audit period, which was recorded as non-compliant in Simply Energy's previous audit report.

Audit outcome

Compliant

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

Code reference

Clause 11(3) Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 18 Schedule 15.2

Code related audit information

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

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

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

Audit observation

Processes to archive and store raw meter data were reviewed during the agent and MEP audits. I checked that meter readings cannot be modified without an audit trail and viewed archived meter reading data.

Audit commentary

The agents and MEPs are compliant with these clauses.

When this data reaches Simply Energy's systems, the level of security is also robust and unauthorised personnel cannot access raw meter data. I checked that data is retained by Simply Energy for at least 48 months, by viewing raw meter data from 2018.

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

Audit outcome

Compliant

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

Code reference

Clause 21(5) Schedule 15.2

Code related audit information

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

Audit observation

Collection of non-metering information was examined.

Audit commentary

Simply Energy does not deal with any non-metering information for SIMP, SELS and SELX, but has processes in place for the other participant codes it acts as an agent for.

EMS will retain the data logger files, and compliance is recorded in their agent audit report. Simply Energy will retain DUML information provided by database owners indefinitely but has no current DUML databases.

Audit outcome

Compliant

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

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

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

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

> *19(1)(a) - confirm the original meter reading by carrying out another meter reading,*
>
> *19(1)(b) - replace the original meter reading the second meter reading (even if the second meter reading is at a different date)*
>
> *19(1A) if a reconciliation participant detects errors while validating non half hour meter readings, but the reconciliation participant cannot confirm the original meter reading or replace it with a meter reading from another interrogation, the reconciliation participant must:*

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

Audit observation

Processes for the correction of NHH meter readings were reviewed. Corrections to volumes where meter readings match the value recorded by the meter, such as where a multiplier is incorrect, a meter is defective or bridged, or inactive consumption is identified were reviewed in **section 2.1**.

Audit commentary

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

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

If transposed meters are identified, they will be corrected using the read renegotiation process if switch reads are affected, or by moving the readings to the correct registers. No examples of transposed meter readings have occurred during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

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

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

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

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

Audit observation

No active ICPs have been supplied by SIMP or SELX during the audit period.

HHR corrections for SELS are completed by Simply Energy, and correction processes were reviewed. HHR estimates, including replacement of estimated data, are discussed in **section 9.4**.

Audit commentary

EMS collects and validates HHR data and creates any permanent estimates; and supplies the validated HHR data including estimates and corrections to Simply Energy in EIEP3 format. This data is used to create HHR submissions.

The correction process is unchanged since the last audit. No HHR corrections were completed during the audit period.

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

Error and loss compensation arrangements were discussed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 19(4) and (5) Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

Corrections are discussed in **sections 2.1, 8.1,** and **8.2**, which confirmed that raw meter data is not overwritten as part of the correction process. Audit trails are discussed in **section 2.4**.

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

Audit commentary

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

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

Audit outcome

Compliant

9. ESTIMATING AND VALIDATING VOLUME INFORMATION

9.1. Identification of readings (Clause 3(3) Schedule 15.2)

Code reference

Clause 3(3) Schedule 15.2

Code related audit information

All estimated readings and permanent estimates must be clearly identified as an estimate at source and in any exchange of metering data or volume information between participants.

Audit observation

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

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

Correct identification of estimated reads, and review of the estimation process was completed in **sections 8.1, 8.2** and **9.4**.

Audit commentary

All estimated readings, permanent estimates and actual readings are clearly identified as required by this clause. NHH readings reviewed during the audit were correctly classified apart from:

SIMP

Five switch event readings of a possible 14 MI switches were incorrectly classified as estimates when they were actuals.

Two switch move CS files with a switch event meter reading incorrectly classified as an actual when it was an estimate.

SELS

Five switch event readings of a possible 23 TR switches were incorrectly classified as estimates when they were actuals.

Five switch event readings of a possible 17 MI switches were incorrectly classified as estimates when they were actuals.

SELX

Two TR switch event readings were incorrectly classified as estimates when they were actuals.

Five switch event readings of a possible 22 MI switches were incorrectly classified as estimates when they were actuals.

One switch move CS file with a switch event meter reading incorrectly classified as an actual when it was an estimate.

This is also discussed in **sections 4.3 and 4.10.**

15 of the 17 incorrectly labelled CS reads identified in the previous audit have not been corrected. One was corrected through a read renegotiation and one switch was withdrawn.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.1 With: Clause 3(3) Schedule 15.2 From: 01-Mar-21 To: 03-Dec-21	*SIMP* • five switch event readings of a possible 14 MI switches were incorrectly classified as estimates when they were actuals. • two switch event readings of a possible 14 MI switches were incorrectly classified as actuals when they were estimates. *SELS* • five switch event readings of a possible 23 TR switches were incorrectly classified as estimates when they were actuals, and • five switch event readings of a possible 17 MI switches were incorrectly classified as estimates when they were actuals. *SELX* • two TR switch event readings were incorrectly classified as estimates when they were actuals, and • five switch event readings of a possible 22 MI switches were incorrectly classified as estimates when they were actuals. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as moderate overall but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of people within the Operations Team. Data quality during this period was significantly low however since an increase in staffing from mid August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control.	31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Automation of the CS file generation process is scoped for development in 2022 and will go through the material change audit process. In the meantime additional resource was added to the operational team between August/Sept 2021. And	Ongoing	

the team have developed a spreadsheet to use for bulk-switch outs which calculates the Estimated Daily Consumption & Last Actual Read Type for the users incl Multipliers. Additional quality checks have also been added to the switching processes since the period in question.		

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

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 3(5) Schedule 15.2

Code related audit information

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

Audit observation

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

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

Audit commentary

The MEPs retain the raw, unrounded data. Compliance with this clause has been demonstrated by AMS, EDMI and MEPs as part of their own audits.

AMI and HHR interval data is not rounded or truncated on import. The number of decimal places recorded in Datahub matched the source files for the sample of data checked. EMS provides data to Simply Energy in the EIEP3 format, which rounds to two decimal places. The EIEP3 format may round the trading period data to two decimal places if the meter does not have a multiplier and the volume for that hour has a non-zero value in the third decimal place.

Reads are no longer being truncated on import into Datahub, or on export to EMS' MADRAS.

Manually entered readings including those received from customers can be entered with decimal places.

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

No active ICPs have been supplied by SIMP or SELX during the audit period.

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

Audit commentary

EMS collects and validates HHR data and creates any permanent estimates required; and supplies the validated HHR data including estimates and corrections to Simply Energy in EIEP3 format. This data is used to create HHR submissions.

Temporary estimates are created by Datahub and the process is triggered manually for each ICP with missing data. ICPs with missing data are identified using Datahub exception reports. Estimates are based on historic information for an equivalent day and trading period, unless other data such as check metering is available to confirm the correct values.

- HHR midnight readings are not considered as part of the estimation process. Some MEPs routinely provide HHR midnight readings, and it is recommended that these readings should be considered by the estimation process where they are available.
- Where there is insufficient history to determine an equivalent day (e.g., for a new ICP switching in) an estimate must be manually created. Use of a default value is recommended, to ensure that estimates are completed on time where there may be large numbers of new ICPs requiring estimates.

The issue identified in the last audit where estimates are created for longer than one week e.g., if an entire month needs to be estimated, where the last week of the previous month is used for the first week, then subsequent weeks use the first week was thought to create a problem when the last week of the previous month has public holidays or is not a typical week. I have confirmed that in this case the estimate for the next business day is applied to the holiday day for any full weeks post a statutory holiday for estimation purposes.

Volumes are identified as F (final actual), E (estimated) or D (deleted) in Datahub at trading period level. Permanent estimates are created in Datahub by importing a new file with the permanent estimate data marked as F (final). Permanent estimates can be identified at trading period level using the permanent estimate log, which is updated manually when permanent estimates are created as described in **section 8.4**.

As reported in the last audit, when replacement HHR data is supplied, it replaces the estimated data, except where the replacement data file does not contain a register read. In these cases, the file does not load, and the estimate remains. This is recorded as non-compliance in **section 12.7**. There are 542 ICPs where estimated data is still present. AMS normally provide full replacement data for any missing trading periods, and ICPs with AMS meters are not affected by this issue. When data is replaced, compliant audit trails are created within Datahub's job log. When a permanent estimate is created, the permanent estimate log is manually updated to record all details of the change, including the dates and trading periods affected and the correction method

I reviewed a sample of six HHR estimates and confirmed that the estimates were reasonable and consistent with the ICPs' consumption patterns, and reasonable endeavours were used with the exception of ICP 0000014504EACAF:

Participant Code	ICP	Period affected	Estimated Volume	Actual Volume	Difference
SELS	0000014504EACAF	Most of August 2021	9,616	737	-1,205%

This was investigated and found two issues have caused the incorrect volume to be calculated:

- the incorrect switch read of zero was added on 3 August 2021 due to a user error, followed by an actual read of 4,412.54 on 4 August 2021 resulting in the consumption for this data stream being 4,412.54 for that day and this figure was used in the estimation process, and
- this was further compounded when a user incorrectly assigned the volumes to a data stream twice resulting in a daily consumption figure of 8,825.08 being used in the estimation process for 4 August 2021. The volumes for the rest of the month were estimated using the difference between the midnight reads. Axos corrected this in time for the next revision and recognised this as a system vulnerability. A system change has been implemented a to prevent users being able to do this going forward.

The issue identified in the 2020 audit, where the actual data is lower than the estimated data, was not being validated and was not replacing the estimates has been resolved and I found no incidents of this occurring.

The following issues identified during the 2020 audit are still present:

- when actual trading period data has been received and updated actual data is received later, it will be replaced; where FCLM has provided a part day of data, they may later provide a replacement file which contains nulls for the trading periods already provided and HHR volumes for the part of the day that was originally missing, where this occurs, Datahub imports the whole replacement file, which replaces the actual data originally provided with the null values - Datahub then creates estimates for the missing periods. Simply Energy is working to resolve this, and I have repeated the last audit's recommendations to maintain visibility.

Recommendation	Description	Audited party comment	Remedial action
Replacement of estimates with actual data	*SELS* If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data.	Our service provider has confirmed that Estimates will be overwritten with Actual data once imported. We are working on refining the system logic and process steps to be used when Actual data fails validation (for example, where interval data does not sum to match the difference between the Midnight readings provided)	Investigating
Replacement of actual data with actual data	*SELS* If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.	We continue to try and find a workable solution for this issue within our current systems; Discussions will also be held with MEP that is creating this issue as it is happens too frequently to create exceptions where this occurs and manually resolve.	Investigating

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.4 With: Clause 3(5) of schedule 15.2 From: 01-Jun-20 To: 01-Dec-21	*SELS* HHR estimate was not reasonable and not consistent with the ICPs consumption patterns for ICP 0000014504EACAF due to human error and a system vulnerability which has since been corrected. Estimates not replaced with actuals if the replacement file does not contain a register read. Potential impact: Medium Actual impact: Medium Audit history: Once Controls: Moderate Breach risk rating: 4
Audit risk rating	**Rationale for audit risk rating**
Medium	The controls are rated as moderate and will mitigate risk but there is room for improvement. The audit risk rating is rated as medium as the current estimation process have a direct impact on submission accuracy.

Actions taken to resolve the issue	Completion date	Remedial action status
There were two issues in the calculation of estimated HHR volumes for this ICP. Issue 1 was due to a user error where a reading was entered incorrectly and this was corrected in time for the revision. Issue 2 was due to a user error and a system vulnerability - a user incorrectly assigned volumes to a data stream twice; this had to be corrected by Axos in time for the revision and Axos also implemented development changes at the same time to ensure no other users can do this in future. 38 other data streams were identified as having been impacted by this issue at the time - and all were corrected as part of the exercise.	31/08/2021	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
An additional check will be implemented in the Axos Datahub system to ensure that readings which fail validation are not used in HHR estimate creation. Other system vulnerability was addressed in August 2021.	30/09/2022	

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

Code reference

Clause 16 Schedule 15.2

Code related audit information

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

> *16(2)(a) - confirmation that the meter reading or estimated reading relates to the correct ICP, meter, and register,*
>
> *16(2)(b) - checks for invalid dates and times,*
>
> *16(2)(c) - confirmation that the meter reading or estimated reading lies within an acceptable range compared with the expected pattern, previous pattern, or trend,*
>
> *16(2)(d) - confirmation that there is no obvious corruption of the data, including unexpected 0 values.*

Audit observation

I reviewed and observed the NHH data validation process, including checking a sample of data validations.

Audit commentary

Data validation for NHH metering information occurs at multiple levels.

Meter reader validation

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

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

Read import and billing validation

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

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

The meter reading validations checks:

- the reading date falls between the data stream's opening and closing date,
- the reading is consistent with the number of dials recorded,
- whether the reading is higher than previous reads, which identifies negative consumption,
- whether the meter has rolled over, and

- consumption between reads against the estimated forward daily kWh to identify high, low, or zero consumption.

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

The issue identified in the 2020 audit, where the actual data is lower than the estimated data, was not being validated and was not replacing the estimates has been resolved and I found no incidents of this occurring.

For all codes, a billing volume check is completed prior to each day's billing run for end of month billing. The report is used to identify the following exceptions:

- ICPs which are missing removal reads,
- ICPs with large consumption differences, negative consumption, or missing reads over the last three months, and
- new ICPs with only a switch in read, which are checked to confirm that their estimated consumption is reasonable based on information obtained on switch in.

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

Consumption on inactive ICPs

The data stream is no longer end dated in DataHub so the reads will be imported regardless of the ICPs status. The billing team checks for consumption on vacant ICPs. This is done on an adhoc basis. Reporting is still being developed to detect all incidents of consumption on inactive ICPs and I have repeated the recommendation in **section 3.9** to maintain visibility.

Audit outcome

Compliant

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

Code reference

Clause 17 Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

HHR data validation is completed by Simply Energy for SELS, using volumes which have initially been validated by EMS. I walked through the processes, including checking a sample of data validations and meter event logs.

AMI data validation is completed by Simply Energy for SELS. I walked through the processes, including checking a sample of data validations and meter event logs. Process documentation was reviewed.

No active ICPs were supplied by SIMP or SELS during the audit period.

Audit commentary

Electronic data used to determine volume information is provided by MEPs and agents. This function was examined as part of the MEP and agent audits.

AMI

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

Meter event log information is received via SFTP, and Simply Energy are working to implement a data warehouse solution that will store and flag events that require attention but currently this information is not reviewed as required by the Code.

HHR

SELS supplies some meter category 1, 2, 3, 4 and 5 ICPs which are billed and reconciled as HHR. EMS' HHR validation process is compliant for SELS. Once the data is received by Simply Energy the following validations occur:

- automated validation of new trading period data against existing trading period data for the same period,
- reporting on ICPs with missing trading period data, which is followed up with the agents and MEPs; Simply Energy considers changing the submission type to NHH for HHR ICPs with metering category 1 or 2 and persistent missing data issues, and missing data is estimated as described in **section 9.4,**
- the ANH data stream is used to complete a sum check if midnight readings are available; any differences greater than ± 1 kWh fail validation and are investigated (in some cases, the sum check may fail because a switch read has failed validation e.g., because it is higher than a subsequent AMI read and this can take time to resolve),
- comparison to expected flow patterns is checked by comparing billed and submitted data, differences between revisions, and monthly consumption before submission using a Power Query; the data is aggregated by participant code, and checked at ICP level if necessary, and
- unexpected zeros are checked by filtering the ICP, flow direction and trading period data, and then checking to determine whether the zeros are consistent with the consumption history for the ICP.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.6 With: Clause 17 Schedule 15.2 From: 01-Mar-21 To: 01-Dec-21	*SELS* AMI event logs are not routinely reviewed. Potential impact: Low Actual impact: Low Audit history: Three times previously Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
		Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Simply Energy is working to implement a data warehouse solution which will automatically pull and store AMI event logs in tandem with Half Hour Volumes from our data management system to flag events which require investigation.	30/09/2022	

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

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

Code reference

Clause 13.136

Code related audit information

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

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

Audit observation

The NSP table on the registry was reviewed.

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 13.137

Code related audit information

Each generator must provide the relevant grid owner half-hour metering information for:

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

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

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

Audit observation

The NSP table on the registry was reviewed.

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 13.138

Code related audit information

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

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

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

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

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

Audit observation

The NSP table on the registry was reviewed.

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 13.140

Code related audit information

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

Audit observation

The NSP table on the registry was reviewed.

Audit commentary

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

Audit outcome

Not applicable

11. PROVISION OF SUBMISSION INFORMATION FOR RECONCILIATION

11.1. Buying and selling notifications (Clause 15.3)

Code reference

Clause 15.3

Code related audit information

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

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

Audit observation

Processes to create buying and selling notifications were discussed.

I checked whether any breach allegations had been made in relation to buying and selling notifications.

Audit commentary

Simply Energy do not routinely create trading notifications. They are normally created where EMS advises they are required because file has failed the reconciliation manager's file checker process.

Notifications are only created where Simply Energy begins or ceases trading for all ICPs on an NSP, not where they begin or cease trading using a profile other than HHR, RPS, UML, EG1, or PV1 at an NSP. This is because there is no facility to enter a profile into a trading notification on the reconciliation manager portal.

There have not been any breach allegations in relation to this clause during the audit period.

Audit outcome

Compliant

11.2. Calculation of ICP days (Clause 15.6)

Code reference

Clause 15.6

Code related audit information

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

> *15.6(1)(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period*
>
> *15.6(1)(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.*

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

Audit observation

The process for the calculation of ICP days was examined by checking NSPs with a small number of ICPs to confirm the AV110 ICP days calculation was correct.

All NHH AV110 submissions and HHR AV110 submissions for SIMP and SELX are completed by EMS. HHR AV110 submissions for SELS are completed by SELS.

I reviewed GR100 report variances for 15 months for SIMP, 16 months for SELX and 22 months for SELS.

Audit commentary

ICP days calculation

There is validation in place to ensure MADRAS has correct start and end dates to calculate NHH ICP days as discussed in **section 12.3**.

SIMP No active ICPs were supplied by SIMP during the audit period.

I checked the calculation of ICP days for all 22 NSPs with HHR ICP days and 30 NSPs with NHH ICP days for March 2021:

- there was one HHR ICP day difference; NSP ORO1101 had a HHR one day ICP difference (this is on the Buller network and has to be moved to this NSP if the generation price on the other NSP is set to zero so that the Kawatiri generation can be paid), and
- there were two NHH ICP days differences for NSPs ALB0331 and KNW0111; both were due to backdated switches.

The previous audit found an ICP days difference was present for BPE0331 NHH for April and May 2020 because ICP 0000031140CP158 switched out effective 1 February 2020 on 6 April 2020, and there was a delay in end dating the ICP due to workloads. I checked revisions 3 and 7 for this NSP and found the issue still remained. This is recorded as non-compliance in **section 2.1**.

SELS I checked the calculation of ICP days for 50 NSPs with HHR ICP days and 50 NSPs with NHH ICP days for March 2021. There was one NHH ICP days differences on NSP BTC0011 which was due to a backdated switch.

The previous audit found an ICP days difference was present for SELS for WIL0331 NHH for November 2019 because an incorrect end date was applied in MADRAS for ICP 0000167296TR205, 30 days were reported but zero days were expected. The issue occurred because of an issue with the MADRAS workflow for the ICP. A new switching event caused the NHH end date to be updated in SalesForce and re-sent to MADRAS. I checked revision 14 for this NSP and found the issue was not resolved. This is recorded as non-compliance in **section 2.1**.

SELX No active ICPs were supplied by SELX during the audit period. I checked the calculation of ICP days for all seven NSPs with HHR ICP days and 30 NSPs with NHH ICP days for March 2021. There were three NHH ICP days differences:

- NSP WVY0111 had a 25-day difference due to a backdated switch,
- NSP PAK0331 had a 31-day difference due to an ICP that was incorrectly flagged as NHH and HHR but is HHR reconciled; this has been corrected and will flow through the R14 revision, and
- NSP NUL0011 (NHH) has a difference of 31 days due to a SB ICP which is excluded from the AV110 report but included in the GR100 report.

I walked through the process for NHH to HHR meter changes in relation to this clause, by checking all downgrades and a sample of five upgrades for SELS and the ICP days were correct. No profile changes occurred for SIMP or SELX.

ICP days comparison

The tables below show the difference between the AV110 ICP days submissions and the RM return file (GR100) for all available revisions for 22 months for SELS, 16 months for SELX, and 15 months for SIMP. Negative percentage figures indicate that the Simply Energy AV110 ICP days figures are higher than those contained on the registry, and positive figures indicate that the registry's figures are higher than those contained in the AV110.

SIMP

Month	R0	R1	R3	R7	R14
Jan 2020	-	-	-	-	0.18%
Feb 2020	-	-	-	-	0.20%
Mar 2020	-	-	-	-	0.19%
Apr 2020	-	-	-	-	0.18%
May 2020	-	-	-	-	0.18%
Jun 2020	-	-	-	-	0.17%
Jul 2020	-	-	-	-	0.16%
Aug 2020	-	-	-	0.21%	0.16%
Sep 2020	1.68%	1.20%	0.42%	0.06%	0.10%
Oct 2020	2.05%	1.92%	0.01%	-0.33%	-
Nov 2020	-	2.53%	-0.11%	0.24%	-
Dec 2020	0.81%	0.51%	-0.16%	0.24%	-
Jan 2021	0.59%	0.37%	-0.79%	0.25%	-
Feb 2021	-0.66%	-0.97%	-1.79%	0.16%	-
Mar 2021	-7.67%	-4.02%	-3.79%	1.71%	-

I checked the five differences remaining for March 2021 revision 7 which was the latest submission. Three related to embedded network residual load ICPs which are excluded from the AV110 report but are included in the GR100 report. ICP 0000005159KPA2F was switched from SIMP to SELS for the wrong date. This was noted in the issues log to be corrected but the wrong ICP was recorded so it was missed resulting in the submission being submitted against SIMP but on the registry it was recorded against SELS. This was corrected for the next revision. The remaining difference relates to the Kawatiri generation discussed above.

SELS

Month	R0	R1	R3	R7	R14
Jan 2020	-	-	-	-	0.00%
Feb 2020	-	-	-	-	0.00%
Apr 2020	-	-	-	-	0.00%
May 2020	-	-	-	-	0.00%
Jun 2020	-	-	-	-	0.00%
Jul 2020	-	-	-	-	0.00%
Aug 2020	-	-	-	0.00%	-
Sep 2020	2.10%	1.16%	-0.07%	-0.35%	-0.18%
Oct 2020	5.61%	1.33%	0.35%	-0.23%	-0.16%
Nov 2020	2.09%	1.07%	-0.10%	0.00%	-
Dec 2020	1.06%	0.62%	-0.01%	0.00%	-
Jan 2021	0.53%	0.96%	0.22%	-0.03%	-
Feb 2021	1.77%	0.50%	0.15%	0.00%	-
Mar 2021	1.89%	0.56%	-0.02%	0.00%	-
Apr 2021	3.01%	2.24%	0.20%	0.23%	-
May 2021	0.76%	0.79%	0.10%	0.23%	-
Jun 2021	0.59%	0.39%	-0.43%	-	-

Month	R0	R1	R3	R7	R14
Jul 2021	0.74%	0.66%	0.21%	-	-
Aug 2021	0.33%	0.24%	0.23%	-	-
Sep 2021	0.50%	0.27%	0.25%	-	-
Oct 2021	0.80%	0.31%	-	-	-
Nov 2021	0.32%	0.21%	-	-	-

I checked the seven differences remaining for the latest revision 7 (May 2021). All differences related to embedded network residual load ICPs which are excluded from the AV110 report but are included in the GR100 report.

SELX

Month	R0	R1	R3	R7	R14
Jan 2020	-	-	-	-	0.54%
Feb 2020	-	-	-	-	0.64%
Mar 2020	-	-	-	-	0.53%
Apr 2020	-	-	-	-	0.71%
May 2020	-	-	-	-	0.72%
Jun 2020	-	-	-	-	0.74%
Jul 2020	-	-	-	-	0.76%
Aug 2020	-	-	-	0.62%	0.77%
Sep 2020	0.81%	0.80%	0.87%	0.83%	0.84%
Oct 2020	2.92%	2.80%	1.83%	0.80%	-
Nov 2020	-	1.13%	1.38%	0.78%	-
Dec 2020	1.58%	1.79%	0.63%	0.95%	-
Jan 2021	1.61%	1.45%	0.63%	0.95%	-

Month	R0	R1	R3	R7	R14
Feb 2021	2.04%	0.80%	0.65%	0.97%	-
Mar 2021	1.12%	0.81%	0.82%	0.82%	-
Apr 2021	-4.57%	-108.70%	108.70%	0.00%	-

I checked all differences for April 2021 and found they related to switch timing.

I checked the seven differences remaining for March 2021 revision seven, which was the last submission with non-zero ICP days reported in the latest revision. Five related to embedded network residual load ICPs which are excluded from the AV110 report but included in the GR100 report. One related to a backdated switch. The remaining difference related to an ICP that was incorrectly flagged as NHH and HHR but is HHR reconciled. This has been corrected and will flow through the R14 revision.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 11.2 With: Clause 15.6 From: 01-Mar-21 To: 01-Dec-21	*SELS* ICP days were not reported correctly one NSP. *SELX* ICP days were not reported correctly one NSP. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate. Resource constraints have been addressed and the BAU checks are being carried out but due to the manual processes in place there is still the risk of human error. The impact is assessed to be low because corrected data will be washed up.

Actions taken to resolve the issue	Completion date	Remedial action status
All ICP Days discrepancies are investigated at each Reconciliation washup and since August 2021 all discrepancies are attempted to be resolved in that revision period	8/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

11.3. Electricity supplied information provision to the reconciliation manager (Clause 15.7)

Code reference

Clause 15.7

Code related audit information

A retailer must deliver to the reconciliation manager its total monthly quantity of electricity supplied for each NSP, aggregated by invoice month, for which it has provided submission information to the reconciliation manager, including revised submission information for that period as non- loss adjusted values in respect of:

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

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

Audit observation

The process for the calculation of as billed volumes was examined by checking a sample of NSPs with a small number of ICPs to confirm the AV120 calculation was correct.

GR130 reports were reviewed to confirm whether the relationship between billed and submitted data appears reasonable.

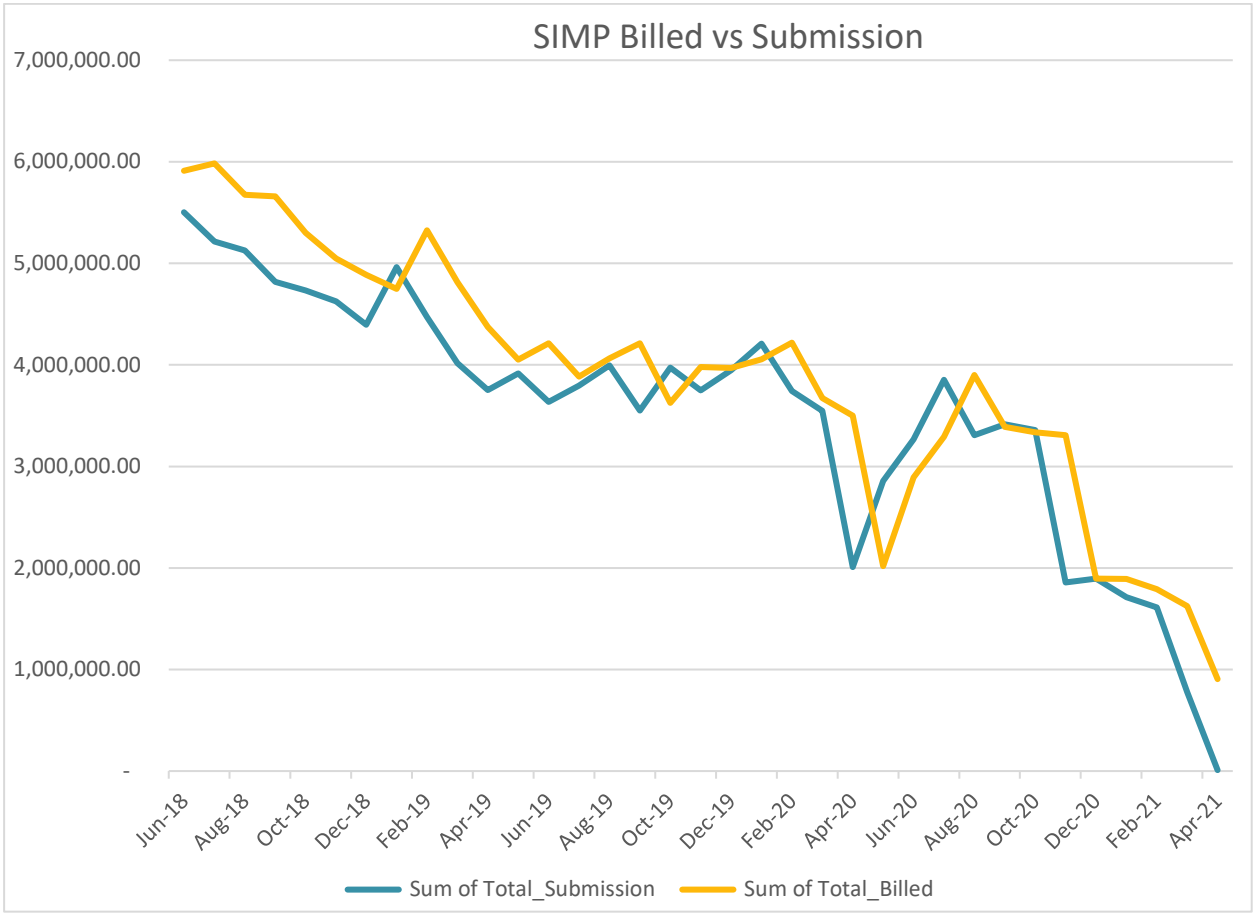
Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

Audit commentary

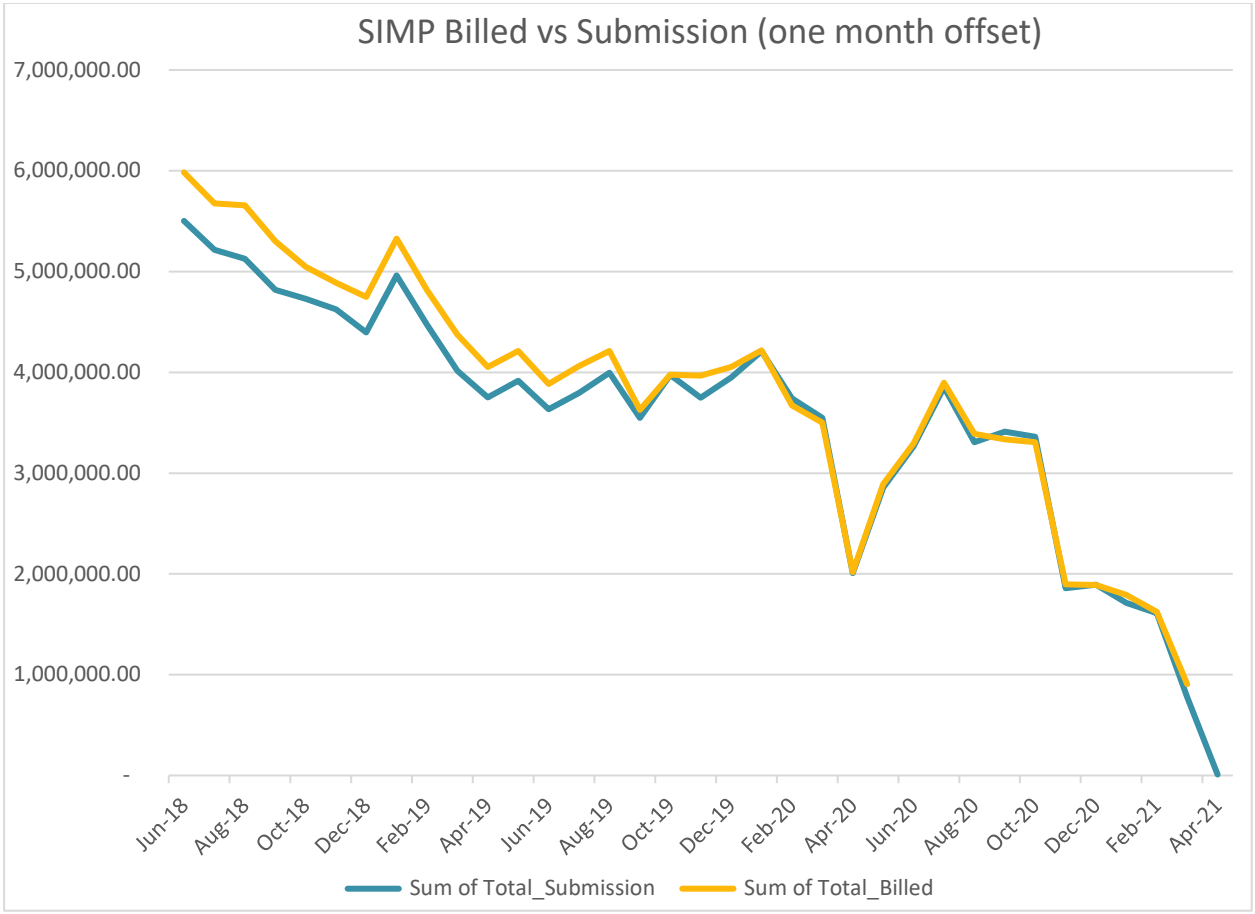
SIMP

The accuracy of the electricity supplied information was checked by examining five NSPs with a small volume and against the invoices for the last AV120 submission in April 2021. Compliance is confirmed.

The chart below shows a comparison between submissions and electricity supplied information.



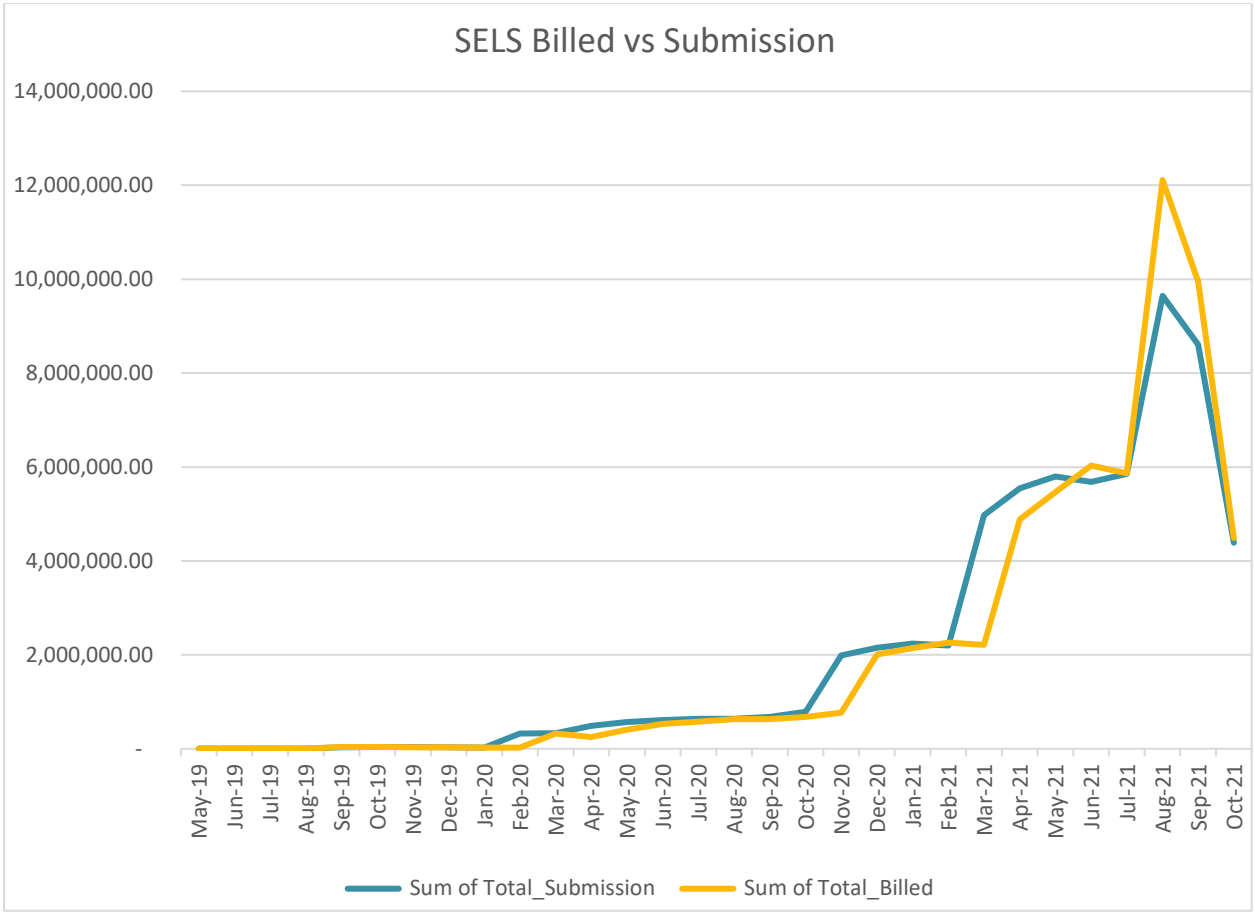
When the billed and submission periods are aligned, the shape is close. Billed data was consistently higher than submitted data until SIMP's embedded network residual load ICPs switched out, because billed data includes residual load and submission data excludes it. Volumes for residual load ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report). Simply Energy's analysis showed that once the differences caused by residual load ICPs are accounted for, the average difference between billed and submitted is 1.2%.



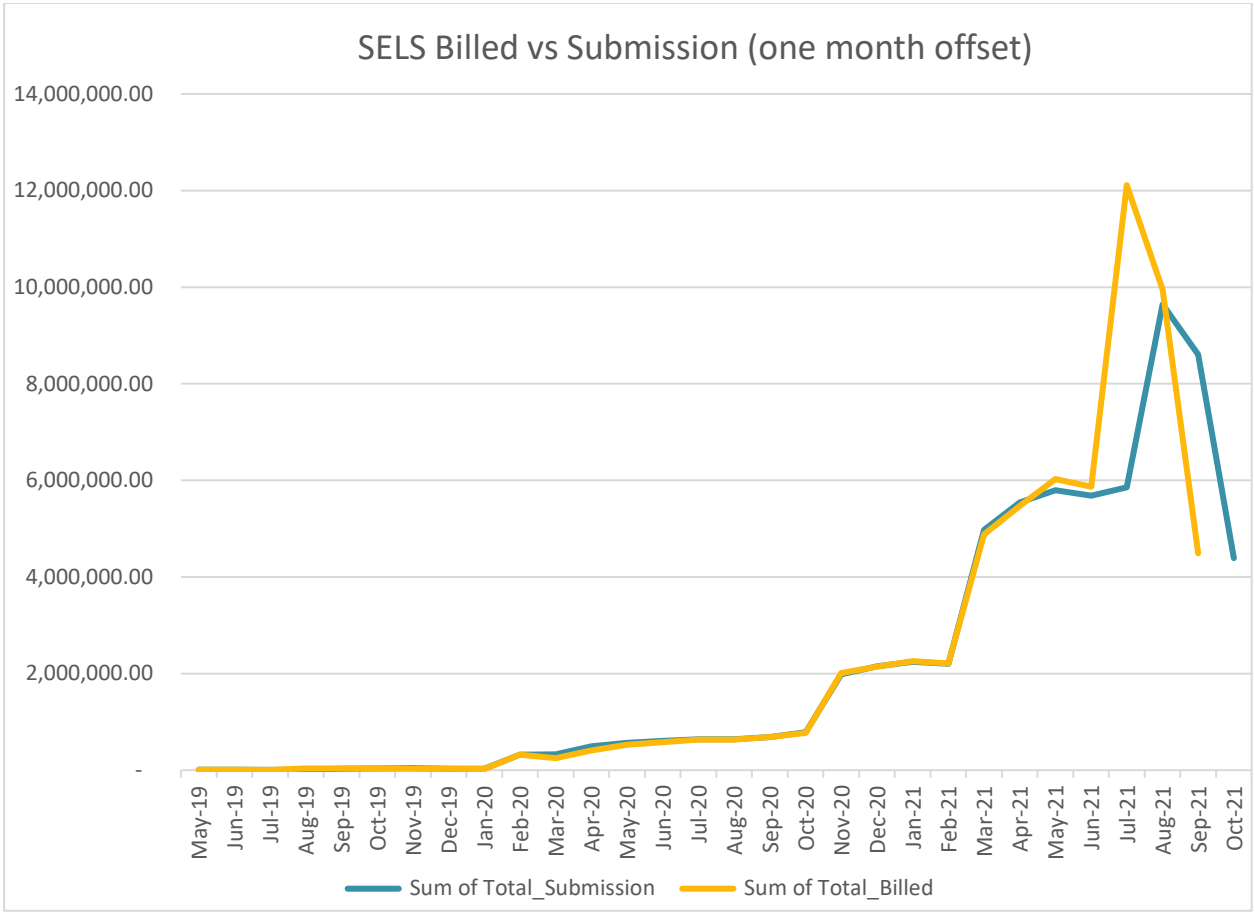
SELS

The accuracy of the electricity supplied information was checked by examining five NSPs with a small volume and against the invoices for the November 2021 AV120 submission. Compliance is confirmed.

The chart below shows a comparison between submissions and electricity supplied information.



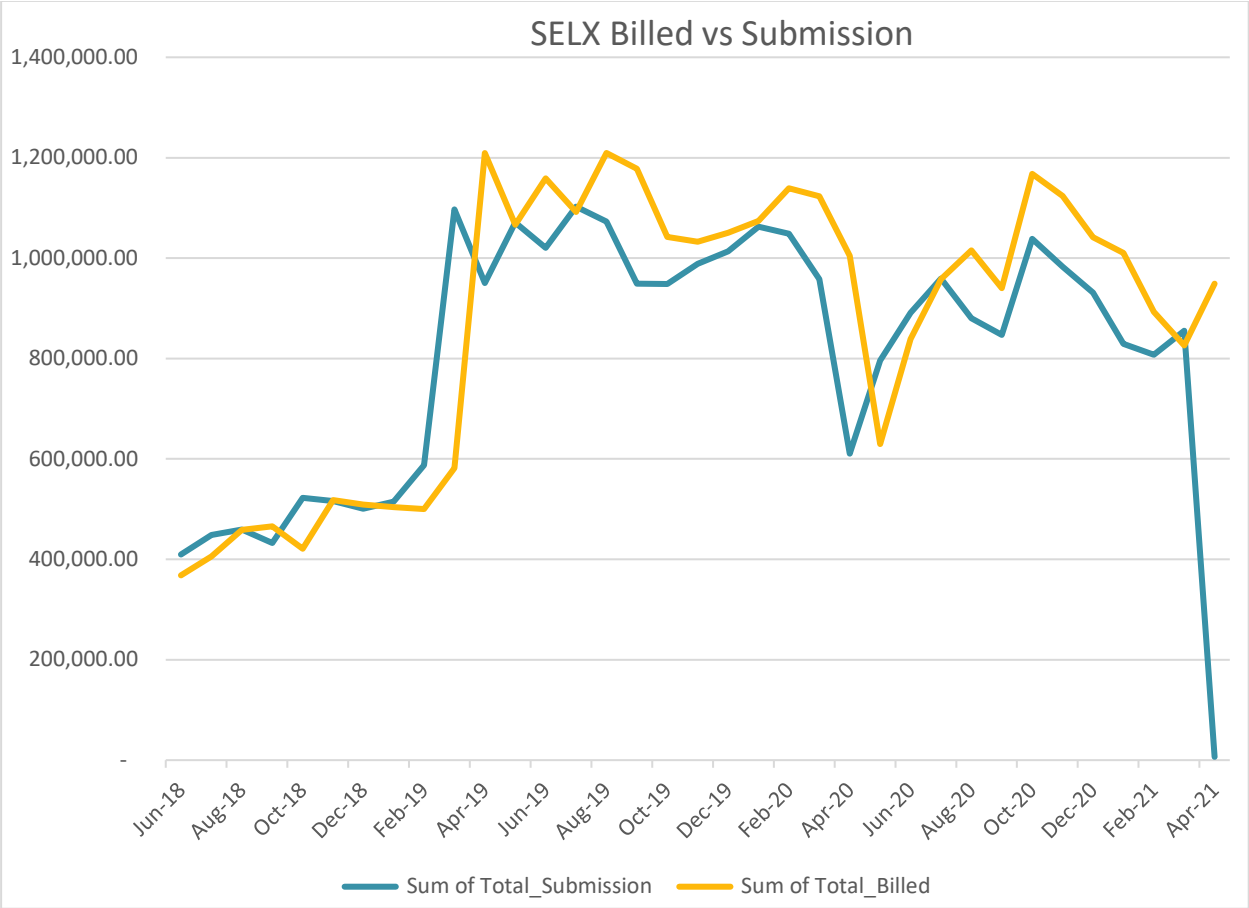
When the billed and submission periods are aligned, the shape is close. Differences identified in the previous audit between March 2020 and June 2020 have been resolved through the revision process. There has been an increase in the difference between billed and submitted data as embedded network residual load ICPs switched in, because billed data includes residual load and submission data excludes it. Volumes for residual load ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report). Simply Energy's analysis showed that once the differences caused by residual load ICPs are accounted for, the average difference between billed and submitted is 1.4%.



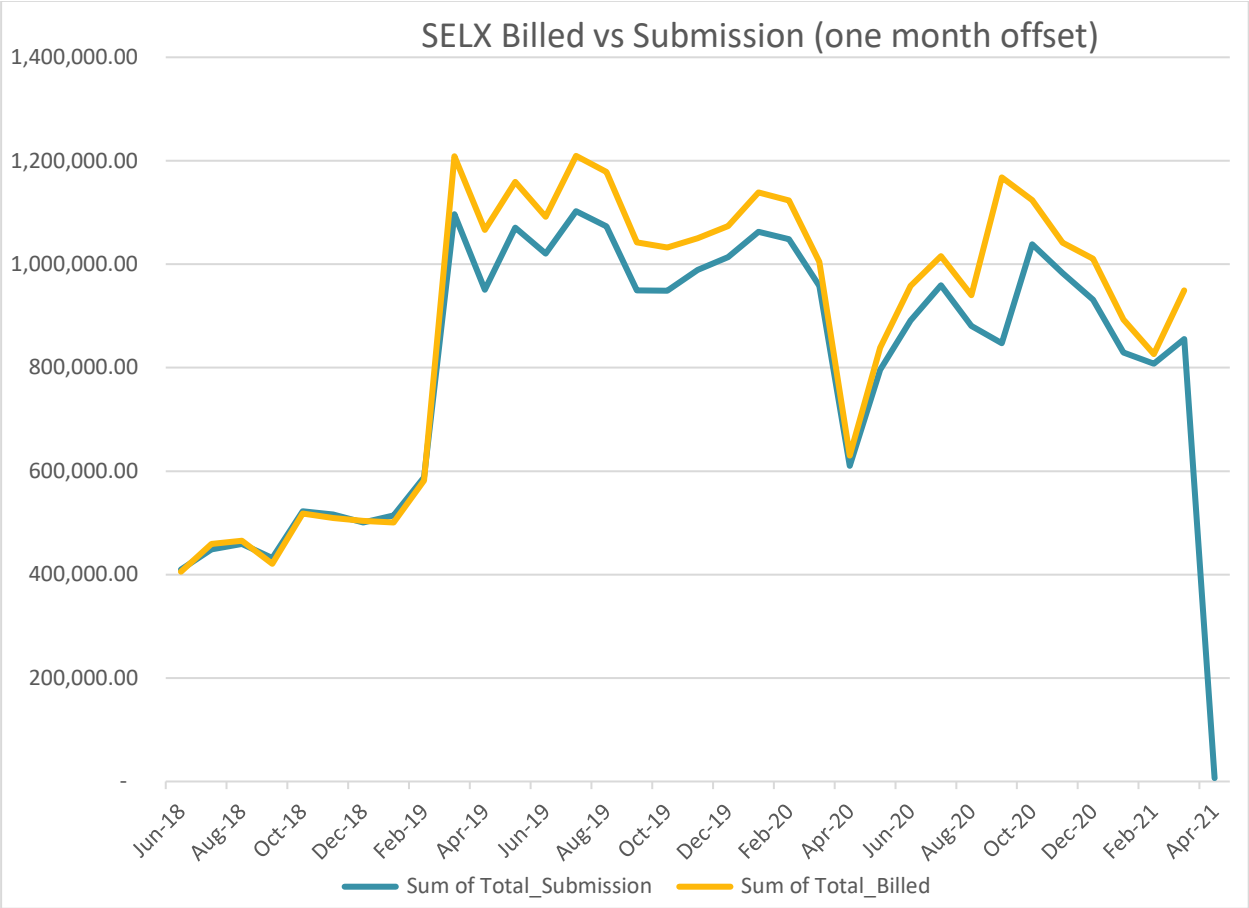
SELX

The accuracy of the electricity supplied information was checked by examining five NSPs with a small volume and against the invoices for the last AV120 submission in April 2021. Compliance is confirmed.

The chart below shows a comparison between submissions and electricity supplied information.



When the billed and submission periods are aligned, it is clear that billed data was consistently higher than submitted data because billed data includes residual load and submission data excludes it. Volumes for residual load ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report). Simply Energy's analysis showed that once the differences caused by residual load ICPs are accounted for, the average difference between billed and submitted is 0.4%.



Audit outcome

Compliant

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

Code reference

Clause 15.8

Code related audit information

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

> *15.8(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period*
>
> *15.8(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.*

Audit observation

EMS prepares the HHR submissions for SIMP and SELX and compliance was assessed as part of their agent audit. SIMP prepares HHR submissions for SELS.

I confirmed that the process for the calculation and aggregation of HHR data is correct, by matching HHR aggregates information with the HHR volumes data for a sample of submissions. Aggregates data was also matched to the raw meter reading data for a sample of ICPs.

I checked the GR090 ICP missing files for the audit period and checked a sample of missing ICPs as described in the commentary.

Audit commentary

SIMP No active ICPs were supplied by SIMP during the audit period.

The GR090 ICP missing reports for June 2020 to April 2021 showed 82 ICPs were missing from submission or registry data. I checked an extreme case sample of all 16 ICPs missing for more than one submission. All were timing differences relating to backdated switches, withdrawals, status, and submission type changes or an inaccuracy in the GR090 report.

SELS HHR volumes and aggregates were matched for six submissions, and the values matched to two decimal places. I traced a sample of HHR data from HERM files to DataHub, and then through to the HHR aggregates and volumes submissions. Compliance is confirmed.

The GR090 ICP missing reports for June 2020 to October 2021 showed 80 ICPs were missing from submission or registry data. I checked an extreme case sample of all 26 ICPs missing for more than two submissions and found the differences were caused by backdated switches, withdrawals and submission type changes.

I rechecked missing ICPs identified during the 2020 and 2021 audits:

- HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error, as Datahub does not expect unmetered load to be attached to HHR ICPs and will omit the ICP from the HHR submission if the unmetered flag is set to yes so when a registry list is imported into Datahub it must be manually edited so that the unmetered flag is not updated in Datahub, but this step was missed prior to the April 2020 revision 1; the ICPs were included in the 3-month revision but were zero in the 7-month revision, and
- ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22 January 2020 on 24 January 2020; the issue appears to have been caused by Simply Energy not running and importing a registry list file prior to submission, which would have end dated the ICP.

These have been corrected.

SELX No active ICPs were supplied by SELX during the audit period.

The GR090 ICP missing reports for June 2020 to March 2021 showed four ICPs were missing from submission or registry data. All were timing differences relating to backdated switches, withdrawals, and submission type changes.

Audit outcome

Compliant

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 saving adjustment is conducted by EMS and was reviewed as part of their agent audit for SIMP and SELX.

Simply Energy's AMI and HHR data is received adjusted for daylight savings and is correctly handled by Datahub. I checked a sample of six adjustments to and from daylight savings and confirmed that they were processed correctly.

Audit commentary

SIMP	EMS uses the "trading period run on" technique for daylight saving adjustment. Compliance was confirmed in their agent audit.
SELS	Simply Energy uses the "trading period run on" technique. The files for the start and end of daylight savings were correct.
SELX	EMS uses the "trading period run on" technique for daylight saving adjustment. Compliance was confirmed in their agent audit.

Audit outcome

Compliant

12.2. Creation of submission information (Clause 15.4)

Code reference

Clause 15.4

Code related audit information

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

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

Audit observation

Processes to ensure that HHR, NHH and generation submissions are accurate were reviewed. A list of breaches was obtained from the Electricity Authority.

Audit commentary

NHH

EMS prepares AV080 submissions as Simply Energy's agent. The submission data excludes unmetered volumes for three SB (embedded network residual load) ICPs as agreed with the Reconciliation Manager. Volumes for these ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report).

No active ICPs were supplied by SIMP or SELX during the audit period. Submission data and processes were checked for SELS including:

- inactive consumption, which is only reported if the ICP is returned to active status; no inactive consumption was identified during the audit period and as recorded in **section 9.5**, I recommend reporting is developed for consumption on inactive ICPs,
- vacant consumption, which is recorded against the building owner or landlord customer account, and reported in the same way as for any active ICP; review of a sample of five ICPs with vacant consumption confirmed this,
- distributed generation which is recorded with flow direction I and PV1 profile confirmed that all were submitted correctly,
- from September 2021, zero lines are added to all AV080 submissions, and
- MADRAS does not have the capability to deal with unmetered load, therefore "dummy" meters have been created and Simply Energy manually creates start and end meter readings and sends them to EMS; these readings are reviewed monthly to ensure that any changes made are updated and sent through to EMS - I reviewed submission information for five ICPs with standard unmetered load (no ICPs with shared unmetered load are supplied) and confirmed the correct volumes were submitted.

I rechecked exceptions identified during the previous audit:

Code	ICP	Previous audit issue	Current audit findings
SIMP	0000514131NR159	Unmetered load submission did not occur for February 2021 resulting in under submission of 8.96 kWh.	Corrected
SIMP	0000021229WE3C9	Submission for February 2021 was inaccurate and expected to be based on 0.1 kWh per day.	Corrected
SIMP	0000028992WE001	Submission for February 2021 was inaccurate and expected to be based on 4.8 kWh per day.	Corrected
SIMP	0000292040MP0B5	Submission for February 2021 was inaccurate and expected to be based on 2.11 kWh per day.	Corrected
SIMP	0000514131NR159	Submission for February 2021 was inaccurate and expected to be based on 0.32 kWh per day.	Corrected
SIMP	0007165486RN00D	Switched in effective from 20 April 2020 on 22 April 2020, but the unmetered load register was not created until June 2020, so the ICP was	Corrected

Code	ICP	Previous audit issue	Current audit findings
		excluded from the April 2020 r0 and r1 and May 2020 r0. I confirmed that the register has now been created in Datahub, but the calculated readings were based on 0.2 kWh per day instead of 0.215 kWh per day.	
SELS	0000024997EA2A8	Unmetered load submission did not occur for February 2021.	Cleared - it has been confirmed that no unmetered load exists for this ICP, and the registry has been updated accordingly

HHR

EMS prepares the HHR submissions for SIMP and SELX and compliance was assessed as part of their agent audit. SIMP prepares HHR submissions for SELS.

No active ICPs were supplied by SIMP or SELX during the audit period and SELS HHR submissions were reviewed in **section 11.4**. Data is validated prior to submission as discussed in **section 12.3**. No corrections occurred during the audit period.

I rechecked missing ICPs identified during the 2020 and 2021 audits:

- SELS HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error; this has been corrected,
- SELS ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22 January 2020 on 24 January 2020; this has been corrected, and
- the issue relating to 75 ICPs missing from the SELS HHR submission for December 2020 has been cleared; review of the ICP missing files for December 2020 r7 confirmed no ICPs were missing from the aggregates file.

Audit outcome

Compliant

12.3. Allocation of submission information (Clause 15.5)

Code reference

Clause 15.5

Code related audit information

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

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

Audit observation

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

Processes to ensure that HHR and NHH submissions are accurate were reviewed. A sample of GR170 and AV080 files were compared, to confirm zeroing occurs.

Audit commentary

Simply Energy data checks

Checks to confirm that Simply Energy's data is complete and accurate are discussed in **section 2.1**.

Simply Energy to EMS consistency checks

Updated reads are sent to EMS at least weekly. Each month, Simply Energy asks EMS to clear the reads recorded and resupplies the "published" (validated) readings.

Data consistency checks between EMS' MADRAS records, and Simply Energy's SalesForce and registry list file records are completed prior to business days 3, 4, 12 and 13.

- NHH reads sent to EMS for reconciliation are validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Reads rarely fail this validation.
- EMS provides a file with ICP and meter details including start and end dates every two to three months, which is reconciled to a date ranged registry list file and any differences are investigated and resolved. This check is being carried out consistently and regularly.
- The GR100 ICP comparison reports received from the reconciliation manager are reviewed, to determine the reasons for any differences and whether data needs to be updated on the registry or in SalesForce, DataHub and/or MADRAS. The review prioritises the latest revisions available.
- The MADRAS Dashboard in SalesForce identifies ICPs that require action or need to be checked, including:
    - all accepted RRs which are checked to ensure that EMS and DataHub have the correct reads recorded,
    - ICPs with an unexpected profile for the NSP or configuration,
    - ICPs that are end dated but still have SIMP, SELS or SELX recorded as the retailer,
    - ICPs where the start read is inconsistent with the start date,
    - start and end dates are aligned in MADRAS and Datahub,
    - start and end reads are present and consistent with expected values, including CS and accepted RR reads which have received an AMI reading on the same day,
    - ICPs supplied by an alternate reader with no MADRAS end date,
    - missing workflows, where status changes have occurred, and the data has not yet been sent to MADRAS (this includes ICPs that are end dated but do not have a final reading), and
    - profile GXP checks, which detect unexpected use of the GXP profile.

Review of submission data created by EMS

EMS provides all submission data to Simply Energy for review prior to submission to the reconciliation manager. I walked through the process to review submission data using the Power Query Validation tool. The tool compares the total submission volume (HHR volumes + NHH volumes + DFP volumes from the GR040) against the billed data and previous submissions for reasonableness.

ICP and meter register level AV080 submission data is provided and reviewed to identify any ICPs with unusually high or low consumption. These outliers are checked to make sure the data is accurate.

Review of submission data created by Simply Energy

Simply Energy creates HHR submission data for SELS, and the validation process is discussed in **section 9.6**. Simply Energy has created a Power Query Validation tool for SELS, which compares volumes for each submission against previous submissions and AV120 information.

Aggregation of submission data

The GR100 ICP comparison reports are reviewed, to confirm whether any aggregation lines require zero values to be inserted. Requests for zero lines to be inserted are provided to EMS.

SIMP No active ICPs were supplied during the audit period. Aggregation of the AV080 was checked for five NSPs and found to be accurate.

Six AV080 files were compared to check zeroing, which had occurred as expected.

SELS Aggregation of the AV090 and AV140 was checked in **section 11.4**.

Aggregation of the AV080 was checked for seven combinations of NSP, reconciliation type and flow direction for April 2021 revision three and found to be accurate.

Comparison of nine GR170 and AV080 files found KCH0014, PZH0011 and FHL0331 appeared in the GR170 but not the AV080 for some revisions:

- KCH0014 was due to zeroing only taking place at the R14 revision; from September 2021, this is now carried out for all revisions,
- PZH0011 was due to the GR170 incorrectly reporting an ICP that had since switched to another trader, and
- FHL0331 was due to two NSP changes; these are only carried out when there is a read for the change date if they are in the same balancing area - these have since been zeroed out.

SELX No active ICPs were supplied during the audit period. Aggregation of the AV080 was checked for five NSPs and found to be accurate.

Comparison of nine GR170 and AV080 files found OTA0221 appeared in the GR170 but not the AV080 for one revision. This has since been zeroed out.

I rechecked the previous audit's exception for MTN0331, where 23 kWh was not zeroed for July 2020 R3, and 253 kWh was not zeroed for August 2020 R3. This has now been corrected.

Audit outcome

Compliant

12.4. Grid owner volumes information (Clause 15.9)

Code reference

Clause 15.9

Code related audit information

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

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

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

SIMP, SELS, and SELX are not grid owners; compliance was not assessed.

Audit outcome

Not applicable

12.5. Provision of NSP submission information (Clause 15.10)

Code reference

Clause 15.10

Code related audit information

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

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

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

SIMP, SELS, and SELX are not grid connected or embedded network owners; compliance was not assessed.

Audit outcome

Not applicable

12.6. Grid connected generation (Clause 15.11)

Code reference

Clause 15.11

Code related audit information

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

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

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

SIMP, SELS, and SELX are not a grid connected generators; compliance was not assessed.

Audit outcome

Not applicable

12.7. Accuracy of submission information (Clause 15.12)

Code reference

Clause 15.12

Code related audit information

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

Audit observation

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late. Corrections were reviewed in **sections 2.1, 8.1** and **8.2**.

Audit commentary

Review of alleged breach information found the following breaches relating to the accuracy of submission:

Reference	Date	Clause	Summary	Result	Audit comment
2103SIMP1	3/05/21 12:00 AM	Part 15 clause 15.2 (1) (a)	Simply Energy was missing approximately 4,000,000 kWh from its December 2020 submission and had to submit a volume dispute to resolve.	no result yet	This was discussed in the last audit and is included here as no result has been reached at the time of this report.

Reference	Date	Clause	Summary	Result	Audit comment
2110SIMP1	16/09/21	Part 15 clause 15.2 (1) (a) Part 15 clause 15.5 (2) Part 15 Schedule 15.2 clause (3)	Invalid permanent estimate readings were used in the calculation of NHH volumes for consumption months where there were no actual readings on the consumption month end date. All months impacted will be corrected via the washups process starting from BD13 in September 2021.	no result yet	This is detailed in **section 12.8**. It has affected the accuracy of submission, but this will be addressed through the revision process. This is recorded as non-compliance below and in **section 2.1**.
2110SIMP3	No date provided	Part 15 clause 15.2 (1) (a)	EMS acting as an agent of Simply Energy submitted washup NHH volumes and ICP days for consumption months July 2021 (R3) and September 2021 (R1). There shouldn't have been volumes submitted on those months as Simply did not have any NHH customers since May 2021.	no result yet	This was due to EMS submitting incorrect files

NHH submission accuracy issues

Where the reconciliation manager has not published shape files for the ICP's profile (such as PV1, SBL, SFI and UML), historic estimate is calculated based on the readings and apportioned between the months based on a daily average according to the forward standard estimate process. This consumption is labelled as forward estimate in the submission files.

NHH submissions are completed by EMS. Where inputs into the historic estimate process are incorrect, inaccurate submission data can be created although the process is compliant. I saw several examples of this:

<table>
<tr><td>Incorrect active dates</td><td>SIMP
0000003106TCEFF has a status date of 03/09/20 but should have 01/09/20. This has switched to SELS from 26/05/21.
0000034114EA3CE has a status date of 30/06/20 but should have 29/06/20. This has switched to SELS from 01/01/21.
SELS
ICP 0120110020PNA29 was electrically connected on 15/03/21 but made active on 16/03/21
ICP 0000044551WEEFA is a mobile clinic and this supply is used for two weeks a year but is recorded as active all year.
Vacant consumption has been reconciled for ICP 0307323315LC895 for the incorrect period due to the incorrect active dates being applied:
<table><tr><th>Correct Active Period</th><th>Active period used</th></tr><tr><td>15/01/21-18/01/21</td><td>18/01/21-21/01/21</td></tr></table>These are also recorded as non-compliance below and in sections 2.1 and 3.8.</td></tr>
<tr><td>Switch reads</td><td>SELS
ICP 0044124262PCA14 (event date 18 August 2021) contained a last actual read of 15,852 but should have been 15,838, resulting in 14 kWh being pushed to the gaining trader and reconciled for the wrong period.
ICP 1000006431BP643 (event date 14 September 2021) contained a last actual read of 43,493 but should have been 43,428, resulting in 65 kWh being pushed to the gaining trader and reconciled for the wrong period.
I rechecked corrections required following the previous audit:
SIMP
0000772550TE557 (event date 07/07/20) MADRAS only.
1000002127BPEE4 (event date 20/01/21) MADRAS only.
0000204747DE2DC (event date 10/01/21) MADRAS only.
0000002043SF788 (event date 30/09/20) Datahub and MADRAS.
0005107200WM4AB (event date 27/11/20) Datahub only.
SELS
0000033275EA718 (event date 19/10/20) MADRAS only.
0369229681LCC24 (event date 01/01/21) MADRAS only.
0032300312DF387 (event date 27/01/21) MADRAS only
1001127640LC366 (event date 11/12/20) ICP is not recorded in MADRAS
0110117012AP421 (event date 01/10/20) Datahub only.
0003727196WF6B8 (event date 01/12/20) Datahub and MADRAS.
SELX
0001270860PC7A5 (event date 07/08/20) MADRAS only.
0000922534TUA6A (event date 04/11/20) MADRAS only.
1000590726PC900 (event date 20/01/21) MADRAS only.
0000906091TU572 (event date 24/02/21) MADRAS only.
0001332060PCB11 (event date 23/01/21) MADRAS only.</td></tr>
</table>

	• 0001800470PC814 (event date 29/07/20) MADRAS only. All but ICP 0003727196WF6B8 have been corrected. The RR was accepted but this ICP was gained from the SIMP code by SELS on a read that was higher than the subsequent RR sent by the gaining trader. The earlier switch from SIMP to SELS should have been withdrawn so SELS gain read could be corrected. This will have resulted in an estimated 2,876 kWh of over submission by SELS. ICP 0000002043SF788 has been corrected in January 2022 but this is now outside the 14-month revision cycle. These incidents are recorded as non-compliance below and in **section 2.1**, for not providing complete and accurate information despite being aware that it was incorrect.
Unmetered load errors	Simply Energy records unmetered load by manually calculating and entering meter readings against an unmetered load register. The readings are calculated as previous reading + (daily unmetered kWh x number of days between reading dates). Where a correction is required, the reads are invalidated and recalculated and then resent to EMS using the read replacement process discussed in **section 12.3**. The unmetered load for ICP 0000514131NR159 was not identified and therefore a forward estimate of 20 units per day was applied. This was corrected in December 2021 to reflect the daily unmetered kWh volume and corrections will flow through the revision process from the gain date of 01/04/2021. I rechecked the last audit's unmetered corrections and confirmed all have been corrected.
Missing start reads in MADRAS	During the previous audit it was found that some ICPs were missing start reads for switch ins and meter changes in MADRAS. When a start read is missing, forward estimate is calculated up to the first actual reading. This was still evident in this audit as detailed in **section 12.8**. This issue is expected to have been resolved from August 2021.
HHR profile in AV080 submissions	The previous two audits found that HHR profile is sometimes invalidly applied in the AV080 submissions. The issue is that the profile is aligned to the current content code and not linked to the participant code so when these switched from SIMP to SELS the incorrect profile was applied. Any incorrect profiles are being corrected as part of the revision cycle for the SELS participant code but not for any remaining revisions for the SIMP and SELX codes as these are effectively redundant participant codes and this has no effect on submission as the volumes are submitted under the RPS profile. I have detailed below the revisions affected for all three participant codes: • SELS Jun 2020 r14 - one report row affected. • SELS May 2021 r3 - two report rows affected. • SELX May 2020 r14 - one report row affected. • SELX Jun 2020 r14 - two report rows affected. • SIMP May 2020 r14 - 54 report rows affected. • SIMP Jun 2020 r14 - 71 report rows affected. • SIMP Jul 2020 r14 - 80 report rows affected. • SIMP Dec 2020 r7 - 48 report rows affected. • SIMP Jan 2021 r7 - 60 report rows affected. • SIMP Feb 2021 r7 - 67 report rows affected. Review of the AC020 reports did not identify any ICPs recorded on the registry with profiles inconsistent with the submission type.

Missing submission information	The previous audit found ICP 0000006023CBE94 was created and claimed by SELS from 21 January 2021, and then switched to TODD the following day. There was no active ICP for this point of connection from 28 December 2012 until 20 January 2021, and the load during this period is unknown but I note that it is a café and was operating as Kapai Café for that period without the consumption being billed or submitted. It was only when the new tenant took over and applied for power that this came to light. The UFE on this embedded network (CBRE) was outside of the expected +/-1% threshold, likely due to this unsubmitted volume. Simply Energy trading as SIMP was the default trader for the Embedded Network Company's ICPs and had claimed the ICP in 2012 but then it was decommissioned as set up in error. Therefore, the ICP should have been claimed and estimated volumes submitted for the available 14-month revision cycle. This is recorded as non-compliance below and in **section 2.1**. ICP 0000163525CKB50 had the incorrect first active date of 28/10/21 but was electrically connected on 09/10/21. This was corrected during the audit. This is recorded as non-compliance below and in **sections 2.1** and **3.8**.

HHR submission accuracy issues

Where inputs into the HHR submission process are incorrect, inaccurate submission data can be created although the process is compliant. I found one example of this:

HHR estimate was not reasonable and not consistent	HHR estimate was not reasonable and not consistent with the ICPs consumption patterns for ICP 0000014504EACAF due to human error resulting in 8,879 kWh of over submission. This was corrected in the next revision. This is detailed in **section 9.4**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.7 With: Clause 15.12 From: 20-Oct-21 To: 01-Dec-21	Invalid permanent estimate readings were used in the calculation of volumes due to a code change made by AXOS resulting in an +/-1% submission variance. These inaccuracies will be washed up through the revision process. Some submission data was inaccurate and was not corrected at the next available opportunity. EMS acting as an agent of Simply Energy submitted washup NHH volumes and ICP days for consumption months July 2021 (R3) and September 2021 (R1). There shouldn't have been volumes submitted on those months as Simply did not have any NHH customers since May 2021. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4
Audit risk rating	**Rationale for audit risk rating**
Medium	Controls are rated as moderate as the controls have been improved during the audit period but there is still room for improvement. The impact is assessed to be medium based on the impact on submission accuracy.

Actions taken to resolve the issue	Completion date	Remedial action status
The permanent estimate readings were cleared from our NHH DA system on 14/9/2021. Incorrect data was removed by the Reconciliation Manager.	14/09/2021 15/10/2021	Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
1. A safeguard was included in this code change to the logic used to send readings from the Datahub system to the NHH DA system which means any new read types will be automatically ignored by this process and a user will have to apply for another code change to include new read types in future. Controls in place managing this process will ensure a Material Change Audit is completed where required before any code changes are developed. 2. A review of processes has been done and we are working on removing the need for manual intervention,	8/03/2022	

allowing more time before submission is due and allowing additional time for final checks by all parties.		

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

A sample of NHH volumes 14-month revisions were reviewed to identify any forward estimate still existing.

Audit commentary

Simply Energy does not have a process to replace estimates with permanent estimates by revision 14, but very few ICPs are unread by revision 14. When Simply Energy receives a read for a long-term unread site, a permanent estimate read is provided to EMS to ensure that all consumption is captured and reported for reconciliation within the 14-month period.

Some forward estimate remains because historic estimate is incorrectly labelled as forward estimate where seasonal adjusted shape values (SASV) published by the reconciliation manager are not available for part or all of a read-to-read period. The incorrect labelling of historic estimate as forward estimate is recorded as non-compliance in **sections 12.7** and **12.10**.

SIMP 14-month revisions were reviewed for May to July 2020, and I found the following forward estimate volumes remained:

Month	Forward estimate at R14
May-20	17156.22
Jun-20	21011.03
Jul-20	32318.64
Grand Total	**70485.89**

I checked the AV080 aggregation lines with forward estimate remaining:

- 55 rows had RPS profile - I checked a sample of five ICPs and found all were due to missing start reads; this process was fixed in August 2021, so this is not expected to occur going forward, and
- 189 rows had HHR profile, 13 rows had PV1 profile, and 36 rows had UNM profile; from November 2021, shape profiles have been used so this FE will not be calculated for these going forward.

SELS 14-month revisions were reviewed for May to July 2020, and I found the following forward estimate volumes remained:

Month	Forward estimate at R14
May-20	2670.64
Jun-20	2962.99
Jul-20	3910.82
Grand Total	**9544.45**

I checked the AV080 aggregation lines with forward estimate remaining:

- 11 rows had RPS profile, I checked a sample of five ICPs:
  - no start read was recorded for three ICPs; this process was fixed in August 2021, so this is not expected to occur going forward, and
  - the end date of a meter on a decommissioned ICP was still present resulting in FE being calculated; the process for decommissioning has been reviewed and includes a step to end date meters, and
- three rows had PV1 profile, and three rows had UNM profile; from November 2021, shape profiles have been used so FE will not be calculated for these going forward.

SELX 14-month revisions were reviewed for May to July 2020, and I found the following forward estimate volumes remained:

Month	Forward estimate at R14
May-20	10,9638.08
Jun-20	10,9671.07
Jul-20	11,3297.91
Grand Total	**33,2607.06**

I checked the AV080 aggregation lines with forward estimate remaining:

- one row had RPS profile, and I found this was due to missing a start read; this process was fixed in August 2021, so this is not expected to occur going forward, and
- three rows had HHR profile, five rows had PV1 profile, 14 rows had SBL profile, and 122 rows had SFI profile; none of these profiles have shape values provided by the reconciliation manager and volumes are reported as forward estimate.

Simply Energy alleged a self-breach in September 2021 in relation to the application of permanent estimates:

Reference	Date	Clause	Summary	Status	Result
2110SIMP1	16/09/21	Part 15 clause 15.2 (1) (a) Part 15 clause 15.5 (2) Part 15 Schedule 15.2 clause (3)	Invalid permanent estimate readings were used in the calculation of NHH volumes for consumption months where there were no actual readings on the consumption month end date. All months impacted will be corrected via the washups process starting from BD13 in September 2021.	fact finding	no result yet

This was caused by AXOS introducing a new read type called "Historic Estimate" which was intended to act as a permanent estimate where required. The system provider stated that this read type would be calculated by using straight-line approximation between two actual readings but during a routine check in August 2021 this was not found to be accurate.

These invalid permanent estimate readings were then used in the calculation of NHH volumes for consumption months where there were no actual readings on the consumption month end date.

The error was discovered on 23 August 2021 and the following steps were taken to resolve the issue:

- the logic used to send readings from the Datahub system to the NHH DA system was updated to exclude this read type, and
- these invalid permanent estimate readings were cleared from the NHH DA system on 14 September 2021.

This means that all months impacted are being corrected via the washups process. This started from the BD13 submissions in September 2021.

All NHHVOLS submitted for SELS, SIMP and SELX codes for all months from September 2020 to July 2021 are correct in aggregate however the apportionment of volumes into consumption months may have been inaccurate. Analysis of individual ICPs indicates that the inaccuracy between months may be as large as 5-6%, however analysis at a monthly level across all ICPs shows the impact to be less than 1% plus or minus and affected 728 ICPs. This issue will have impacted the accuracy of the overall NHH reconciliation for all balancing areas reported for SELS, SIMP and SELX codes. These inaccurate NHH submissions will have resulted in all other NHH traders being incorrectly allocated UFE volumes as a consequence. This is recorded as non-compliance below and in **sections 2.1** and **12.7**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.8 With: Clause 4 Schedule 15.2 From: 01-Mar-21 To: 03-Dec-21	*SIMP, SELX and SELS* Some estimates are not replaced at R14. Permanent estimates not calculated correctly resulting in inaccurate apportionment in volumes. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4
Audit risk rating	**Rationale for audit risk rating**
Medium	The controls are considered moderate. The processes have been strengthened during the audit period but there is still room for improvement. The impact is assessed to medium due to the impact on submission accuracy.

Actions taken to resolve the issue	Completion date	Remedial action status
The permanent estimate readings were cleared from our NHH DA system on 14/9/2021.	14/09/2021	Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
A safeguard was included in this code change to the logic used to send readings from the Datahub system to the NHH DA system which means any new read types will be automatically ignored by this process and a user will have to apply for another code change to include new read types in future. Controls in place managing this process will ensure a Material Change Audit is completed where required before any code changes are developed.		

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

Code reference

Clause 2 Schedule 15.3

Code related audit information

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

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

Audit observation

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

Aggregation and content of reconciliation submissions was reviewed, and the registry lists were reviewed.

Audit commentary

Compliance with this clause was assessed:

- all active ICPs with meter category 3 or higher have submission type HHR,
- unmetered load submissions were checked in **section 12.2**,
- profiles requiring certification of control devices were checked in **section 6.3**,
- no loss or compensation arrangements are required, and
- aggregation of the AV080, AV110, AV090 and AV140 submissions are covered in **sections 13.2**, **11.2**, and **11.4** respectively.

Audit outcome

Compliant

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

Code reference

Clause 3 Schedule 15.3

Code related audit information

For each ICP that has a non-half hour metering installation, volume information derived from validated meter readings, estimated readings, or permanent estimates must be allocated to consumption periods using the techniques described in clauses 4 to 7 to create historical estimates and forward estimates.

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

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

Audit observation

A sample of AV080 submissions were reviewed, to confirm that historic estimates are included and identified.

Permanence of meter readings is reviewed in **section 12.8**. The methodology to create forward estimates is reviewed in **section 12.12**.

Audit commentary

In some cases, historic estimate is incorrectly labelled as forward estimate. Where SASV profiles published by the reconciliation manager are not available for part or all of a read-to-read period, historic consumption is labelled as FSE (forward standard estimate) even though it is based on actual readings. For some profiles, shape values are never published, including SBL and SFI.

Submission information was reviewed to confirm that forward and historic estimates are included:

SIMP	Review of six submissions confirmed that forward and historic estimates are included and identified as such.
SELS	Review of nine submissions confirmed that forward and historic estimates are included and identified as such.
SELX	Review of six submissions confirmed that forward and historic estimates are included and identified as such.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.10 With: Clause 3 Schedule 15.3 From: 01-Jun-20 To: 01-Dec-21	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4
Audit risk rating	**Rationale for audit risk rating**
Medium	The controls are recorded as moderate because historic and forward estimate is correctly identified most of the time. There is a medium impact on settlement because shape files are not used for the SFI and SBL profiles.

Actions taken to resolve the issue	Completion date	Remedial action status
Profile shapes for UML and PV1 are now imported to Madras, this will in time label these as Historical Estimates.	30/11/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
A material change audit is planned around unmetered load which will report all NHH Volumes as 100% HE.	30/04/2022	

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

Code reference

Clauses 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 historical estimates of volume information for each ICP when the relevant seasonal adjustment shape is available, and the reconciliation participant is not using an approved profile in accordance with clause 4A.

If the Authority has approved a profile for the purpose of apportioning volume information (in kWh) to part or full consumption periods, a reconciliation participant may use the profile despite the relevant seasonal adjustment shape being available; and if it uses the profile, must otherwise prepare the historical estimate in accordance with the methodology in clause 4.

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

Audit observation

Simply Energy provided examples of historic estimate calculations, which were reviewed. The check of calculations included confirming that readings and Seasonal Adjusted Shape Values (SASV) were applied correctly.

Audit commentary

Historic estimate is prepared by EMS using the MADRAS system, and the process is the same for all the Simply Energy codes. The table below shows that all scenarios which had occurred are compliant. Customer and photo reads are used to calculate historic estimate if they are recorded as customer actual readings, and this read status is only applied where a reading has been validated against a set of validated readings from another source.

Simply Energy downloads seasonal adjusted shape values (SASV) from the RM portal after each allocation and provides them to EMS via SFTP. EMS collects the files and loads them into MADRAS. I saw evidence of the data transfer and confirmed that the correct SASV were applied as part of the historic estimate calculation review.

Test	Scenario	Test expectation	Result
a	ICP becomes Active part way through a month	Consumption is only calculated for the Active portion of the month.	Compliant
b	ICP becomes Inactive part way through a month.	Consumption is only calculated for the Active portion of the month.	Compliant
c	ICP become Inactive then Active again within a month.	Consumption is only calculated for the Active portion of the month.	Compliant
d	ICP switches in part way through a month on an estimated switch reading	Consumption is calculated to include the 1st day of responsibility.	Compliant
e	ICP switches out part way through a month on an estimated switch reading	Consumption is calculated to include the last day of responsibility.	Compliant
f	ICP switches out then back in within a month	Consumption is calculated for each day of responsibility.	No examples available
g	Continuous ICP with a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
h	Continuous ICP without a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
i	Rollover Reads	Consumption is calculated correctly in the instance of meter rollovers.	Compliant
j	Unmetered load for a full month	Consumption is calculating based on daily unmetered kWh for full month.	Compliant
k	Unmetered load for a part month	Consumption is calculating based on daily unmetered kWh for active days of the month.	Compliant

Test	Scenario	Test expectation	Result
l	Network/GXP/Connection (POC) alters partway through a month.	Consumption is separated and calculated for the separate portions of where it is to be reconciled to.	Compliant
m	ICP with a customer read during the month	Customer reads are not used to calculate historic estimate unless they are validated.	Compliant
n	ICP with a photo read during the month	Photo reads are not used to calculate historic estimate unless they are validated.	Compliant
o	ICP has a meter with a multiplier greater than 1	The multiplier is applied correctly	Compliant

Where inputs into the historic estimate process are incorrect, incorrect historic estimates can be created although the process is compliant. This is recorded as non-compliance in **section 12.7**. For example, incorrect start reads can result in inaccurate historic estimate.

Audit outcome

Compliant

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

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

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

Audit observation

The process to create forward estimates was reviewed. Forward estimates were checked for accuracy by analysing the GR170 variances over the audit period.

Audit commentary

EMS's forward standard estimate process is based on a "straight line" methodology, and where no historical information is available a "forward default" estimate of 20 kWh per day is used. The process for forward standard estimate calculation was checked and confirmed as accurate.

The 20 kWh per day value is set at participant code level in MADRAS and cannot be modified for individual ICPs. Simply Energy investigated whether this could be changed following the 2018 audit and decided not to make any changes.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within 15% and within 100,000kWh. The tables below show the target was met for all balancing areas, and the differences between revisions at aggregate level were small.

SIMP

No balancing areas had differences over 15% and 100,000 kWh.

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Mar 2020	-	-	-	-	132
Apr 2020	-	-	-	-	132
May 2020	-	-	-	-	133
Jun 2020	-	-	-	-	133
Jul 2020	-	-	-	-	136
Aug 2020	-	-	-	-	137
Sep 2020	-	-	-		140
Oct 2020	-	-	-		136
Nov 2020	-	-	-		72
Dec 2020	-	-	-		77
Jan 2021	-	-	-		71
Feb 2021	-	-	-		70
Mar 2021	-	-	-		55
Apr 2021	-	-			14

The total variation between revisions at an aggregate level is shown below.

Month	Revision 1	Revision 3	Revision 7	Revision 14
Mar 2020	0.88%	1.08%	1.12%	-2.30%
Apr 2020	-0.24%	6.46%	7.10%	8.37%
May 2020	2.04%	1.05%	1.36%	1.64%
Jun 2020	-1.41%	-3.15%	-3.25%	-3.37%
Jul 2020	-0.17%	-0.59%	-0.46%	-0.61%

Month	Revision 1	Revision 3	Revision 7	Revision 14
Aug 2020	0.42%	0.75%	2.74%	2.69%
Sep 2020	-0.93%	-0.08%	-4.21%	
Oct 2020	0.10%	3.04%	-1.96%	
Nov 2020	-3.10%	-3.27%	-2.91%	
Dec 2020	-1.04%	-0.17%	-2.44%	
Jan 2021	3.79%	-4.30%	4.55%	
Feb 2021	0.79%	-3.52%	1.64%	
Mar 2021	8.90%	19.98%	21.86%	
Apr 2021	0.00%	0.00%		

SELS

No balancing areas had differences over 15% and 100,000 kWh.

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Mar 2020	-	-	-	-	8
Apr 2020	-	-	-	-	11
May 2020	-	-	-	-	11
Jun 2020	-	-	-	-	10
Jul 2020	-	-	-	-	10
Aug 2020	-	-	-	-	10
Sep 2020	-	-	-		11
Oct 2020	-	-	-		22
Nov 2020	-	-	-		74
Dec 2020	-	-	-		77

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Jan 2021	-	-	-		80
Feb 2021	-	-	-		80
Mar 2021	-	-	-		93
Apr 2021	-	-			113
May 2021	-	-			116
Jun 2021	-	-			116
Jul 2021	-	-			119
Aug 2021	-				118
Sep 2021	-				112

The total variation between revisions at an aggregate level is shown below.

Month	Revision 1	Revision 3	Revision 7	Revision 14
Mar 2020	-0.03%	-19.12%	-12.31%	-13.87%
Apr 2020	7.35%	14.07%	20.66%	19.57%
May 2020	5.71%	-1.96%	1.47%	0.82%
Jun 2020	-7.43%	-12.79%	-11.89%	-13.21%
Jul 2020	-3.07%	-4.21%	-3.62%	-3.85%
Aug 2020	-3.04%	-2.18%	-1.44%	-2.41%
Sep 2020	-3.56%	-2.87%	2.30%	
Oct 2020	-9.94%	-13.18%	-22.61%	
Nov 2020	-0.66%	0.08%	1.19%	
Dec 2020	0.52%	2.46%	0.94%	

Month	Revision 1	Revision 3	Revision 7	Revision 14
Jan 2021	-1.28%	-8.57%	-12.59%	
Feb 2021	-0.97%	-5.12%	-3.14%	
Mar 2021	-3.33%	-3.06%	-4.15%	
Apr 2021	-4.40%	-0.06%		
May 2021	0.38%	0.67%		
Jun 2021	-1.25%	3.33%		
Jul 2021	-0.74%	-2.62%		
Aug 2021	0.09%			
Sep 2021	0.66%			

SELX

No balancing areas had differences over 15% and 100,000 kWh.

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Mar 2020	-	-	-	-	39
Apr 2020	-	-	-	-	39
May 2020	-	-	-	-	40
Jun 2020	-	-	-	-	40
Jul 2020	-	-	-	-	40
Aug 2020	-	-	-		40
Sep 2020	-	-	-		40
Oct 2020	-	-	-		39
Nov 2020	-	-	-		38
Dec 2020	-	-	-		38

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Mar 2020	-	-	-	-	39
Apr 2020	-	-	-	-	39
Jan 2021	-	-	-		38
Feb 2021	-	-	-		38
Mar 2021	-	-	-		38
Apr 2021	-	-			13

The total variation between revisions at an aggregate level is shown below.

Month	Revision 1	Revision 3	Revision 7	Revision 14
Mar 2020	-0.06%	1.72%	1.58%	-1.73%
Apr 2020	0.70%	0.35%	0.45%	-4.15%
May 2020	-0.35%	-0.96%	-2.65%	-4.97%
Jun 2020	-0.35%	-1.05%	-2.45%	-4.07%
Jul 2020	-0.17%	-0.52%	-1.90%	-3.32%
Aug 2020	0.80%	-0.59%	-2.41%	-4.13%
Sep 2020	-2.82%	-4.52%	-5.00%	
Oct 2020	0.49%	-1.54%	-4.69%	
Nov 2020	-0.16%	-1.29%	-4.35%	
Dec 2020	2.24%	2.95%	0.41%	
Jan 2021	6.80%	5.80%	3.10%	
Feb 2021	-0.01%	-3.42%	-3.13%	
Mar 2021	2.71%	-1.07%	-0.30%	

Month	Revision 1	Revision 3	Revision 7	Revision 14
Apr 2021	181.60%	181.60%		

The differences in April 2021 were small in terms of kWh and were caused by backdated switches out.

Audit outcome

Compliant

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

Code reference

Clause 7 Schedule 15.3

Code related audit information

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

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

Audit observation

The event detail reports were examined to identify all ICPs which had a profile change during the report period. A sample of ICPs with profile changes were reviewed to confirm that there was an actual or permanent estimate reading on the day of the profile change.

Audit commentary

Profile changes are conducted using a meter reading or a permanent estimate on the day of the profile change. A sample of 12 ICPs with profile changes was checked to confirm the process.

Audit outcome

Compliant

13. SUBMISSION FORMAT AND TIMING

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

Code reference

Clause 8 Schedule 15.3

Code related audit information

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

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

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

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

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

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

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

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

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

Audit observation

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

Aggregation of NHH volumes is discussed in **section 12.3**, aggregation of HHR volumes is discussed in **section 11.4** and NSP volumes are discussed in **section 12.6**.

Audit commentary

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

- NSP code,
- reconciliation type,
- profile,
- loss category code,
- flow direction,
- dedicated NSP, and
- trading period for half hour metered ICPs and consumption period or day for all other ICPs.

Audit outcome

Compliant

13.2. Reporting resolution (Clause 9 Schedule 15.3)

Code reference

Clause 9 Schedule 15.3

Code related audit information

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

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

If the digit to the right of the second decimal place is less than five, the second digit is unchanged.

Audit observation

I reviewed the rounding of data on the AV080, AV090 and AV140 and reports as part of the aggregation checks.

Audit commentary

Review of AV080, AV090 and AV140 reports for all codes confirmed that submission information is rounded to no more than two decimal places.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 15.3

Code related audit information

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

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

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

Audit observation

The timeliness of submissions of historic estimate was reviewed in **section 12.2**. I reviewed a sample of AV080 reports for each code to confirm that historic estimate requirements were met.

Audit commentary

The revision files were examined and showed that the targets were not met for some NSPs. I reviewed a sample of NSPs where the read attainment requirements were not met. The historic estimate attainment requirements were not met because meter reads were not obtained for some ICPs, and some historic estimate was incorrectly labelled as forward estimate as described in **section 12.10**.

SIMP

No active ICPs were supplied during the audit period. Quantity of NSPs where revision targets were met:

Month	Revision 7 90% Met	Revision 14 100% Met	Total
May 2020	-	116	184
Jun 2020	-	105	185
Jul 2020	-	97	184
Dec 2020	117	-	121
Jan 2021	111	-	120
Feb 2021	106	-	121

The table below shows the percentage HE at a summary level:

Month	Revision 7 90% Target	Revision 14 100% Target
May 2020	-	98.96%
Jun 2020	-	98.96%
Jul 2020	-	98.65%
Dec 2020	98.74%	-
Jan 2021	96.85%	-
Feb 2021	95.84%	-

SELS

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
May 2020	-	-	10	13
Jun 2020	-	-	8	13
Jul 2020	-	-	9	15
Dec 2020	-	66	-	92
Jan 2021	-	145	-	199
Feb 2021	-	69	-	97
Apr 2021	131	-	-	177
May 2021	151	-	-	173
Jun 2021	151	-	-	176

The table below shows the percentage HE at a summary level:

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
May 2020	-	-	95.77%
Jun 2020	-	-	96.66%
Jul 2020	-	-	95.97%
Dec 2020	-	92.16%	-
Jan 2021	-	89.54%	-
Feb 2021	-	94.11%	-
Apr 2021	88.71%	-	-
May 2021	95.76%	-	-
Jun 2021	95.75%	-	-

SELX

No active ICPs were supplied during the audit period. Quantity of NSPs where revision targets were met:

Month	Revision 7 90% Met	Revision 14 100% Met	Total
May 2020		21	64
Jun 2020		21	65
Jul 2020		20	64
Dec 2020	44		66
Jan 2021	31		65
Feb 2021	18		64

The table below shows the percentage HE at a summary level:

Month	Revision 7 90% Target	Revision 14 100% Target
May 2020	-	82.47%
Jun 2020	-	84.39%
Jul 2020	-	84.96%
Dec 2020	74.16%	-
Jan 2021	67.60%	-
Feb 2021	66.28%	-

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 13.3 With: Clause 10 of schedule 15.3 From: 01-May-20 To: 30-Jun-21	*SIMP, SELX and SELS* Historic estimate targets were not met for all months and revisions. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are considered moderate because: • meter reading read attainment is high, and • most of the forward estimate checked was historic estimate, which was mislabelled as forward estimate because shape files were unavailable for the ICP's profile. The impact of the non-compliance is dependent on the accuracy of the estimates applied. There are sound estimation processes, therefore I have recorded the audit risk rating as low.

Actions taken to resolve the issue	Completion date	Remedial action status
Monthly reporting of ICPs with no read events has started which will ultimately reduce the number of ICPs using forward estimates.	31/01/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Continuous work on no read events to reduce the number of ICPs not read at 12 months to nil.	9/03/2022	

CONCLUSION

This audit period covers the time that Simply Energy had a period of resource constraint, and this is reflected in a further decline in the timeliness of updates. Staff have been onboarded and trained. I reviewed performance for the period post this and confirm that timeliness has greatly improved. Accuracy has also improved as the team are able to work the discrepancies as they arise. There is still room for improvement and Simply Energy are actively working on addressing these areas.

As was found with the CTCS/CTCX portion of the Contact Energy audit, overall performance has improved, and this is evident in the audit risk rating score which has reduced from 122 to 69. The score includes 13 points due to the rebranded Brightr not meeting some of the requirements in relation to terms and conditions. Brightr expect all their electricity retail customers will have switched away by 31/03/22, so I have excluded these, therefore the audit risk rating score is 56. The indicates the next audit be in three months. Taking into consideration the excellent progress Simply Energy has made during the audit period, allowing sufficient time for the areas of improvement to be worked on and that Simply Energy's processes will be reviewed as part of the next Contact Energy's audit under the CTCS and CTCX codes I recommend that the next audit be in 12 months.

PARTICIPANT RESPONSE

Simply Energy have reviewed this report and their comments are included in the report. No further comments were provided.