ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT

For

CONTACT ENERGY LIMITED
NZBN: 9429038549977

Prepared by: Steve Woods, Rebecca Elliot and Tara Gannon

Date audit commenced: 11 August 2021

Date audit report completed: 30 November 2021

Audit report due date: 30 November 2021

TABLE OF CONTENTS

EXECUTIVE SUMMARY

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of **Contact Energy Limited (Contact),** 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.

Contact uses the CTCT, CTCS and CTCX participant codes.

- CTCT is managed directly by Contact and is used for NHH ICPs, HHR ICPs and generation.
- CTCS is managed by **Simply Energy Limited (Simply Energy)** as Contact's agent. CTCS customers are supplied by the Contact Energy brand and may be billed and settled as HHR, NHH or DUML.
- CTCX is managed by Simply Energy as Contact's agent. CTCX customers are supplied by the Simply Energy or Plains Power brands but receive Contact Energy pricing and therefore are assigned to a Contact Energy trader code. They are billed as HHR but may be settled as NHH if their metering does not meet HHR certification requirements.

Simply Energy produces HHR submissions for CTCS and CTCX, and EMS produces NHH submissions for CTCS and CTCX.

Unless otherwise specified, the processes and non-compliances described in the report apply to all codes.

CTCT

CTCT has continued to improve processes for registry management and switching.

- The timeliness of updates for new connections has improved, and there were only a small number of late files for switching, which occurred during a period with resourcing issues early in the audit period.
- Registry data and switching data accuracy has generally improved, with increased monitoring and resolution of some switching data accuracy issues found in previous audits. There has been an increase in the number of registry data corrections processed, which has improved data accuracy but resulted in some backdated status and trader updates.
- Progress is being made with confirming historic unmetered loads and investigating long term unmetered BTS ICPs to determine whether they should be metered.

CTCT has also made steady improvements in the reading and reconciliation area during the audit period.

- Progress has continued to be made with investigating and resolving issues affecting submission accuracy, such as settlement unit issues.
- Meter reading attainment figures continue to improve, which has flow on affects to submission accuracy.

The following key areas require some improvement to increase compliance:

- **Delays in resolving data discrepancies and processing BPEMs**
  As recorded in the previous audit, there can be delays in processing some BPEMs (Billing Process Exception Management) or reviewing exception reports where they are considered to be lower priority. In the previous audit, I found the delays were caused by staffing changes, workloads and other work being prioritised above resolving the exceptions. During this audit period, staff have been trained and settled into their new and changed roles and the frequency of exception reviews has generally increased particularly later in the audit period. I found that many of the registry data inaccuracies identified during this audit, such as incorrect status dates and failed registry updates, would have been detected and resolved prior to the audit if exceptions had been more closely managed.
- **Switching AN and CS accuracy and timeliness**
  While some issues identified in previous audits have been resolved, there are still some issues affecting small groups of ICPs including actual switch event readings classified as estimates,

invalid zero average daily kWh, and non-compliant switch event dates. These issues are currently being investigated by CTCT's ICT team.

- **Distributed unmetered load**
  Some distributed unmetered load issues are still existing, leading to incorrect submission information. Some audit reports are overdue. Most of the databases have now moved to CTCS.
- **Proportion of HE at 14 months**
  Not all estimated reads are replaced by actual reads or permanent estimates by the 14-month revision.

CTCS and CTCX

Management of the registry and switching areas has improved overall since the last audit. Additional resource has been added to the Operations team. Whilst the improvement in timeliness of updates for registry and switching activities isn't evident in this audit as it covers the period where there was a lack of resource and backdated corrections have been made, this is expected to be more evident in the next audit.

Simply Energy have accepted read changes, but they were not processing these due to resource constraints between 1 March 2021 to 30 September 2021. This affected approximately 650 ICPs across both transfer and switch moves. These are being reviewed and corrected. For those within the 14-month revision period the corrections will flow through the revision cycle. Those outside of the revision cycle will be evaluated on a case-by-case basis as to how these are best resolved. Going forward these are being processed as part of BAU from 1 October 2021.

I have recommended the processes for backdated switches and the management of status changes be reviewed and training be given so the level of accuracy in these areas will improve.

Simply Energy have been unable to determine why the average daily consumption is not being calculated correctly so an excel spreadsheet is being used to calculate these manually and until this can be resolved.

Improvements have been made to the high-level controls to ensure reconciliation information is complete and accurate. Further strengthening of controls is in progress. There are still many issues causing inaccurate submissions, mostly for the CTCS code. The main issues are as follows:

- variances between revisions are large due to the high number of estimates conducted during early revisions, a forward default estimate of 55 kWh per day is used regardless of customer size,
- readings used for submission do not always reflect readings agreed in the RR process,
- replacement HHR data does not always get loaded to replace estimates,
- most DUML databases have switched to CTCS; four of the audit reports have not been submitted to the Authority and are up to six months overdue and there are a large number of inaccuracies within some databases,
- NHH manual meter reading processes are yet to be developed,
- meter readings are rounded when imported into MADRAS, leading to inaccurate unmetered load submissions where "dummy" meters are present,
- Datahub was changed to include a new read type of "historic estimate" to be used as a permanent estimate if required; it was intended that this estimate would be calculated as a straight line from two actual readings, but checks showed this was not the case and these estimates were supplied to MADRAS as actual readings, leading to inaccurate HE calculations, and
- incorrect labelling of HE as FE where shape files are not available.

During the previous audit it was recorded that the two most urgent actions, were to increase the level of appropriately trained personnel and to strengthen the controls. As mentioned above, controls have

improved, and further improvements are underway. Staffing levels have increased, however there is still a heavy reliance on a small number of experienced personnel, who are required to process transactions, manage controls and pass knowledge to new staff.

It was also indicated during the previous audit that in order to resolve a number of the non-compliances, Simply intended to develop a NHH Data Administration capability within Datahub to eliminate the reliance on the Madras system. The decision has been made that Datahub development will not occur immediately; instead, Simply will continue to implement processes and systems internally to ensure the interface with Madras is more robust with stronger controls. Compliance has already improved as a result of this initiative. Simply has commenced a thorough review of the NHH DA system/provider for the CTCS and CTCX codes. A requirements document has been prepared, and analysis of options is underway including, but not limited to, further development of the existing system, migration to an established, compliant, off-the-shelf system, or a new system build. The selection of a provider is due to be made by the end of January 2022 (following the options analysis), with delivery of the approved option during 2022.

Conclusion

The audit found 39 non-compliance issues and 20 recommendations are made.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of 106, which is an improvement on the previous score of 137, and which results in an indicative audit frequency of three months.

Eight areas have weak controls, and these require urgent attention.

I have considered this in conjunction with Contact's responses and recommend that the next audit is undertaken in nine months, which recognises that improvements have been made and many more are in progress and allows resources to be focussed on development and not audit preparation. Nine months also ensures appropriate audit oversight within a reasonable period of time.

The matters raised are detailed in the table below.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Relevant information	2.1	10.6, 11.2, 15.2	Some inaccurate data is recorded and was not updated as soon as practicable.	Moderate	High	6	Identified
Electrical connection of a point of connection	2.11	10.33A	**CTCT** 61 new metered ICPs had certification details recorded more than five business days after connection. 132 ICPs reconnected without having metering certified within 5 business days. **CTCS** ICP 1002112011LCCEA was not certified within five business days of connection. ICP 0000005966CPA23 was not recertified within five days of reconnection.	Strong	Low	1	Identified
Provision of information on dispute resolution scheme	2.19	11.30A	**CTCS** and **CTCX** This is not in place for inbound phone calls.	Weak	Low	3	Identified
Changes to Registry	3.3	10 Schedule 11.1	**CTCT** 1,192 late updates to active status. 491 late updates to inactive status. 2,498 late trader updates. **CTCS** 18 late updates to active status. 28 late updates to inactive status. 113 late trader updates. **CTCX** 18 late trader updates.	Moderate	Low	2	Identified
Trader responsibility for an ICP	3.4	11.18	**CTCT** Notification was not provided to the MEP prior to decommissioning for four ICPs from a sample of 10.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			An incorrect MEP nomination for 0000165066CK5F0 has been rejected and needs to be reissued to the correct MEP (LMGL). The audit compliance report found 11 ICPs where the MEP had been nominated but no response had been received within 14 days of the nomination.				
Provision of information to the registry	3.5	9 Schedule 11.1	**CTCT** 195 late updates to active status and MEP nominations for new connections. Seven new ICPs have incorrect active dates recorded from a sample of 40. 108 late ANZSIC code updates. **CTCS** 27 late updates to active status for new connections. One late MEP nomination for new connections.	Moderate	Low	2	Identified
ANZSIC codes	3.6	9 (1(k) of Schedule 11.1	**CTCT** 18 (18%) of the 100 ICPs sampled were confirmed to have the incorrect ANZSIC codes applied. These were corrected during the audit period. A further two ICPs were confirmed to have incorrect ANZSIC codes while examining late updates to registry. 0001831350TGAF6 was updated to ANZSIC code A011 in error effective from 16/12/20 and corrected back to D281100 effective from 27/08/21. The incorrect ANZSIC code is applied from 16/12/20 to 26/08/21. **CTCX** One of the 20 ICPs sampled had an incorrect ANZSIC code applied. This was corrected during the audit. **CTCS** Two >category 1 metered ICPs with an incorrect residential ANZSIC code applied.	Weak	Low	3	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			Seven (23%) of the 30 ICPs sampled had an incorrect ANZSIC code applied. These were corrected during the audit.				
Changes to unmetered load	3.7	9(1)(f) of Schedule 11.1	**CTCT** Some incorrect unmetered load information was identified: • ICP 0000552757HB3CE has a 125 W MV lamp which is expected to have standard ballast wattage of 11 W, giving a total wattage of 136 W. The 1.656 kWh daily average has been calculated based on 138 W but should have been 1.632 kWh based on 136 W. • 0005301922TU192 should be updated to 1.45 kWh and 252;11.9;2x UVL on the registry. • 0000553257NR3D0 should be updated to 20;24;security gate on the registry. • 0015822016EL2B1 should be updated to 3.45 kWh on the registry. • 0005000186HBD7A had its unmetered load details corrected from 28/09/21 but should be corrected from the switch in date 14/04/21. • ICPs 0006797822RN416, 0000026060WE15A, 0013531104EL2A7 and 0000024991EA327 do not have unmetered load installed but have unmetered load details recorded on the registry. • ICP 0015780248EL8F7 has missing unmetered load details on the registry from 12/03/19 until 23/09/21. SAP is correct so there is no impact on submission. • ICP 0000020052CPB35 has missing unmetered load details on the registry from 18/05/21 until 15/09/21. There is also a gap in SAP's unmetered load between the previous customer moving out on 01/06/21 and new customer moving in on 05/06/21.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			• ICP 0016096677ELF31 requires its trader unmetered load details to be corrected to 200;11.5, 2x100W UVL. A further ten ICPs had incorrect unmetered load details corrected during the audit. **CTCS** Three ICPs with the incorrect unmetered load recorded. This will be resulting in a very minor amount of under submission.				
Management of Active	3.8	17 Schedule 11.1	**CTCT** Seven new ICPs have incorrect active status dates recorded. **CTCS** Four new connections with the incorrect active date recorded. One (5%) of the 18 reconnected ICPs sampled updated to inactive for the incorrect date.	Moderate	Low	2	Identified
Management of Inactive	3.9	19 of schedule 11.1	**CTCT** Ohoka Downs DUML ICP 0000366150MP46C is to be decommissioned as the connected lights are metered. The ICP became inactive on 04/06/21, but the registry has recorded inactive status from 07/10/20. Four updates to inactive status were incorrect and were corrected during the audit. **CTCS** Eight (3+ 2+3) (20%) of the 40 (12+18+10) ICPs sampled updated to inactive for the incorrect dates.	Moderate	Low	2	Identified
Inform registry of switch request for ICPs - standard switch	4.1	2 Schedule 11.3	**CTCT** One NT file was issued as a transfer switch but should have been a switch move. **CTCS** Three of the sample of five NT files checked were issued more than two business days after pre-conditions were cleared.	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Losing trader must provide final information	4.3	5 Schedule 11.3	**CTCT** Eight CS breaches. Two E2 breaches. Three CS files had an incorrect daily average kWh recorded. 17 transfer switches had an estimated read type recorded but should have had actual. One transfer switch had an incorrect last actual read date and was later withdrawn. **CTCS** All five ICPs sampled of a possible 11 ICPs where the last actual read date is for a date before the switch event date were sent with the incorrect read type of "E" due to human error. Two of the five ICPs sampled of a possible 11 ICPs where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error. 18 (5+5+ 5+3) (87%) of the 20 ICPs (5+5+5+5) sampled had the incorrect average daily consumption recorded.	Moderate	Low	2	Identified
Retailers must use the same reading	4.4	6(1) and 6A Schedule 11.3	**CTCS** One late AC file. Approximately 650 of both transfer and switch move ICPs with readings were not reflective of the readings agreed through the RR process resulting in some significant incorrect volumes being reconciled.	Moderate	Medium	4	Identified
Gaining trader informs registry of switch request	4.7	9 of Schedule 11.3	**CTCT** Seven switch move NT files were issued more than two business days after pre-conditions were cleared. The NTs were initially issued on time for the wrong address and were reissued to the correct address once the error was found. **CTCS** Two of the sample of five NT files checked were issued more than	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			two business days after pre-conditions were cleared				
Losing trader provides information - switch move	4.8	10(1) Schedule 11.3	**CTCT** Two E2 breaches. Two T2 breaches. Two ET breaches affecting one ICP. One WR breach. **CTCS** Eight AN files sent with AA when MU would have been more accurate. One E2 breach. 34 T2 breaches. One WR breach.	Moderate	Low	2	Identified
Losing trader must provide final information	4.10	11 Schedule 11.3	**CTCT** One CS file had an incorrect average daily kWh. Ten transfer switches had an estimated read type recorded but should have had actual. **CTCX** Incorrect average daily consumption sent for both CS files sent. **CTCS** All five ICPs sampled of a possible 147 ICPs where the last actual read date is for a 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 nine ICPs where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error. 18 (5+4+4+4+1) (87%) of the 21 ICPs (5+5+5+5+1) sampled had the incorrect average daily consumption recorded.	Moderate	Low	2	Identified
Gaining trader changes to switch meter reading	4.11	12 of Schedule 11.3	**CTCT** Five late RR files for switch moves. The reading in SAP for one ICP did not reflect the outcome of the RR process and was corrected during the audit.	Moderate	Medium	4	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			CTCS Approximately 650 of both transfer and switch move ICPs had readings not reflective of the readings agreed through the RR process resulting in some significant incorrect volumes being reconciled.				
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	**CTCT** Five NWs did not have the code with the best fit applied. 17 SR breaches. 78 NA breaches. **CTCX** One NW did not have the code with the best fit applied. **CTCS** Six NWs did not have the code with the best fit applied. Two NWs issued in error. Five SR breaches. Two NA breaches. Five AW breaches.	Moderate	Low	2	Identified
Metering information	4.16	21 Schedule 11.3	**CTCS** All five ICPs sampled of a possible 11 transferred ICPs and all five switch move ICPs sampled of a possible 147 where the last actual read date is for a date before the switch event date were sent with the incorrect read type of "E" due to human error. Two of the five ICPs sampled of a possible 11 transferred ICPs and all five ICPs sampled of a possible nine switch moves where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error.	Moderate	Low	2	Identified
Distributed unmetered load	5.4	11 of schedule 15.3	**CTCT** and **CTCS** The monthly database extracts used to derive submission from are provided as a snapshot and do not track changes at a daily basis as required by the code.	Moderate	High	6	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			Inaccurate submission information for several databases. Some streetlight audits not submitted by the due date. No streetlight audit undertaken for Waka Kotahi ICPs 0016099060EL730 and 0110004920EL4F1				
Electricity conveyed & notification by embedded generators	6.1	10.13	**CTCT** While meters were bridged, energy was not metered and quantified according to the code for 24 ICPs. ICPs 0000932060TE629, 0418695067LC047, and 0419151060LCC0F are believed to be generating but do not have I flow metering installed and electricity is not quantified according to the code. **CTCX** NHH ICP 0000012442EA341 has RPS profile and does not have generation metering installed. Solar generation was installed on 04/06/21 but import/export metering was only installed on 17/09/21, therefore quantification was not occurring. **CTCS** ICP 0000589585UNDB0 is believed to be grid connected generation but the I flow is not settled.	Moderate	Low	2	Identified
Derivation of meter readings	6.6	3(1), 3(2) and 5 Schedule 15.2	**CTCT** IHUB estimates labelled as actuals. **CTCS** Meter condition information is not routinely reviewed to identify issues with seals, tampering, phase failure or safety. IHUB estimates labelled as actuals.	Weak	Low	3	Identified
NHH meter reading application	6.7	6 Schedule 15.2	**CTCS** All five transferred ICPs sampled of a possible 11 transferred ICPs and all five switch move ICPs sampled of a possible 147 ICPs where the last actual read date is	Moderate	Medium	4	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			for a date before the switch event date were sent with the incorrect read type of "E" due to human error. Two of the five ICPs sampled of a possible 11 transferred ICPs and all five switch move ICPs sampled of a possible nine ICPs where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error. Approximately 650 of both transfer and switch move ICPs had readings not reflective of the readings agreed through the RR process resulting in some significant incorrect volumes being reconciled.				
Interrogate meters once	6.8	7(1) and (2) Schedule 15.	**CTCT** For at least three ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met. **CTCS** For at least ten ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met.	Weak	Low	3	Identified
NHH meters interrogated annually	6.9	8(1) and (2) Schedule 15.2.	**CTCS** For at least 18 ICPs unread annually, exceptional circumstances did not exist, and the best endeavours requirement was not met.	Weak	Low	3	Identified
NHH meters 90% read rate	6.10	9(1) and (2) Schedule 15.2	**CTCT** For at least three ICPs unread at 4 months, exceptional circumstances did not exist, and the best endeavours requirement was not met. **CTCX** For one ICP unread at 4 months, exceptional circumstances did not exist, and the best endeavours requirement was not met. **CTCS**	Weak	Low	3	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			For at least seven ICPs unread at 4 months, exceptional circumstances did not exist, and the best endeavours requirement was not met.				
Identification of readings	9.1	3(3) Schedule 15.2	**CTCT** 17 incorrectly labelled switch event meter readings. IHUB estimates labelled as actuals. **CTCS** Seven of ten ICPs sampled of a possible 22 transferred ICPs and all ten sampled of a possible 156 had incorrectly labelled switch event meter readings. IHUB estimates labelled as actuals.	Moderate	Low	2	Identified
Meter data used to derive volume information	9.3	3(5) of schedule 15.2	**CTCS and CTCX** AMS and EDMI's EIEP3 file 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. Any NHH data recorded with decimal places in Datahub is rounded to the nearest whole number when exported to EMS' MADRAS for reconciliation.	Moderate	Low	2	Identified
Electronic meter readings	9.6	17(4)(f)& (g) of schedule 15.2	**CTCT** Clock synchronisation and event reports not reviewed. Voltage on the load side of a disconnected meter event is not sent by MEPs. **CTCS & CTCX** AMI event logs are not routinely reviewed.	Weak	Low	3	Identified
Calculation of ICP days	11.2	15.6	**CTCT** ICP days were not reported correctly where settlement unit information was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. Contact has been working to resolve these issues before revision 14, and the ICP days differences are generally small. **CTCS**	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			Over submission of 31 NHH ICP days for one ICP not closed out in MADRAS.				
HHR aggregates information provision to the reconciliation manager	11.4	15.8	**CTCT** HHR aggregates file does not contain electricity supplied information. **CTCX** HHR aggregates file does not contain electricity supplied information. **CTCS** HHR aggregates file does not contain electricity supplied information	Strong	Low	1	Identified
Creation of submission information	12.2	15.4	**CTCT** Some ICPs were missing from submissions due to data inaccuracies. HHR submission not occurring for ICP 1001157629CK617 since 01/02/21. **CTCX** Generation volume not submitted for ICP 0000012442EA341 from 04/06/21 to 16/09/21. **CTCS** One ICP missing from HHR vols for September 2020. Under submission was 2,991.4 kWh. Submission of 3,160 kWh did not occur for ICP 0000572490WT5C1 because it was recorded as inactive.	Moderate	Medium	4	Identified
Allocation of submission information	12.3	15.5	**CTCT** NSP manual corrections are not always applied if changes occur to an NSP then back again within the same balancing area and the same month.	Moderate	Low	2	Identified
Accuracy of submission information	12.7	15.12	**CTCT, CTCX** and **CTCS** Some submission data was inaccurate and was not corrected at the next available opportunity.	Moderate	High	6	Identified

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	**CTCT, CTCS** and **CTCX** Some estimates were not replaced by revision 14.	Moderate	Low	2	Identified
Reconciliation participants to prepare information	12.9	2(1)(c) of schedule 12.3	**CTCT** Unmetered submission not occurring for ICP 0000366150MP46C. HHR submission not occurring for ICP 1001157629CK617.	Moderate	Low	2	Cleared
Historical estimates and forward estimates	12.10	3 Schedule 15.3	**CTCS** and **CTCX** Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Moderate	Low	2	Identified
Forward estimate process	12.12	6 Schedule 15.3	**CTCT** Inaccurate FE caused the thresholds not to be met in some instances. **CTCS** Thresholds were not met for some revisions due to unmetered load estimates being based on 55 kWh per day. There was one meter reading error.	Moderate	Low	2	Identified
Historical estimate reporting to RM	13.3	10 of Schedule 15.3	**CTCT** Historic estimate thresholds were not met for some revisions. **CTCS** Historic estimate thresholds were not met for some revisions. **CTCX** Historic estimate thresholds were not met for some revisions.	Moderate	Medium	4	Identified
					Future Risk Rating	**106**	
					Indicative Audit Frequency	**3 months**	

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

RECOMMENDATIONS

Subject	Section	Recommendation	Response
Registry validation	2.1	Expand SAP to registry validation to include the loss factor field.	Investigating
		Develop validation reporting to ensure compensation factors are correct.	Identified
Resolve active unmetered ICPs with the unmetered flag set to N	2.9	**CTCT** Reissue MEP nominations for 000165066CK5F0, 1000002829BP476 and 0000921936TU403. Arrange decommissioning for ICPs 0009604831CN581, 0000008036CE985 and 0099551585CN50D. Investigate ICPs 0042141002PC502 and 0181346710LC342 to confirm whether decommissioning is required and arrange decommissioning as necessary.	Identified 1000002829BP476 – now metered BOPE 0000921936TU403 - dismantled 000165066CK5F0 – referred to New connection no history with CTCT 0009604831CN581 – dismantled 0000008036CE985 – ready for decommissioning 0099551585CN50D – dismantled 0042141002PC502 under investigation 0181346710LC342 found metering removed 2009 incorrect wrong property switch
Provision of information on dispute resolution.	2.19	**CTCX** Update terms and conditions to Utilities Disputes	Identified
		CTCS and CTCX Notification of Utilities Disputes be added to the IVR.	Cleared
Monitoring of active ICPs where the metering category is 9 or blank	3.4	**CTCS** and **CTCX** Use the AC-020 report -tab 17 to identify and check any ICPs where the metering category is 9 or blank and no unmetered load recorded.	Cleared
ANZSIC codes	3.6	Use the AC020 report tab 17 to identify and investigate any ICPs greater than category 1 with a residential AZNSIC code applied.	Cleared
BPEMs for changes to distributor unmetered load	3.7	**CTCT** Review the criteria for the IE22 BPEM, which appears not to be identifying changes to distributor unmetered load where the unmetered load is removed.	Identified Fix expected to be released in first half of 2022.
Decommissioning of unmetered ICPs no longer required	3.7	**CTCT** Decommission ICPs 0000503975DE2C1, 0000503967DE8E9, and 0000508312DE511.	Identified or cleared 0000503975DE2C1 – dismantled 0000503967DE8E9 – dismantled 0000508312DE511 – service job pending completion
Management of inactive status	3.9	**CTCS**	Identified

Subject	Section	Recommendation	Response
		I recommend that the process for backdated switches be reviewed to ensure that any inactive periods are correctly recorded.	
Management of inactive status	3.9	**CTCS** Review decommissioning process to ensure that staff use the correct date to decommission ICPs.	Identified
Monitoring of inactive consumption	3.9	**CTCS** and **CTCX** 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.	Identified
AN response code hierarchy	4.2	**CTCS** and **CTCX** Consider adding the OC (occupied premises), PD (premises electrically disconnected), CO (contracted customer) and MP (metering is prepaid) 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.	Identified
CS estimated daily kWh	4.3	**CTCS** and **CTCX** Consider reviewing the estimated daily consumption calculation to ensure compliance with the registry functional specification.	Identified
Investigate distributed generation exceptions	6.1	**CTCT** The I flow meter for ICP 0221906002LC12A was removed when the meter was relocated on 14/07/21. Investigate to determine whether it is still generating, and I flow metering is required. Follow up I flow metering for 0000060012NT81E and 1000002206BPCF7 which have generation profiles recorded and no I flow registers. ICPs 0000076130CE377, 0002967578BUE49, 0003921719AL1E7 and 0005503188ML3AA should be checked to determine whether generation is present and update the settlement flag as required. Confirm the fuel types and correct profiles for 0000053221CP0F6 (wind	Investigating

Subject	Section	Recommendation	Response
		PV1), 0011006802PCDFA (wind PV1), 0007006355HBE4D (other PV1) and 0006178979RNEB4 (other PV1).	
Amend switch readings	6.9	Amend switch readings where CTCS actual readings are lower than CTCT switch estimates.	Identified
HHR estimation for new ICPs	9.4	**CTCS** and **CTCX** Improve the HHR estimation process so that Datahub can apply estimates where data for an equivalent day is not available.	Investigating
Replacement of estimates with actual data	9.4	**CTCS** and **CTCX** If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data, even if register reads are not available.	Investigating
Replacement of actual data with actual data	9.4	**CTCS** and **CTCX** If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.	Investigating
Zero consumption reporting	9.5	Establish specific reporting for zero consumption.	Identified
Disconnected consumption reporting	9.5	Establish specific reporting for consumption on disconnected ICPs.	Identified

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

Exemption 293 for ICP 0003133903AA777 expired on 1 April 2021 because Contact is no longer recorded as the trader on the registry. There are four exemptions currently in place relevant to the scope of this audit:

Exemption No. 177: Exemption to clause 8(g) of schedule 15.3 of the Electricity Industry Participation Code 2010 in respect of providing half-hour ("HHR") submission information instead of non-half-hour ("NHH") submission information for distributed unmetered load ("DUML"). This exemption expires at the close of 31 October 2023.

Exemption No. 185: Exemption to clause 11 of schedule 15.3 of the Electricity Industry Participation Code 2010 in respect of creating DUML databases for the following ICPs. This exemption expires on the date on which Contact no longer has responsibility as the trader for these ICPs on the registry, and still applies for ICP 0001183605HB0B0.

ICP identifier	Comments
0001183605HB0B0	Contact still has responsibility for this ICP, under veranda lights with load of 3.7 kWh per day are connected.
0000038627NTADB	Decommissioned 17/5/17
0000557925UND32	Switched out 28/2/14
0000600085HBD8B	Switched out 23/1/13
0000916610TEA3F	Switched out 1/12/16
0005000772HBA61	Switched out 28/8/14
0008801012TP900	Unmetered load details have been removed on the registry effective 23/06/14
0014189134HBC96	Switched out 3/11/15
0016096032EL6DD	Switched out 16/7/16
0018137292HB7F1	Decommissioned 5/2/13
0046054751HBFE7	Switched out 8/11/12

Exemption No. 191: Exemption to clause 10.24(c) of the Electricity Industry Participation Code 2010 to allow subtraction to determine submission information for ICP 0000032431HR99C. This exemption expires on the earlier of:

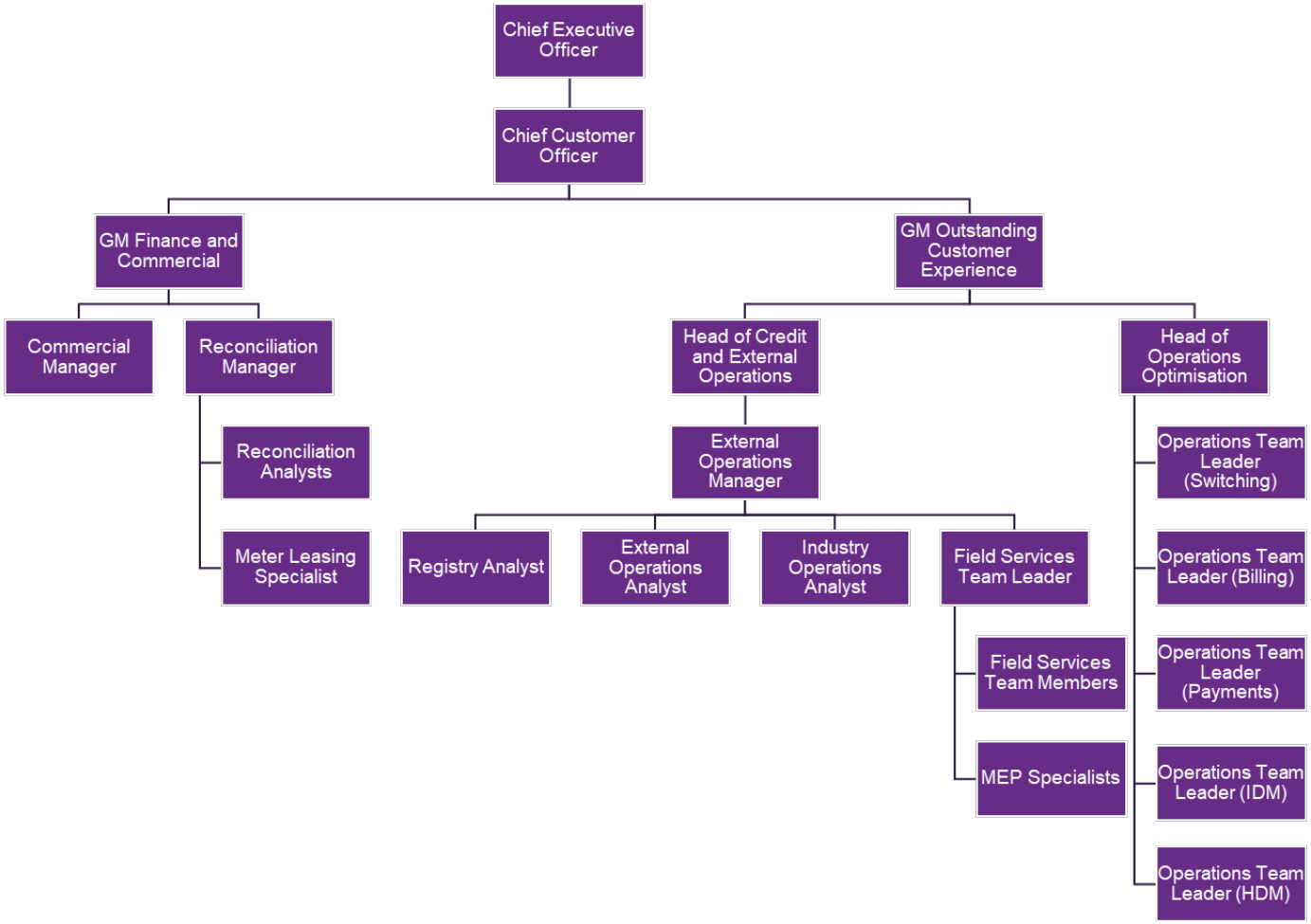
- the close of 31 December 2023, or
- the completion date of a major upgrade to the Ohaaki substation.

Exemption No. 203: Exemption to clause 10.24(c) of the Electricity Industry Participation Code 2010 to allow subtraction to determine submission information for ICP 0000880392WEA92. This exemption expires on the earlier of:

- the close of 31 December 2022, or
- the completion date of a major upgrade to the switchboards at Contact's co-generation plant at the Te Rapa dairy factory.

1.2. Structure of Organisation

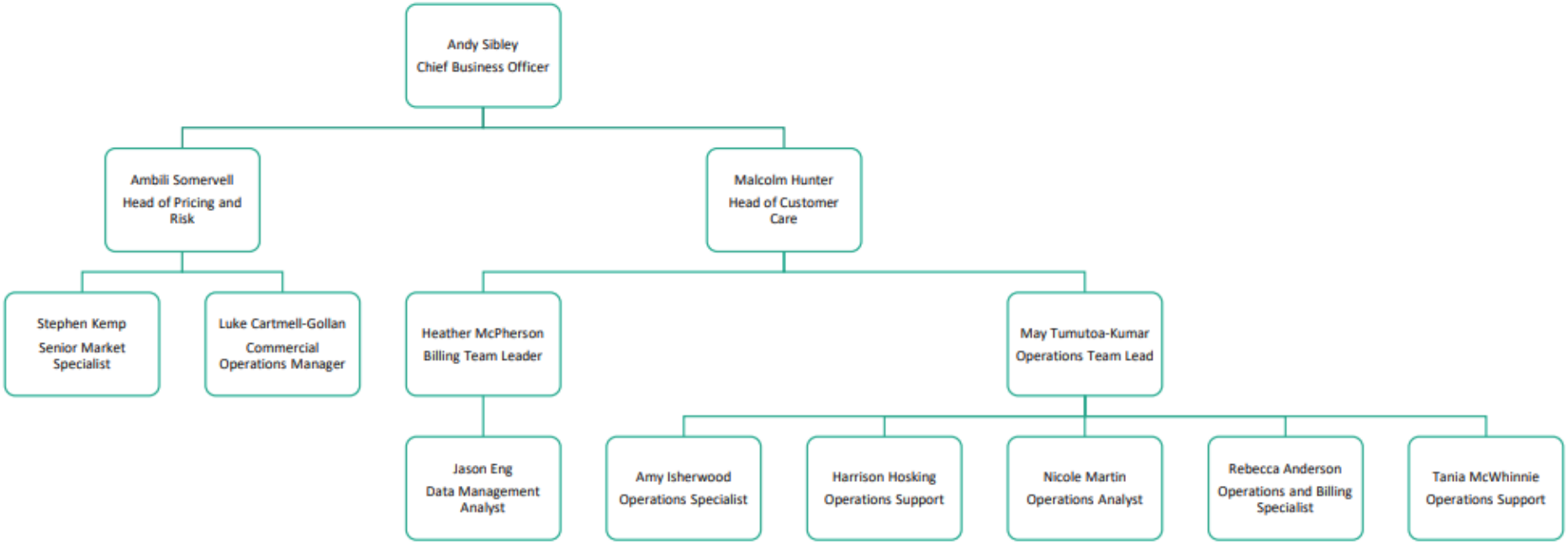
Contact provided a copy of their organisational structure.



Simply Energy provided a copy of their organisational structure.

Simply Energy Compliance Organization Chart

16 August 2021



1.3. Persons involved in this audit

Auditors:

Name	Company	Role
Steve Woods	Veritek Limited	Lead auditor
Rebecca Elliot	Veritek Limited	Supporting auditor
Tara Gannon	Veritek Limited	Supporting auditor

Contact personnel assisting in this audit were:

Name	Title
Aaron Wall	Reconciliation Analyst
Aiden McGillycuddy	Automation Specialist
Avtar Singh	Operations Team Leader
Bernie Cross	Reconciliation Manager
Brook Barrington	Head of Operations Optimisation
Chris Golder	Operations Team Member
Christopher Mahan	Operations Team Member
Darren Law	Field Services Team Leader
Debby Abrahams	Commercial Manager
Hadleigh Townsend	Field Services Team Member
Joanne Benvenuti	Operations Team Member
Kirstyn Harding	Operations Team Member
KP Chiew	Senior Reconciliation Analyst
Luke Cartmell-Gollan	Commercial Operations Manager
Maryanne Anderson	Operations Team Member
May Tumutoa-Kumar	Operation Team Lead

Name	Title
Nagham Anayi	External Customer Solutions Specialist
Nathan Joyce	Network Operations Analyst External Customer Solutions
Roy Burne	Operations Team Member
Stephen Kemp	Senior Market Specialist, Simply Energy
Ambili Somervell	Head of Pricing and Risk

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 Contact.

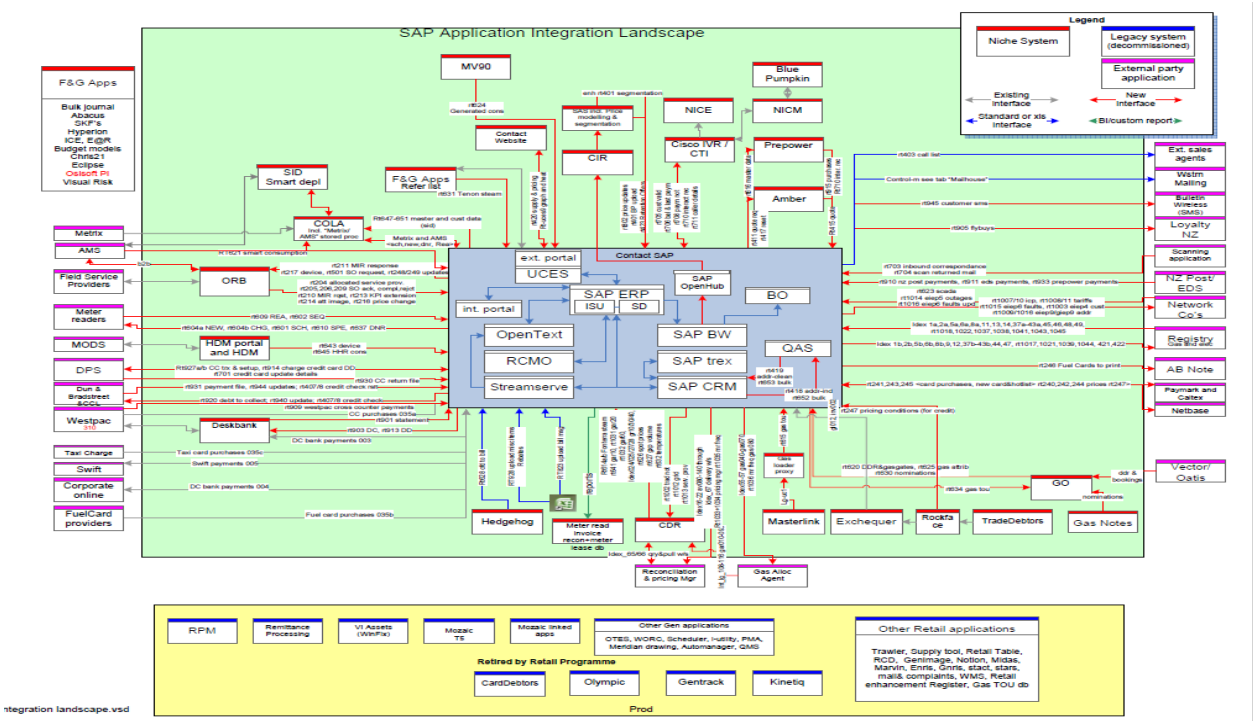
Audit commentary

Contact uses a number of agents in relation to the functions covered by the scope of this audit as discussed in **section 1.9**.

1.5. Hardware and Software

Contact (CTCT)

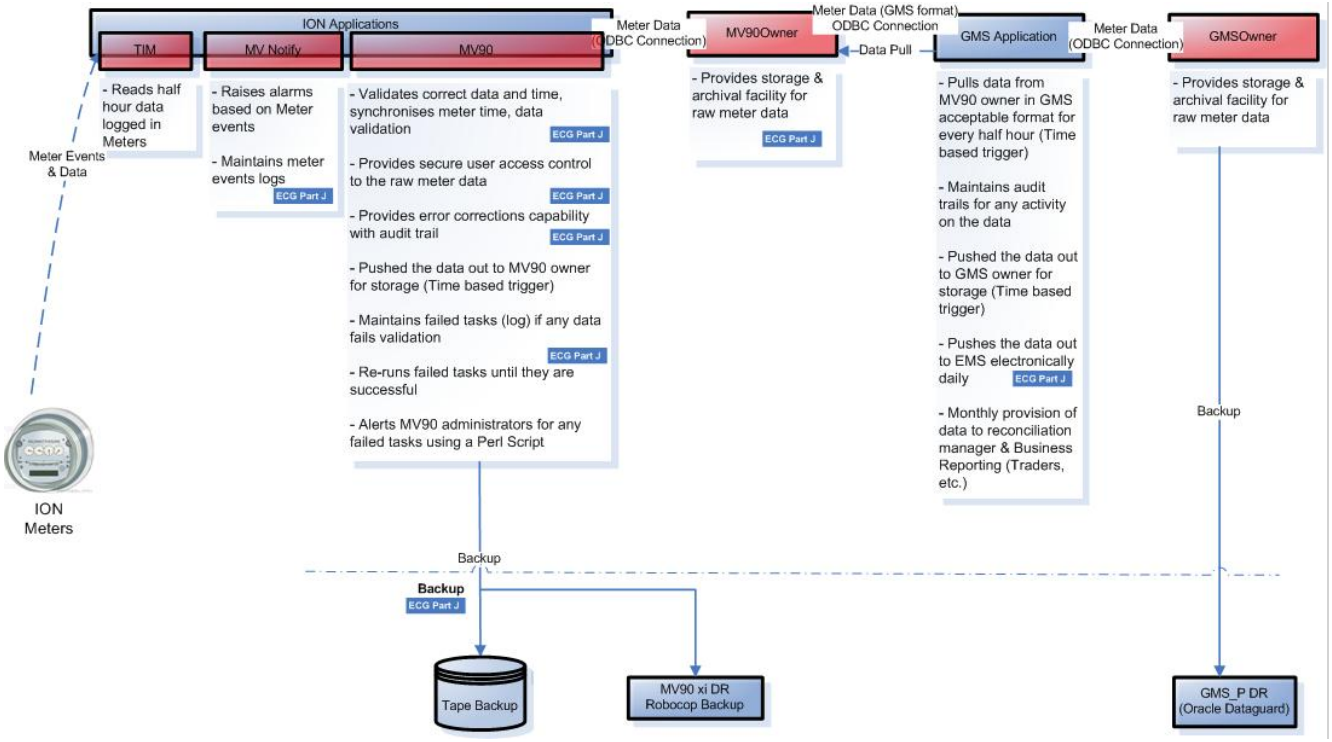
A diagram of Contact's system configuration is shown below.



SAP is cloud based and can continue to operate in the event of the failure of any single data centre. Backups occur according to the following schedule:

Backup	SAP System	Full Backup	Differential Backup	Transaction Log backup
SAP Database Backups	ECC	Weekly (Sunday)	Daily	Every 30 minutes
	CRM			
	Gateway			
	Portal			
	PO			

The diagram below shows an overview of data flow, validation, storage and backup arrangements for generation.



Simply Energy (CTCT and CTCS)

Meter reading and volume data is imported into AXOS Datahub, which is used to validate the volumes and produce HHR submissions. Validated readings are transferred to the AXOS billing engine for billing and as billed reporting, and to Emersion to produce invoices for customers supplied under the CTCS participant code.

SalesForce is used for the management of ICP and customer information, and registry validation reporting. Emersion also records customer information.

EMS's Madras system is used for HHR submission.

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

Agents

Agent systems are discussed in their own audit reports.

1.6. Breaches or Breach Allegations

The EA confirmed that there were no alleged breaches relevant to the scope of the audit during the audit period.

1.7. ICP Data

CTCT

All active ICPs are summarised by metering category in the table below. 241 of the 437 active ICPs with a metering category of 9 or blank have trader unmetered load details recorded. The remaining 196 ICPs are active but have no metering details entered on the registry and are discussed in **section 2.9**.

Metering Category	(Aug 2021)	(Jan 2021)	(2020)	(2019)	(2018)	(2017)	(2016)
1	409,511	404,012	407,310	408,039	413,110	417,819	419,055
2	2489	2,674	3,956	4774	5,136	5,201	5,460
3	1	182	530	816	857	942	990
4	-	81	205	322	337	383	388
5	3	16	22	35	41	52	49
9	191	97	112	152	198	250	273
Blank	246	231	329	453	645	676	1,042

Status	Number of ICPs (Aug 2021)	Number of ICPs (Jan 2021)	Number of ICPs (2020)	Number of ICPs (2019)	Number of ICPs (2018)	Number of ICPs (2017)	Number of ICPs (2016)
Active (2,0)	412,441	407,293	412,464	414,591	420,324	425,323	427,257
Inactive – new connection in progress (1,12)	1	-	-	2	2	-	-
Inactive – electrically disconnected vacant property (1,4)	6,931	6,978	6,954	7,313	7,734	8,135	8,564
Inactive – electrically disconnected remotely by AMI meter (1,7)	2,795	3,045	2,330	2,208	1,778	1,678	1,283
Inactive – electrically disconnected at pole fuse (1,8)	61	71	62	62	26	103	2
Inactive – electrically disconnected due to meter disconnected (1,9)	74	83	81	73	11	1	1
Inactive – electrically disconnected at meter box fuse (1,10)	40	44	35	24	-	-	-

Inactive – electrically disconnected at meter box switch (1,11)	-	-	-	-	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	925	909	970	1,104	1,354	1,951	2,876
Inactive – reconciled elsewhere (1,5)	-	1	3	3	5	2	4
Decommissioned (3)	53,230	52,440	51,096	49,518	47,987	45,670	42,970

CTCX

All active ICPs are summarised by metering category in the table below. The two active ICPs with a blank metering category are residual load ICPs with an SB reconciliation type.

Metering Category	(Aug 2021)	(Jan 2021)	(2020)
1	36	32	28
2	37	35	23
3	3	3	2
4	-	-	-
5	-	-	-
9	-	-	-
Blank	2	2	2

Status	Number of ICPs (Aug 2021)	Number of ICPs (Jan 2021)	Number of ICPs (2020)
Active (2,0)	78	72	55
Inactive – new connection in progress (1,12)	-	-	-
Inactive – electrically disconnected vacant property (1,4)	-	-	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	-	-	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	-	-

Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-
Decommissioned (3)	1	1	-

CTCS

All active ICPs are summarised by metering category in the table below. All 135 of the 139 active ICPs with a metering category of 9 or blank have trader unmetered load details recorded. The remaining four ICPs are active but have no metering details entered on the registry and are discussed in **section 2.9**.

Metering Category	(Aug 2021)	(Jan 2021)	(2020)
1	4,857	4,414	41
2	1,125	1,033	24
3	430	380	38
4	154	129	7
5	16	5	-
9	64	45	3
Blank	75	77	-

Status	Number of ICPs (Aug 2021)	Number of ICPs (Jan 2021)	Number of ICPs (2020)
Active (2,0)	6,721	6,083	113
Inactive – new connection in progress (1,12)	14	3	-
Inactive – electrically disconnected vacant property (1,4)	2	1	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	6	2	-
Inactive – electrically disconnected at pole fuse (1,8)	1	2	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	-	-

Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	3	1	-
Inactive – reconciled elsewhere (1,5)	6	3	-
Decommissioned (3)	33	5	-

1.8. Authorisation Received

Contact provided a letter of authorisation.

1.9. Scope of Audit

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of Contact, to support their application for renewal of certification in accordance with clauses 5 and 7 of schedule 15.1. The audit was conducted in accordance with the Guideline for Reconciliation Participant Audits V7.2

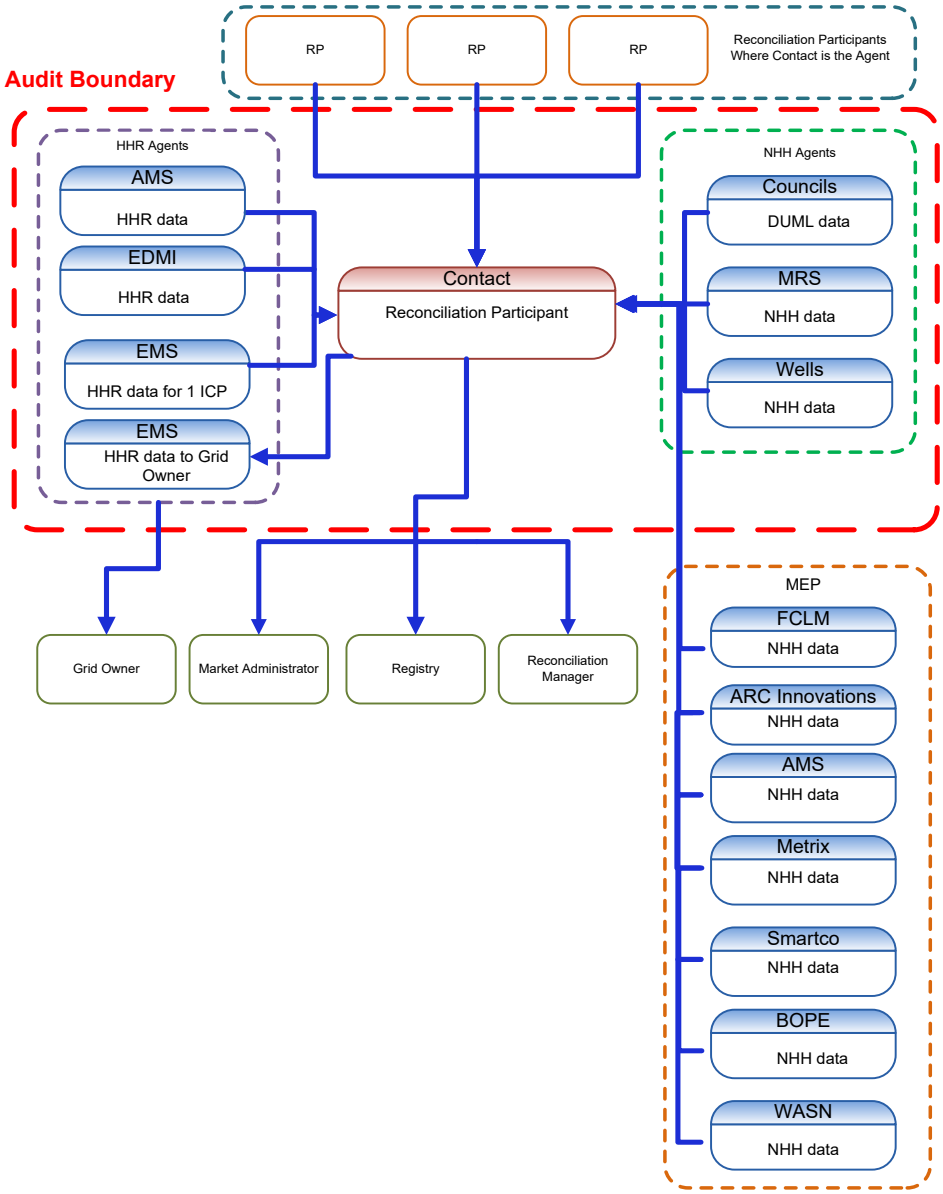
The audit was carried out remotely using Microsoft Teams, and at Simply Energy's office in Wellington between 11 October and 3 November 2021.

The audit analysis was completed on:

- for CTCT a registry list, event detail report and audit compliance report for 1 March 2021 to 24 August 2021 and a registry list snapshot for 24 August 2021 were reviewed,
- for CTCS a registry list, event detail reports and audit compliance reports for 1 March 2021 to 18 August 2021 and a registry list snapshot for 19 August 2021 were reviewed, and
- for CTCX a registry list, event detail reports and audit compliance reports for 1 March 2021 to 9 August 2021 and a registry list snapshot for 9 August 2021 were reviewed.

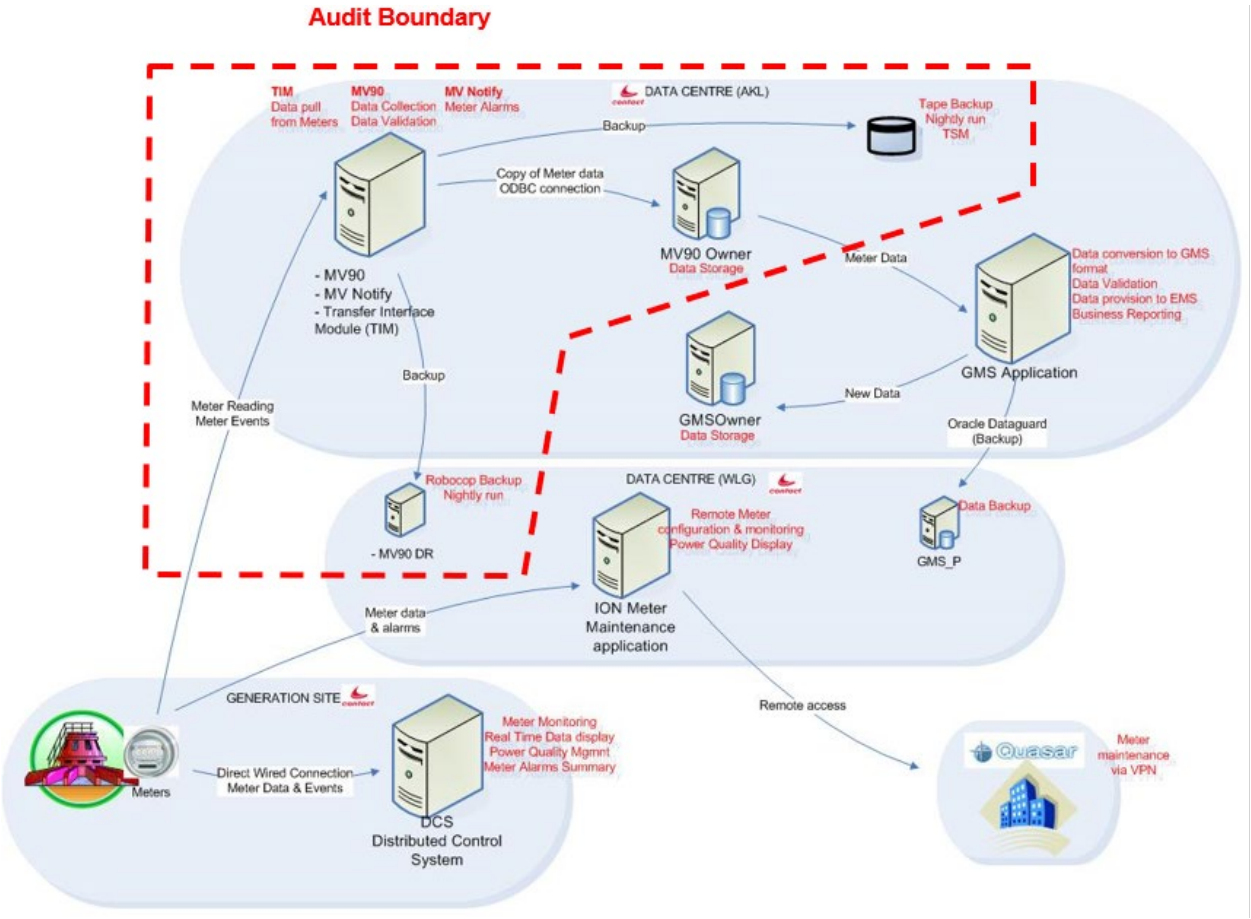
CTCT

The scope of the audit is shown in the diagram below, with the CTCT audit boundary shown for clarity.



Contact acts as an agent to other Reconciliation Participants who have responsibility for embedded network "gate" ICPs. It is intended that these parties will use Contact's audit report to support their application for certification.

The diagram below is specific to Contact's HHR data collection activities for generation metering, and it shows the audit boundary for this area.



The table below shows the tasks under clause 15.38 of part 15, for which Contact 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 Providing Data to Contact
(a) - Maintaining registry information and performing customer and embedded generator switching		
(b) – Gathering and storing raw meter data	MRS – NHH AMS – HHR EDMI – HHR EMS – HHR	AMS (incl Smartco) ARC Innovations Influx IntelliHUB (incl Metrix and Counties Power) Nova WEL Networks

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs Providing Data to Contact
(c)(iii) - Creation and management of volume information	AMS – HHR EDMI – HHR EMS – HHR Various Councils – DUML databases	
(d)(i)– Calculation of ICP days		
(d)(ii) - delivery of electricity supplied information under clause 15.7		
(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		
(f) - Provision of metering information to the Grid Owner	EMS	

CTCX

CTCX customers are supplied by the Simply Energy or Plains Power brands but receive Contact Energy pricing and therefore are assigned to a Contact Energy trader code. They are billed as HHR but may be settled as NHH if their metering does not meet HHR certification requirements.

- Simply Energy acts as an agent for switching, registry and submission processes.
- EDMI and AMS supply HHR data directly to Simply Energy, and Simply Energy validates the data and creates HHR submissions.
- EMS creates NHH submission information for CTCX as an agent.
- Wells provides readings for any manually read NHH ICPs, and MEPs provide AMI data.

The table below shows the tasks under clause 15.38 of part 15, for which Contact requires certification for its CTCX code. 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	Simply Energy	
(b) - Gathering and storing raw meter data	Wells – NHH AMS – HHR EDMI – HHR	AMS (incl Smartco) ARC Innovations Influx

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
		IntelliHUB (incl Metrix and Counties Power)
(c)(i) - Creation and management of HHR volume information	Simply Energy	
(c)(ii) - Creation and management of NHH volume information	EMS	
(d)(i) - Calculation of ICP days	EMS – NHH Simply Energy – HHR	
(d)(ii) - delivery of electricity supplied information under clause 15.7	Simply Energy	
(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 Simply Energy – HHR	

CTCS

CTCS customers are supplied by the Contact Energy brand and may be billed and settled as HHR, NHH or DUML.

- Simply Energy acts as an agent for switching, registry, and submission processes.
- EDMI and AMS supply HHR data directly to Simply Energy, and Simply Energy validates the data and creates HHR submissions.
- EMS creates NHH submission information for CTCS as an agent, including DUML submissions.
- MRS provides readings for any manually read NHH ICPs, and MEPs provide AMI data.

The table below shows the tasks under clause 15.38 of part 15 for which Simply Energy requires certification.

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	Simply Energy	
(b) – Gathering and storing raw meter data	MRS – NHH	AMS

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
	AMS – HHR EDMI – HHR	Arc Innovations (Arc) Counties Power Intellihub Smartco Influx
(c)(i) - Creation and management of HHR volume information	Simply Energy Various Councils – DUML databases	
(c)(ii) - Creation and management of NHH volume information	EMS	
(d)(i) - Calculation of ICP days & delivery of a report under clause 15.6	Simply Energy - HHR EMS - NHH	
(d)(ii) - delivery of electricity supplied information under clause 15.7	Simply Energy	
(e) - Provision of submission information for reconciliation	Simply Energy - HHR EMS - NHH	

Agents

Contact receives DUML data from a number of Councils, who are considered agents under clause 15.34 of part 15. These databases are now audited separately. A summation of these audits is detailed in **section 5.4**.

The remaining agents listed above have been audited in accordance with the Guidelines for Reconciliation Participant Audits V7.2. Their audit reports are expected to be submitted with this audit. EMS' NHH processes are not included in their agent audit and were reviewed as part of this audit. The MRS, AMS and EDMI audits were completed within seven months prior to this audit. Comments are included in this report in relation to any issues found.

1.10. Summary of previous audit

Contact provided a copy of their previous reconciliation participant audit report conducted in May 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.

Subject	Section	Clause	Non-compliance	Status
Provision of information	1.11	16A.4	**CTCS** and **CTCX** Information not provided within 15 business days of the request.	Cleared
Material change audit	1.12	16A.11	Material change audit not conducted for the management of unmetered load by Simply Energy.	Cleared
Relevant information	2.1	10.6, 11.2, 15.2	**CTCT, CTCS** and **CTCX** Some inaccurate data is recorded and was not updated as soon as practicable.	Still existing
Electrical connection of a point of connection	2.11	10.33A	**CTCT** 34 new ICPs had no certification details recorded, and 44 new ICPs had certification details recorded more than five business days after connection. 181 ICPs reconnected without having metering certified within 5 business days. 11 ICPs' meters were not recertified on un-bridging. **CTCS** ICP 0000163173CKED6 was not certified within five business days of connection.	Still existing
Provision of information on dispute resolution scheme	2.19	11.30A	**CTCS and CTCX** There is not currently a system wide approach to providing information on Powerswitch for outbound communications and responses to customer queries. This is intended to be developed by the end of May 2021.	Still existing
Provision of information on electricity plan comparison site	2.20	11.30B	**CTCS and CTCX** There is not currently a system wide approach to providing information on Powerswitch for outbound communications and responses to customer queries. This is intended to be developed by the end of May 2021.	Still existing
Changes to Registry	3.3	10 Schedule 11.1	**CTCT** 928 late updates to active status. 649 late updates to inactive status. 1,912 late trader updates.	Still existing

Subject	Section	Clause	Non-compliance	Status
			CTCX One late trader update. **CTCS** 11 late updates to active status. 29 late trader updates.	
Trader responsibility for an ICP	3.4	11.18	**CTCT** The audit compliance report found two ICPs where the MEP had been nominated but no response had been received within 14 days of the nomination.	Still existing
Provision of information to the registry	3.5	9 Schedule 11.1	**CTCT** 306 late updates to active status and MEP nominations for new connections. 13 new ICPs had incorrect active dates recorded, and ten of those were corrected during the audit. The following ICPs still have incorrect active dates recorded 1002108203LCA64 (22/11/20 instead of 21/11/20), 0007197288RN34C (8/11/20 instead of 8/9/20), 0007197493RN133 (23/9/20 instead of 22/9/20). 112 late ANZSIC code updates. **CTCS** Five late updates to active status for new connections. Three late MEP nominations for new connections.	Still existing
ANZSIC codes	3.6	9 (1(k) of Schedule 11.1	**CTCT** 52 ICPs which were confirmed to have incorrect ANZSIC codes were corrected during the audit. **CTCS** Five ICPs which were confirmed to have incorrect ANZSIC codes were corrected during the audit.	Still existing
Changes to unmetered load	3.7	9(1)(f) of Schedule 11.1	**CTCT** 18 ICPs had incorrect unmetered daily kWh or unmetered load details recorded, and 15 of those were corrected during the audit. The following ICPs still have incorrect unmetered load data: ICP 0005301922TU192 had the correct unmetered daily kWh on the registry, but the trader unmetered load details were incorrectly recorded as "126;11.9;2 x UVL" instead of "526;11.9;2 x UVL". The data was updated in SAP on 1/1/21 but not transferred to the registry. ICP 0015822016EL2B1 should have had unmetered load of 3.45 kWh recorded in the registry instead of 3.57 kWh. The data was updated in SAP but not transferred to the registry.	Still existing

Subject	Section	Clause	Non-compliance	Status
			ICP 0016096677ELF31 was downgraded from three to two under veranda lights from 6/4/21. The daily unmetered kWh was updated, but the trader unmetered load details were not. ICP 0014600240EL713 had its unmetered load removed by the distributor on 27/10/20. No BPEM was generated for the unmetered load removal, and CTCT's historic unmetered load of 1.18 kWh remains recorded on the registry and in SAP.	
Management of Active	3.8	17 Schedule 11.1	**CTCT** 13 new ICPs (of a sample of 63) had incorrect active dates recorded, and ten of those were corrected during the audit. The following ICPs still have incorrect active dates recorded 1002108203LCA64 (22/11/20 instead of 21/11/20), 0007197288RN34C (8/11/20 instead of 8/9/20), and 0007197493RN133 (23/9/20 instead of 22/9/20). **CTCS** ICP 0000016378HR527 had an incorrect status date, which was corrected during the audit.	Still existing
Management of Inactive	3.9	19 of schedule 11.1	**CTCT** 0009544560CN3E5 was disconnected effective from 25/6/13, but 7/12/12 was applied. 0007103286RN193 was disconnected at the pillar but had inactive status reason code 10 (electrically disconnected at meter box fuse) applied. ICP 0000366150MP46C was updated to inactive status in error on 28 August 2019. **CTCS** 0000040548WEC86 was updated to inactive from 26/10/20 but should have been updated from 29/10/20.	Still existing
Inform registry of switch request for ICPs - standard switch	4.1	2 Schedule 11.3	**CTCX** One NT file was issued more than two business days after pre-conditions were cleared.	Still existing
Losing trader must provide final information	4.3	5 Schedule 11.3	**CTCT** One late CS file. One CS file for a HHR AMI ICP contained an incorrect average daily kWh, reading, and read type. Three CS files had had incorrect daily average kWh recorded. **CTCS** 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	Still existing

Subject	Section	Clause	Non-compliance	Status
			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. Four CS files had incorrect daily average kWh recorded. The CS for 0086146103WRE02 (event date 13/11/20) had an incorrect average daily kWh, and event read type, and the event reading did not reflect the best estimate of consumption on the event date. **CTCX** 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.	
Retailers must use the same reading	4.4	6(1) and 6A Schedule 11.3	**CTCT** Seven late RR files. One late AC file. **CTCS** Three late RR files. The RR for 0000800124TP205 (event date 5/6/20) was not supported by at least two validated actual readings. MADRAS did not reflect the outcome of the RR process for 0000800124TP205 (event date 5/6/20).	Cleared Still existing Cleared
Gaining trader informs registry of switch request	4.7	9 of Schedule 11.3	**CTCT** Switch move was applied for three transfer switches to ensure that they were transferred from the correct date. Two of the ICPs migrated from Club Energy and one ICP switched in from Genesis at the end of its contract term. Switch move was applied for approximately 10,000 ICPs which transferred from Club Energy to CTCT. **CTCS** Switch move was applied for ICPs which transferred from CTCT to CTCS. Switch move was applied for three ICPs with metering category three or four, which should have been requested as HH switches. Switch move was incorrectly applied for the sample of 29 switch move NT files checked. 28 NT files were issued more than two business days after pre-conditions were cleared. **CTCX**	Still existing

Subject	Section	Clause	Non-compliance	Status
			Four NT files were issued more than two business days after pre-conditions were cleared.	
Losing trader must provide final information	4.10	11 Schedule 11.3	**CTCT** Seven switch move CS files had an incorrect switch event read type "E" was recorded instead of "A". CS files for four metered ICPs did not contain CSMETERCHANNEL, CSMETERCOMPONENT or CSMETERINSTALL lines. All of the switches were withdrawn. CS files for three ICPs had an incorrect average daily kWh. **CTCS** 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. The CS for ICP 0007106716RNC51 (event date 1/10/20) had an incorrect event read type. The event reading was estimated with a read type of actual because the user had not ticked the estimate box when manually entering the read. The CS files for ICPs 0005960665RND53 (event date 1/1/21) and 0000121314HB04C (event date 3/12/20) had an incorrect average daily kWh because SalesForce was not correctly updated by Datahub. CS files for five ICPs had an incorrect average daily kWh. **CTCX** 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.	Still existing
Gaining trader changes to switch meter reading	4.11	12 of Schedule 11.3	**CTCT** 28 late RR files. **CTCS** Two RR files were issued in error. Three RR files were not supported by at least two actual validated readings including the two RR files issued in error.	Still existing

Subject	Section	Clause	Non-compliance	Status
			Three ICPs MADRAS and/or Datahub readings did not reflect the outcome of the RR process. One late AC file.	
Gaining trader informs registry of switch request - gaining trader switch	4.12	14 of Schedule 11.3	**CTCS** One late HH NT. Two PT breaches for one HH ICP. Switch move was applied for three ICPs with metering category three or four, which should have been requested as HH switches.	Cleared
Gaining trader to advise the registry manager - gaining trader switch	4.14	16 of Schedule 11.3	**CTCS** Three HH CS files contained CSMETERINSTALL, CSMETERCOMP and CSMETERCHANNEL rows as well as a CSPREMISES row. For all three ICPs the daily average kWh and readings for all registers were populated as zeros.	Cleared
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	**CTCT** Two NWs did not have the NW code with the best fit applied. 16 SR breaches. 112 NA breaches. **CTCS** ICPs 0001952200TGF2E (event date 1/11/2020) and 0004670202AL515 (event date 2/6/2020) had date failure codes applied but were withdrawn because they should not have been included in the tranche of ICPs from CTCT because they had switched to another trader. Two NW breaches.	Still existing
Metering information	4.16	21 Schedule 11.3	**CTCT** One CS file did not reflect the actual reading or best estimate of an actual reading on the event date. **CTCS** One CS file did not reflect the actual reading or best estimate of an actual reading on the event date.	Cleared Still existing
Unmetered threshold	5.2	10.14 (2)(b)	**CTCT** One standard unmetered ICP had an estimated annual consumption over 6,000 kWh per annum and has now been metered.	Cleared
Unmetered threshold exceeded	5.3	10.14 (5)	**CTCT**	Cleared

Subject	Section	Clause	Non-compliance	Status
			One standard unmetered ICP has estimated annual consumption over 6,000 kWh per annum was not resolved within 20 business days.	
Distributed unmetered load	5.4	11 of schedule 15.3	**CTCT** and **CTCS** The monthly database extracts used to derive submission from are provided as a snapshot and do not track changes at a daily basis as required by the code. Inaccurate submission information for several databases. Significant variances for CTCS databases submitted with a default 55 kWh per day. Some streetlight audits not submitted by the due date.	Still existing
Electricity conveyed & notification by embedded generators	6.1	10.13	**CTCT** While meters were bridged, energy was not metered and quantified according to the code for 95 ICPs. Generation not quantified for 25 ICPs. **CTCS** One meter was bridged during the audit period.	Still existing
Responsibility for metering at GIP.	6.2	10.26 (6), (7) and (8)	Late certification expiry updates for two points of connection.	Cleared
Reporting of defective metering installations	6.4	10.43(2) and (3)	**CTCT** The MEP was not advised of one bridged meter.	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.	Still existing
NHH meter reading application	6.7	6 Schedule 15.2	**CTCT** Incorrect labelling of switch event meter readings. **CTCS** Incorrect labelling of switch event meter readings. Some readings not reflective of the readings agreed through the RR process	Still existing
Interrogate meters once	6.8	7(1) and (2) Schedule 15.	**CTCT** For at least nine ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met. **CTCS**	Still existing

Subject	Section	Clause	Non-compliance	Status
			For at least four ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met.	
Identification of readings	9.1	3(3) Schedule 15.2	**CTCT** 7 incorrectly labelled switch event meter readings. **CTCS** 2 incorrectly labelled switch event meter readings.	Still existing
Meter data used to derive volume information	9.3	3(5) of schedule 15.2	**CTCS** and **CTCX** EDMI provides HHR interval data for some ICPs rounded to two decimal places. NHH raw meter data received from all MEPs and agents except FCLM and WASN is rounded upon receipt into Datahub and not when volume information is created if it is provided with decimal places. Any NHH data recorded with decimal places in Datahub is rounded to the nearest whole number when exported to EMS' MADRAS for reconciliation.	Still existing
Half hour estimates	9.4	3(5) of schedule 15.2	**CTCS** Some HHR volumes estimates for CTCS did not meet the reasonable endeavours requirements. Some estimates are not replaced with actual data when it arrives.	Cleared
Electronic meter readings	9.6	17(4)(f)&(g) of schedule 15.2	**CTCS & CTCX** AMI event logs are not routinely reviewed	Still existing
Calculation of ICP days	11.2	15.6	**CTCT** ICP days were not reported correctly where settlement unit information was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. Contact has been working to resolve these issues before revision 14, and the ICP days differences are generally small. **CTCS** DUML ICPs do not have ICP days submitted.	Still existing
Electricity supplied information provision to the reconciliation manager	11.3	15.7	**CTCX** The Mar-20 to Nov-20 billed volumes are inconsistent with the Mar-20 to Nov-20 submission volumes.	Still existing
HHR aggregates information provision to the reconciliation manager	11.4	15.8	**CTCT** HHR aggregates file does not contain electricity supplied information.	Still existing

Subject	Section	Clause	Non-compliance	Status
			Some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data. Revised data will be provided through the revision process. **CTCX** HHR aggregates file does not contain electricity supplied information. **CTCS** HHR aggregates file does not contain electricity supplied information	
Creation of submission information	12.2	15.4	**CTCT** Some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data. **CTCS** Submission did not occur for both ICPs at KAI1101 for the DST profile for the Day-4 submission for October 2020.	Still existing
Allocation of submission information	12.3	15.5	**CTCT** ICP 0000014413HB0E4 was missing from the April 2020 aggregates file until the 3-month revision in July 2020, then it was submitted against the incorrect NSP. **CTCS** Zeroing did not occur for July and October 2020 for 19,317 kWh in total.	Still existing
Accuracy of submission information	12.7	15.12	**CTCT, CTCX** and **CTCS** Some submission data was inaccurate and was not corrected at the next available opportunity.	Still existing
Permanence of meter readings for reconciliation	12.8	4 Schedule 15.2	**CTCT** Some estimates were not replaced by revision 14.	Still existing
Reconciliation participants to prepare information	12.9	2(1)(c) of schedule 12.3	**CTCS** Unmetered load consumption is not calculated from the daily kWh figure in the registry multiplied by the number of days.	Cleared
Historical estimates and forward estimates	12.10	3 Schedule 15.3	**CTCS** and **CTCX** Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Still existing

Subject	Section	Clause	Non-compliance	Status
Forward estimate process	12.12	6 Schedule 15.3	**CTCT** Inaccurate FE caused the thresholds not to be met in some instances. **CTCS** Thresholds were not met for several revisions due to the large number of estimates during early revisions and that most estimates were based on 55 kWh per day which it too high for residential and too low for commercial. When the tranches were switched in, there was no history from CTCT to base the estimates on.	Still existing
Historical estimate reporting to RM	13.3	10 of Schedule 15.3	**CTCT** Historic estimate thresholds were not met for some revisions. **CTCS** Low proportion of HE for many months.	Still existing

Subject	Section	Recommendation	Status
Registry validation	2.1	**CTCT** Expand SAP to registry validation to include the loss factor field.	Still existing
Monitoring of active ICPs where the metering category is 9 or blank	3.4	**CTCS** and **CTCX** 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, reviewed as part of the unmetered load validations
Assignment of T9 series ANZSIC codes	3.6	**CTCT** Investigate the reasons for an increase in assignment of T9 series ANZSIC codes, and delays in correcting these to valid codes where customer industry information is known.	Adopted, and further validation controls implemented
BPEMs for changes to distributor unmetered load	3.7	**CTCT** Review the criteria for the IE22 BPEM, which appears not to be identifying changes to distributor unmetered load where the unmetered load is removed.	In progress
Trader unmetered load details on the registry	3.7	**CTCT** Check why updated trader unmetered load details or kWh in SAP were not transferred to the registry for 0005301922TU192, 0016096677ELF31 and 0015822016EL2B1.	Adopted, and further validation controls implemented
Long term unmetered BTS ICPs	3.7	**CTCS** Check ICP 0007174330RN573 to determine whether metering should be installed.	Cleared
Monitoring of inactive consumption	3.9	**CTCS** and **CTCX** Where exceptions occur for readings after a data stream end date, check the readings to confirm whether there is consumption during an	Repeated

Subject	Section	Recommendation	Status
		inactive period, and take corrective action to update the status as necessary.	
Monitoring of new and ready ICPs	3.10	**CTCS** and **CTCX** A Registry List (type P) with proposed trader = CTCS and CTCX 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.	Cleared
AN response code hierarchy	4.2	**CTCS** and **CTCX** 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
Content of CS files for HHR ICPs requested as TR or MI switches	4.3	**CTCT** Where CS files for HHR ICPs requested as TR or MI switches are processed on the registry, ensure that the data provided reflects the actual values for the ICP and meter wherever possible instead of using default values.	Cleared, no HHR switching has occurred
CS estimated daily kWh	4.3	**CTCS** and **CTCX** 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.	Repeated
HHR estimates	9.4	**CTCS** and **CTCX** Improve the HHR estimation process so that Datahub can apply estimates where data for an equivalent day is not available.	Repeated
HHR estimates	9.4	**CTCS** and **CTCX** If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data, even if register reads are not available.	Repeated
HHR estimates	9.4	**CTCS** and **CTCX** If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.	Repeated
HHR validation	9.6	**CTCS** and **CTCX** Validation of HHR consumption patterns should be completed at ICP level as well as aggregate level.	Cleared

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 10.6, 11.2, 15.2

Code related audit information

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

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

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

Audit observation

The processes to find and correct incorrect information was 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

CTCT

Registry and static data accuracy

Current registry data values are validated against SAP using SAS queries, which generate reports of mismatches. The number of queries reviewed has been expanded during the audit period to include further checks of events, unmetered load, and ANZSIC code details.

The following queries are reviewed several times at the beginning and middle of each month:

Query name	Description
CONNECTION_MISMATCH_RPT	This report shows current status discrepancies between SAP and the registry, which are investigated to confirm the correct status and passed to the appropriate team for further action, such as the operations team to re-disconnect.
SUPPLY_SCEN_MISMATCHES	This report shows discrepancies between the registry trader and expected trader based on SAP information. Exceptions most commonly occur because of switch timing, or ICPs not being completely closed down or loaded in SAP. Exceptions are referred to the switching or operations team for action.
ELEC_EVENTS_MISMATCH	This report compares the event numbers/identifiers recorded on the registry to SAP to identify events which are missing from either database. The events are investigated and SAP and/or the registry are updated accordingly.
ELEC_EVENTS_NOTCTCT	This report shows events where SAP recorded CTCT as the retailer, but the registry recorded another trader. There are usually a small number of exceptions for LE ICPs and ICPs directly connected to the grid.

Query name	Description
UNMETERED_REPORTING_1	This report shows: • discrepancies between the trader unmetered load details, unmetered flag, and daily unmetered kWh in SAP and the registry, and • ICPs with at least one unmetered load field populated, which do not have the other corresponding fields populated. The correct details are confirmed, and the registry and SAP are updated as required.
UNMETERED_REPORTING_1	This report shows active ICPs with meter category 9 or null and the unmetered flag set to no. The ICPs are checked to determine whether action or correction is required.
NETWORK_GRID_MISMATCH	This report shows NSP, network, and reconciliation type discrepancies, which are investigated and resolved.

The following queries are reviewed monthly:

Query name	Description
ANZSIC_CODE_MISMATCHES	This report shows ANZSIC code mismatches between SAP and the registry, meter category 2 ICPs with residential ANZSIC codes and ICPs with unknown ANZSIC codes. Exceptions are checked and corrected as necessary.
GENERATION_MONITORING	This report shows installation type discrepancies between SAP and the registry, and instances where the profile is inconsistent with the installation type. Where a job for import/export metering has been raised, no action is taken. Where no job has been raised, the exception is passed to the distributed generation team to arrange meter installation.

Monitoring is in place to check new connection active status dates against meter certification dates and initial electrical connection dates. These checks are discussed further in **section 3.5**.

The data team do not check for loss factor mismatch between SAP and the registry, and the profile checks are limited to obvious discrepancies between submission type and profile, and distributed generation. All other reconciliation aggregation factors are validated against the registry.

Description	Recommendation	Audited party comment	Remedial action
Registry validation	Expand SAP to registry validation to include the loss factor field.	We currently investigating what opportunities we have with our data and existing reporting to further expand our validation checks to include the loss factor field.	Investigating

Analysis of the AC020 report and registry list found:

Issue	Aug 2021 Qty	Jan 2021 Qty	2020 Qty	2019 Qty	2018 Qty	2017 Qty	Comments
ICP at status "new connection	1	0	0	2	2	0	Compliant.

Issue	Aug 2021 Qty	Jan 2021 Qty	2020 Qty	2019 Qty	2018 Qty	2017 Qty	Comments
in progress" (1,12)							
Active date variance with Initial Electrical Connection Date and/or meter certification date	1,001	630	102	41	11	50	I checked a diverse sample of 40 ICPs and found seven had incorrect active status dates. See **section 3.5**.
Active ICPs with metering category 3 or higher with NHH submission flag	0	0	0	0	0	0	Compliant.
Active ICPs with blank ANZSIC codes	0	0	0	0	0	0	Compliant.
Active ICPs with ANZSIC "T994" or "T994000" don't know	3	43	1	140	183	524	See **section 3.6**.
Active ICPs with ANZSIC "T997 "response unidentifiable	0	0	0	0	0	0	Compliant.
Active ICPs with ANZSIC "T998 "response outside of scope	0	0	0	0	0	1	Compliant.
Active ICPs with ANZSIC "T99", "T999" or "T999999" not stated	0	4	0	28	30	161	Compliant.
Active ICPs with metering category 3 or above with a residential ANZSIC code	0	0	0	0	0	1	Compliant.
Active ICP with no MEP and unmetered flag set to N	23	58	32	302	97	116	See **sections 2.9** and **3.4**

Issue	Aug 2021 Qty	Jan 2021 Qty	2020 Qty	2019 Qty	2018 Qty	2017 Qty	Comments
Active ICP with meter category 9 or blank and unmetered flag set to N	196	58	32	170	-	-	See **sections 2.9, 3.4** and **3.8**
ICPs with Distributor unmetered load populated but retail unmetered load is blank or 0	8	3	1	15	17	31	See **section 3.7**
ICPs with unmetered load flag Y but load is recorded as zero, excluding SB ICPs	2	0	1	2	6	0	See **section 3.7.**
ICP with incorrect standard unmetered load	20	18	72	184	1	0	22 ICPs had incorrect unmetered daily kWh or unmetered load details recorded, and ten of those were corrected during the audit. See **section 3.7.**
ICPs with incorrect shared unmetered load	0	0	1	0	2	7	Compliant.
Submission against the RPS profile where the registry has a controlled profile.	240	214	310	1,918	16,816	19,821	Contact's reconciliation process applies RPS if a profile requiring a certified control device is recorded on the registry and the ICP does not meet the metering or certification requirements for that profile to be applied. 240 ICPs have a controlled profile recorded on the registry but are submitted as RPS. See **section 6.3**.
Active ICPs with invalid NHH and/or HHR profiles recorded on the registry.	204	194	26	1,373	396	10	**HHR and NHH submission flags = Y** 159 ICPs had the HHR and NHH submission flags set to Y. 117 were HHR metered ICPs with some unmetered load which is settled as NHH. The 42 remaining ICPs are exceptions. **Profile inconsistent with submission flags**

Issue	Aug 2021 Qty	Jan 2021 Qty	2020 Qty	2019 Qty	2018 Qty	2017 Qty	Comments
							45 ICPs had profiles inconsistent with their submission flags.
Incorrect generation profiles recorded on the registry.	-	28	1	10	45	-	Profile discrepancies on the registry list were corrected prior to the audit. Refer to **section 6.1**.
Arc category 2 meters submitted as HHR	-	-	-	10	-	-	CTCT has 4,301 active ARCS HHR settled ICPs. All have metering category 1, and have the multiplier flag = N.
Incorrect status recorded on the registry	12	16	1	5	-	-	Seven new ICPs have incorrect active status dates recorded. See **sections 3.5** and **3.8**. Ohoka Downs DUML ICP 0000366150MP46C is to be decommissioned as the connected lights are metered. The ICP became inactive on 04/06/21, but the registry has recorded inactive status from 07/10/20. See **section 3.9**. Four updates to inactive status were incorrect and were corrected during the audit. See **section 3.9**.

The table below summarises the registry discrepancies identified during this audit, which were not identified and corrected through CTCT's data validation processes prior to the audit.

Field	Discrepancy	Report section
ANZSIC code	20 ICPs which were confirmed to have incorrect ANZSIC codes were corrected during the audit. 0001831350TGAF6 was updated to ANZSIC code A011 in error effective from 16/12/20 and corrected back to D281100 effective from 27/08/21.	3.6
MEP nominations	An incorrect MEP nomination for 0000165066CK5F0 has been rejected and needs to be reissued to the correct MEP (LMGL).	2.9, 3.4

Field	Discrepancy	Report section
Active status updates for new connections	The following ICPs have incorrect active status dates recorded on the registry: • 0000049481HB6D2 registry date 12/03/2021 correct date 10/03/2021 • 0000572629NR17A registry date 02/03/2021 correct date 01/03/2021 • 000060622NT9E0 registry date 21/07/20 correct date 20/07/2020 • 0007203165RN85E registry date 22/07/20 correct date 21/07/2020 • 0007201591RN602 registry date 21/05/2021 correct date 20/05/2021 • 0007202111RNDA9 registry date 25/06/2021 correct date 24/06/2021, and • 0007199964RN126 registry date 09/03/2021 correct date 10/03/2021.	3.5, 3.8
Inactive status updates	Ohoka Downs DUML ICP 0000366150MP46C is to be decommissioned as the connected lights are metered. The ICP became inactive on 04/06/21, but the registry has recorded inactive status from 07/10/20. Four updates to inactive status were incorrect and were corrected during the audit.	3.9
Unmetered load	Some incorrect unmetered load information was identified: • ICP 0000552757HB3CE has a 125 W MV lamp which is expected to have standard ballast wattage of 11 W, giving a total wattage of 136 W; the 1.656 kWh daily average has been calculated based on 138 W but should have been 1.632 kWh based on 136 W, • 0005301922TU192 should be updated to 1.45 kWh and 252;11.9;2x UVL on the registry, • 0000553257NR3D0 should be updated to 20;24;security gate on the registry, • 0015822016EL2B1 should be updated to 3.45 kWh on the registry, • 0005000186HBD7A had its unmetered load details corrected from 28/09/21 but should be corrected from the switch in date 14/04/21, • ICPs 0006797822RN416, 0000026060WE15A, 0013531104EL2A7 and 0000024991EA327 do not have unmetered load installed but have unmetered load details recorded on the registry, • ICP 0015780248EL8F7 has missing unmetered load details on the registry from 12/03/19 until 23/09/21; SAP is correct so there is no impact on submission, • ICP 0000020052CPB35 has missing unmetered load details on the registry from 18/05/21 until 15/09/21 and there is also a gap in SAP's unmetered load between the previous customer moving out on 01/06/21 and new customer moving in on 05/06/21, and • ICP 0016096677ELF31 requires its trader unmetered load details to be corrected to 200;11.5, 2x100W UVL. A further ten ICPs had incorrect unmetered load details corrected during the audit.	3.7

Registry discrepancies identified during the previous audit were re-checked to confirm whether they were resolved. The following discrepancies remained:

Field	Discrepancy	Report section
Active status	ICP 0007197288RN34C still has an incorrect active date recorded (8/11/20 instead of 8/9/20). The ICP has now switched out and has not been corrected.	3.5/3.8
Trader unmetered load	All have been been resolved apart from ICP 0016096677ELF31 which was downgraded from three to two under veranda lights from 6/4/21. The daily unmetered kWh was updated, but the trader unmetered load details were not. CTCT has attempted to resolve the issue, but the registry update failed and was not detected.	3.7

Examination of the NHH to HHR and HHR to NHH meter change process, discussed in **section 6.7**, found that whilst the NHH meter readings are applied correctly, the registry cannot reflect that an ICP is both HHR and NHH on the same day, therefore causing a discrepancy between the profile recorded on the day of meter change. This has no material impact on reconciliation. No examples were found where the profile change and meter change occurred at the same time, because Contact usually downgrades the submission type before meter changes for category one and two meters.

There has been further progress in reducing the number of reconciliation profile discrepancies and resolving status discrepancy issues. The following registry and static data accuracy issues were identified during the audit for CTCT, which were not resolved as soon as practicable:

Issue	Description	Section
The registry profile does not reflect the profile applied for reconciliation	As discussed above, a decreasing number of ICPs have a different profile recorded on the registry to the profile applied for submission. Some corrections were processed during the audit, and the remaining exceptions have been left to maintain visibility of the affected ICPs.	2.1
Settlement unit data	ICP days were not reported correctly where settlement unit information was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. Contact has been working to resolve these issues before revision 14, and the ICP days differences are generally small.	11.2

<u>Read and volume data accuracy</u>

Read and volume accuracy issues are identified through CTCT's validation processes, which are described in detail in **sections 9.5** and **9.6**.

A spreadsheet template is used to estimate consumption in situations where meters are determined to be recording incorrectly or are stopped. The template uses historic consumption from periods prior to the fault, or consumption recorded by a replacement meter after the fault. Correction activity is conducted by a limited number of experienced staff in the revenue assurance and reconciliation teams to ensure accuracy and consistency.

The correction is then processed in SAP by either:

- reversing the bill, correcting the readings, and rebilling,
- adding consumption to an existing reconciliation period record which allows the change to be independent of billing to the customer if necessary, or
- where a meter is stopped, faulty, or bridged, Contact can close the meter on an estimated closing read which includes the unrecorded consumption and restart the meter on the correct read.

For each of the correction methods the consumption will flow through to reconciliation submissions. Correction occurs within the 14-month period if the period affected is longer than 14 months. This ensures all consumption is accounted for.

I checked a sample of NHH corrections as described in the table below:

Defective meters	I checked 20 examples of suspected stopped or faulty meters. In all cases corrections had been appropriately processed, and the full correction was within the 14-month period.
Incorrect multipliers	Multiplier corrections are processed by reversing invoices for the affected period, correcting the master data and then re-invoicing. Ten examples of incorrect multipliers were identified during the audit period. Nine were processed correctly, but ICP 0328863025LC9DE did not have the consumption all apportioned to the 14-month revision period.
Bridged meters	Bridged meters requiring correction are identified by searching for field services jobs with the word or part word "bridge" in the description, or through the zero-consumption validation process. Consumption during the bridged period is estimated based on the daily average consumption while unbridged. For new switch ins this is calculated based on the daily average consumption in the CS file, and for existing customers it is based on the actual daily average consumption before or after the bridged period occurred. If there is insufficient history to estimate, 25 kWh per day will be applied as a default value. Up until March 2019, Contact monitored ICPs believed to be bridged every two months, and processed corrections. Following an ORB system upgrade, it was no longer possible to efficiently obtain information on ICPs which have been bridged, and each field services job type was searched through individually. This issue with ORB is now resolved but the reporting is still quarterly due to resource constraints. I reviewed ten examples of bridged meters and all corrections were conducted accurately.
Consumption while inactive	BPEMs are generated for the assurance team when consumption occurs on an inactive site. A robot initially validates the consumption to determine whether it is likely to be genuine, then it is reviewed by a user who will correct the status, add disconnection and reconnection reads and/or invalidate misreads as necessary. Contact also maintains a report of inactive sites with consumption, which is refreshed every month. Contact's reconciliation team uses this report to identify ICPs with consumption during periods with inactive status which have not already been corrected through the BPEM process. Depending on the volume of consumption, a correction is processed by either: • correcting the ICP to active status from the day before consumption was detected with a reconnection read which matches the disconnection read, or • adding the inactive consumption to an existing reconciliation period record which allows the change to be independent of billing to the customer. The review of ICPs with inactive consumption sometimes identifies switched ICPs which were reconnected by the gaining trader prior to the effective switch date. Contact periodically sends lists of affected ICPs to other retailers, requesting that they ensure reconnection does not occur until the effective switch date in future. Early reconnection sometimes occurs where MEPs receive forward dated reconnection requests but process the reconnection before the requested date. Contact provided a report of inactive ICPs with consumption recorded. The report contained 297 ICPs, and comments indicated that all of the ICPs with inactive consumption had been investigated. I reviewed 20 examples and they were all processed correctly.
Unmetered load corrections	Corrections occur as required for unmetered load data. The unmetered load data for billing and reconciliation have been uncoupled, so it is possible to process an unmetered load correction without reversing billing.

	If unmetered wattage for a time slice or on hours are updated in SAP, the revised data will flow through to revision submissions. I checked ten examples and the only issue found was that ICP 0000553257NR3D0 had incorrect daily kWh corrected from 1.2 kWh per day to 0.05 kWh per day by CTCT in May 2021, but the ICP switched out and back in within a short time period and the other trader had changed the registry back to the incorrect figure of 1.2 kWh per day. I considered whether this was non-compliant and concluded that CTCT is compliant because clause 11.32 states "A participant does not breach this Code just because the participant does something relying on an incorrect record in the registry". CTCT has now corrected the registry.

Corrections identified as being required during this audit or the previous audit have been processed.

There is now only one C&I HHR ICP (1001157629CK617), which is read by AMS. A system issue is preventing the data from being loaded into SAP; therefore, submission has not been occurring since 1 February 2021. Non-compliance is recorded in sections 12.2 and 12.9.

CTCX and CTCS

Registry and static data accuracy

Simply Energy manages information completeness and accuracy as an agent. The same processes are used for all trader codes managed by Simply Energy. 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 last audit found that not all exceptions were being consistently reviewed and actioned. The operation team has been added to and management of the exceptions has improved overall.

The following checks are completed:

Exception	Findings
Don't know ANZSIC codes	The SalesForce Dashboard reports ICPs which have T9 series ANZSIC codes and these are checked monthly to confirm the correct code and updated.
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 are expected to be checked fortnightly to determine whether a read renegotiation is required. Due to resource constraints this check is not being done. The operations team focuses 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.
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 is still responsible for the ICP.

Exception	Findings
	The exceptions are checked before the initial and revision submissions. These are being worked and there were exceptions recorded when I viewed the dashboard.
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. Data streams for unmetered load have been added for all ICPs with unmetered load.
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. 15 ICPs were on the report as of 27/10/21 and none had a meter owner or initial electrical connection date. Management in this area has improved and ICPs are updated to active as soon as possible.
ICPs with inactive status	The SalesForce Dashboard reports ICPs with inactive status. This report shows all ICPs with inactive status, this is checked twice monthly. There were four ICPs for CTCS recorded. Management in this area has improved.
ICPs with an initial electrical connection date populated and inactive new connection in progress status	A report is run from the registry monthly and monitored 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. 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.
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. NT files default to RPS for NHH ICPs, and the profile is corrected to RPS PV1 or EG1 for ICPs with distributed generation as soon as possible after switching in.

Analysis of the AC020 report and registry list found:

Issue	CTCS Aug 2021 Qty	CTCS Jan 2021 Qty	CTCX Aug 2021 Qty	CTCX Jan 2021 Qty	Comments
ICP at status "new connection in progress" (1,12)	14	3	0	0	Compliant.
Active date variance with Initial Electrical Connection Date and/or meter certification date	26	4	0	0	See **section 3.5**, four were found to be incorrect.
Active ICPs with metering category 3 or higher with NHH submission flag	0	0	0	0	Compliant.
Active ICPs with blank ANZSIC codes	0	0	1	1	See **section 3.6**.
Active ICPs with ANZSIC "T994" or "T994000" don't know	2	0	0	0	See **section 3.6**.
Active ICPs with ANZSIC "T997 "response unidentifiable	0	0	0	0	Compliant.
Active ICPs with ANZSIC "T998 "response outside of scope	0	0	0	0	Compliant.
Active ICPs with ANZSIC "T99", "T999" or "T999999" not stated	0	0	0	0	Compliant.
Active ICPs with metering category 3 or above with a residential ANZSIC code	1	0	0	0	See **section 3.6**.
Active ICP with no MEP and unmetered flag set to N	3	0	0	0	See **section 2.9**.
Active ICP with meter category 9 or blank and unmetered flag set to N	0	0	0	0	Compliant
ICPs with Distributor unmetered load populated but retail unmetered load is blank or 0	0	0	0	0	Compliant.
ICPs with unmetered load flag Y but load is recorded as zero, excluding SB ICPs	3	1	0	0	The three ICPs are DUML. See **section 3.7.**
ICP with incorrect standard unmetered load	3	0	0	0	See **section 3.7.**
ICPs with incorrect shared unmetered load	0	0	0	0	Compliant.

Issue	CTCS Aug 2021 Qty	CTCS Jan 2021 Qty	CTCX Aug 2021 Qty	CTCX Jan 2021 Qty	Comments
Submission against the RPS profile where the registry has a controlled profile.	0	0	0	0	Compliant.
Active ICPs with invalid NHH and/or HHR profiles recorded on the registry.	0	0	0	**0**	Compliant.
Incorrect generation profiles recorded on the registry.	0	0	0	0	Compliant.
Arc category 2 meters submitted as HHR	0	0	0	1	One ICP had an ARC meter submitted as HHR for one day.
Incorrect status recorded on the registry	11	2	1	0	CTCX ICP 0000016378HR527 had an incorrect status date and was corrected during the audit. See **section 3.8**. CTCS ICP 1000598923PCF44 was backdated to active for the incorrect date of 15/07/21 but the meter was certified and livened on 01/07/21. See **section 3.8**. CTCS ICP 0000165339CK125 incorrectly made active for 06/04/21 and has been corrected to 07/04/21. See **section 3.8**. CTCS ICP 0000061322NTD455 incorrectly made active for 14/07/21 and has been corrected to 15/07/21. See **section 3.8**. CTCS ICP 1002141220UN6D0 incorrectly made active for 10/0821 and has been corrected to 12/08/21. See **section 3.8**. CTCS ICP 0000204653UN270 incorrectly made inactive for the day of a meter change. See **section 3.9.** CTCS ICP 0000010073TE5D4 was made inactive for incorrect date from 20/03/21-21/03/21 instead of 19/04/21-20/04/21. See **sections 3.8** and **3.9**. CTCS – three backdated switches where the inactive update during the backdated period has been updated

Issue	CTCS Aug 2021 Qty	CTCS Jan 2021 Qty	CTCX Aug 2021 Qty	CTCX Jan 2021 Qty	Comments
					for the incorrect dates. See **section 3.9.** CTCS - three of the ten decommissioned ICPs sampled made inactive for the incorrect dates See **section 3.9**

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 and viewed examples where available.

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 permanently estimated meter removal read and sent to EMS. One example was checked and confirmed as compliant.
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 examples were identified. There is no specific validation of compensation factors, NOT files are received for changed compensation factors, but these are not reviewed due to resourcing constraints. I recommend validation of compensation factors between the registry and Datahub occurs.
Bridged meters	The previous audit identified that ICP 0007166559RN975 was bridged between its switch in on 23/10/20 and 17/12/20 and was recertified on un-bridging. The ICP was disconnected by the losing trader, and Simply Energy issued a remote reconnection service order to AMS. AMS' contractor attended the site and reconnected the meter using a bypass without Simply Energy's knowledge. Upon identification and investigation of the issue, Simply Energy arranged for the bypass to be reviewed. A correction for consumption during the bridged period has now been processed.
Consumption while inactive	An end date is entered in DataHub and MADRAS when ICPs are disconnected, and an import error will be created for any reads received after disconnection. Simply Energy 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. Read import exceptions for readings after the data stream end are not specifically monitored to identify consumption during disconnected periods. Simply Energy has also stopped its monitoring of ICPs with inactive status, which was checked at least twice each month to confirm

	that the inactive status was correct and genuine. The report has not been reviewed since 21/1/21.
Unmetered load corrections	Simply Energy normally 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**. I checked two shared unmetered load ICPs, two standard unmetered load ICPs and two distributed unmetered load ICPs and in all cases the correction was conducted.
Zeroing	Zeroing now occurs and is identified through monthly validation.
Unmetered load threshold exceeded	ICPs 0016099060EL730 and 0110004920EL4F1 are Waka Kotahi ICPs are recorded on the registry as standard unmetered load ICPs with a daily kWh figure of 1.19 and 0.6 respectively. A recent DUML database extract provided to Veritek from Waka Kotahi identified that the load associated with these is 51.98 and 59.98 kWh respectively. This will be resulting in an estimated annual under submission of 18,538.06 and 21,672.24 per annum. These should be managed as DUML ICPs. This information has been passed to Simply Energy to investigate and resolve. This is recorded as non-compliance below and in **section 5.4**.

Recommendation	Description	Audited party comment	Remedial action
Regarding clauses 11.2 and 15.2	Develop validation reporting to ensure compensation factors are correct.	Validation reporting to ensure compensation factors are correct will be developed and implemented in early 2022.	Identified

The corrections identified as being required during this audit or the previous audit were examined:

Issue	Description	Section
Correction of consumption for bridged meter.	ICP 0007166559RN975 was bridged between its switch in on 23/10/20 and 17/12/20, and a correction for consumption during the bridged period has now been processed.	2.1, 12.7
Unmetered load submission	Unmetered load submissions were checked. The Code requires the calculation to be based on the daily unmetered load figure recorded in the registry multiplied by the number of days in the month. The MADRAS system does not have an unmetered load capability; therefore, Simply Energy was creating dummy meters for each ICP and was calculating and sending EMS meter readings for the dummy meters to ensure submission was correct. Now that the quantity of unmetered load ICPs has increased into the hundreds, this step is not undertaken. All unmetered load ICPs, except those with the DST profile, have default submission created by MADRAS based on 55 units per day. This has led to over submission of standard unmetered load of 1,300,000 kWh since October 2020, over submission of shared unmetered load of 119,000 kWh since October 2020 and under submission of	2.1, 12.7

Issue	Description	Section
	distributed unmetered load, where the profile is not DST, of 822,000 kWh since October 2020. This matter is now resolved. Dummy meters have been created and readings sent to EMS.	
Zeroing	Zeroing did not occur for July and October 2020 for 19,317 kWh in total. This is now resolved.	2.1, 12.7
Agreed read request changes not processed	Simply Energy have accepted read changes, but they were not processing these due to resource constraints between 01/03/21-30/09/2021. This affected approximately 650 ICPs across both transfer and switch moves. These are being reviewed and corrected. For those within the 14-month revision period the corrections will flow through the revision cycle. Those outside of the revision cycle will be evaluated on a case-by-case basis as to how these are best resolved. Going forward these are being processed as part of BAU from 01/10/21. This is recorded as non-compliance below and in **sections 4.4,4.10, 6.7** and **12.7**.	4.4,4.10,6.7 and 12.7

I did not identify any read or volume issues for CTCX that were not resolved as soon as practicable.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: Clause 10.6, 11.2, 15.2 From: 01-Mar-21 To: 30-Sep-21	**CTCT, CTCS** and **CTCX** Some inaccurate data is recorded and was not updated as soon as practicable. Potential impact: High Actual impact: High Audit history: Multiple times Controls: Moderate Breach risk rating: 6
Audit risk rating	**Rationale for audit risk rating**
High	The controls are rated as moderate. Controls are moderate for the CTCT operation. CTCS and CTCX have made improvements and their controls are now rated as moderate. Areas of improvement have been identified in the report. The impact is high based on the volume differences identified, and that corrected data has not yet been prepared in some instances.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT **Active ICPs with ANZSIC "T994":**	**CTCT** Ongoing	Identified

ANZSIC code has been corrected for the period between 16/12/2020 and 27/08/2021 for ICP 0001831350TGAF6. Contact has strong reporting in place to identify any ICPs with a "T9" series ANZSIC code applied in the registry. Corrections are made via a manual process on a regular basis. We continue to work with our staff to ensure the customers end use is validated on signup, and the appropriate ANZSIC code is populated from the contract start date. We will also be looking further into additional system changes that could be implemented to remove the capability for selecting a 'T9' series ANZSIC code on customer sign-up. **UNM Non-compliances:** Contact has made steady improvements with monitoring UNM data since our last audit. We continue to actively work with our customers and distributors to determine current UNM load details to resolve these non-compliances. Contact is reviewing the current reporting to identify where any improvement can be made to increase accuracy and ensure correction are made as soon as practicable. **Submission against the RPS profile where the registry has a controlled profile:** We continue our efforts to work with the MEPs as the cost to traders, such as Contact, of having to submit controlled load as RPS is significant and we believe also can distort the accurate application of UFE to all traders. Our focus is now moving to expired certified ICPs now that the population of the 'controlled device certified' flag on the registry is largely accurate. **Incorrect generation profiles recorded on the Registry:** Contact has strong reporting in place to seize any discrepancies. We are actively working with customers, distributors, and MEPs, to ensure the ICPs identified via our Monthly reporting as having incorrect generation related data applied within SAP or the Registry is being investigated/corrected. **Incorrect Status data:** Contact is actively working through all status discrepancies identified via the last RP Audit to ensure the required corrections have been made. Our teams will also be completing a review to identify where the data was inaccurate, and that the identified ICPs were picked up in our monthly reporting. Where the scenarios were not picked up, we will identify the reasons		

why an make the necessary fixes to our monthly mismatch reporting to include these moving forward. We will continue to provide refresher training courses to internal staff to assist with further decreasing the opportunity of incorrect status data being applied in the Registry due to a human error. We will continue to work collaboratively with our field service providers to ensure the information returned to Contact Energy from the field are returned with accurate information and in a timely manner. **New Connection Non-compliances:** Contact is working through the exceptions identified during this audit. New connections are monitored on daily basis through existing reporting, and we are in process of allocating more resources to AC020Trader21 report to further improve the compliance. Contact continues to work with field contractors and MEPs to address the late paperwork and accuracy issues. Further training has been provided to the operators to ensure MEP nomination rejections are processed accurately in a timely manner. **MEP Nominations:** ICP 0000165066CK5F0 – Issued has been resolved. Contact is reviewing the MEP nomination rejection process within our SAP system. We are actively working with field contractors to ensure correct MEP is recoded on the field paperwork. We are in process of providing further training to users to ensure exceptions are handled efficiently and in timely manner. **CTCS/CTCX** A full review of all switch read changes not updated will be conducted and completed by 30 November 2021.	**CTCS/CTCX** 30/11/2021	
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Please refer to the Actions taken to resolved, which also apply as the preventative actions taken to ensure no further issues will occur. **CTCS/CTCX**	**CTCT** **CTCS/CTCX** 30/06/2022	

Automation of the Switch Read change process is due for development in 2022 and will go through the material change audit process. In the meantime, the operations team have been fully trained of the correct process to update these into all systems, and the Compliance team will spot check RR's each month to ensure new reads are reflected in all systems.		

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

CTCT

NHH read data is transferred via SFTP. I traced a sample of readings and AMI data received from Contact's agents and MEPs from the source files to SAP (via the COLA database for AMI data). The sample included all NHH reading providers.

HHR volume data (including data for embedded network gateway meters) is transferred using TIBCO Virtual FTP by AMS and EDMI. I traced a sample of volumes for three HHR ICPs from the source to HDM, SAP, and the HHR aggregates submissions. I also walked through the process to create NSP volumes submissions from receipt of the meter data to submission.

Generation data is automatically imported into SAP from MV90, and the process was walked through.

CTCX and CTCS

NHH read data is transferred via SFTP. AMI HHR interval data is imported directly into Datahub, and AMI and manual readings are loaded into the Datawarehouse and a daily read file is extracted and imported into Datahub. I traced a sample of readings and AMI data received from Contact's agents from the source files to Datahub, the sample included all NHH reading providers.

Once validation is complete in Datahub, the validated (published) reads are exported back to the Datawarehouse, 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.

AMS and EDMI provide HHR data directly to Simply Energy.

Audit commentary

CTCT

NHH

NHH data is provided by SFTP by MRS. I checked a sample of readings received from MRS and confirmed the source data matched the data recorded in SAP.

I checked a sample of readings received from AMS, Arc, FCLM, Smartco, Metrix, and Intellihub and confirmed the source data matched the data recorded in SAP. The previous audit recorded that where a read is not obtained on the meter read order date, SAP retrieves the nearest actual reading within the last three days for AMS, Smartco, Metrix and FCLM and the nearest actual reading within the last two days for all other providers and records it as actual against the meter read order date. An exception is generated where the read dates do not match, but they were bulk closed without investigation. This matter is now resolved; multi-meter ICPs where one or more meters are not communicating have been moved to a manual meter reading round.

HHR data for AMI category 1 and 2 meters is received via SFTP for AMS, Arc, FCLM, Counties Power, Smartco, Metrix, and BOPE and imported into the COLA database and where it is monitored using the Smart Read Dashboard interface, queried and viewed using the Smart Reads Console interface, and validated using the IMDM validation interface. The validated data is then imported into SAP. I checked a sample of HHR AMI data received from AMS, Arc, FCLM, Metrix and BOPE and confirmed that the source data matched the data recorded in SAP.

HHR

There is only one HHR ICP still present. The data is provided by SFTP.

Generation

Generation data is imported into SAP via MV90. I traced a sample of data from MV90/Oracle through to SAP and confirmed that it was recorded correctly.

CTCX and CTCS

NHH

I traced a diverse sample of readings and AMI HHR volumes from the source files through to Datahub, and the aggregates submissions for HHR settled ICPs or MADRAS for NHH settled ICPs. Compliance is confirmed.

HHR

AMS and EDMI provide HHR data. I traced a sample of data from the raw meter data files provided by AMS and EDMI through to the submission files and confirmed that the data was recorded accurately.

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

CTCT

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

Audit trails created for generation data were reviewed and they contain the following information:

- date,
- time,
- operator ID,
- data corrected,
- technique used,
- reason for alteration, and
- approval of the correction.

CTCS and CTCX

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.

Agent systems

Compliance is recorded in the agent audit reports.

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 the current terms and conditions for all brands supplying ICPs under the CTCT, CTCS, or CTCX codes.

Audit commentary

The terms and conditions include arrangements for meter access and shutdowns and these clauses extend to Contact's agents and are mirrored in agreements with MEPs.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

The trader must use its best endeavours to provide access:

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

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

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

Audit observation

I reviewed the current terms and conditions for all brands supplying ICPs under the CTCT, CTCS, or CTCX codes and discussed compliance with these clauses.

Audit commentary

The terms and conditions include consent to access for authorised parties for the duration of the contract. Contact supports requests for access to metering by providing customer contact details on request.

CTCT

Processes are in place to arrange access to customer installations, where requested by other parties. Where requested, CTCT will email or write a letter to the customer advising access is required at least ten days in advance; or provide customer contact details.

Occasionally a customer will decline access to the meter, and CTCT negotiates with the customer or escalates to the resolutions team. In some cases, this may also involve negotiation with the MEP.

CTCT could not provide any specific instances where access was requested but unable to be arranged.

CTCS and CTCX

Simply Energy confirmed that they have been able to arrange access for other parties when requested.

Audit outcome

Compliant

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

Code reference

Clause 10.35(1)&(2)

Code related audit information

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

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

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

Audit observation

A discussion was held regarding knowledge of any ICPs with loss compensation present. The presence of loss compensation factors was also checked with the HHR data team.

Audit commentary

Contact is not responsible for any metering installations with loss compensation factors.

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 the current terms and conditions for all brands supplying ICPs under the CTCT, CTCS, or CTCX codes.

Audit commentary

The terms and conditions contain the appropriate clauses to achieve compliance with this requirement.

Audit outcome

Compliant

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

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

Audit observation

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

Audit commentary

CTCT

The new connection process varies by network. The customer makes an application for new connection to the network and/or CTCT.

- Where ICPs are directly requested from the network by the customer or their agent, CTCT has blanket acceptance agreements in place for ICPs where they are the nominated trader. Once notified, CTCT contacts the customer to arrange a customer supply agreement if it has not already been completed and raises a service order to complete the connection and install metering (if the ICP is to be metered).
- For ICPs requested by applying to CTCT, an application for a new ICP is raised with the network and service order is raised to complete the connection and install metering (if the ICP is to be metered).

Once the work completion paperwork for the connection and meter installation is received, workflows update SAP and the registry to "active" status, and a trader update including MEP nomination is made.

Contact do not use the "inactive - new connection in progress" status in the new connection process but instead claim the ICP from "ready" and make it "active". This practice is compliant providing the ICP is made "active" within five business days of the event. For any ICPs updated late, the MEP nomination will also be late, as this is sent at the same time as the ICP is made "active". The late MEP nominations are recorded as non-compliance in **section 3.5**. The "inactive - new connection in progress" status is only applied where an ICP is moved to "active" status, and then a correction is required to make the ICP active from a later date.

CTCT runs their NEWREADYICPSREPORT daily to monitor new connections. The report includes ICPs at "new" or "ready" status, with either a service order raised, or an initial electrical connection date populated. A counter is included which identifies the days remaining before a breach for late registry information will occur. The report is restricted to ICPs at "new" or "ready" status which have work completion paperwork, or an initial electrical connection date populated indicating that they should be claimed on the registry.

There is currently no monitoring of ICPs which have been at "new" or "ready" status for more than 24 months, but this is in the process of being developed. The management of ICPs at the "new" or "ready" status where CTCT is the nominated trader for more than 24 months is discussed in section **3.10**.

HHR new connections are no longer completed by CTCT. I checked 20 NHH ICPs and in all cases, CTCT had accepted responsibility.

The audit compliance report recorded 196 “active” ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. All were checked:

Count	Comment
9	MEP nominated, awaiting response.
61	MEP accepted nomination, awaiting meter asset data.
3	The MEP rejected the nomination. • Two were rejected because the incorrect MEP was listed on the returned service order paperwork. One was accepted on reissue to the correct MEP, and the nomination for 0000165066CK5F0 is still to be reissued to LMGL. • The MEP nomination for 0000512104CEC8E was rejected by Delta, who responded with the wrong premises advisory code. Further investigation confirmed a Delta meter is installed, and CTCT has asked Delta to accept the nomination.
7	No MEP nomination has been raised during the audit period. • 1000002829BP476 is believed to have a BOPE meter. BOPE were nominated in 2018 and have not responded. • 0000921936TU403 is believed to have a DELT meter, and CTCT is receiving regular readings from it. • 0042141002PC502 and 0181346710LC342 are believed to have been set up in error and will be followed up with the network. • 0009604831CN581, 0000008036CE985 and 0099551585CN50D have no metering and are to be decommissioned. The ICPs currently have active status. For ICP 0009604831CN581 returned paperwork in February 2021 confirmed the ICP should be decommissioned but was not actioned.
116	Metering details were populated on the registry after the report was run.

Description	Recommendation	Audited party comment	Remedial action
Resolve active unmetered ICPs with the unmetered flag set to N	**CTCT** Reissue MEP nominations for 000165066CK5F0, 1000002829BP476 and 0000921936TU403. Arrange decommissioning for ICPs 0009604831CN581, 0000008036CE985 and 0099551585CN50D. Investigate ICPs 0042141002PC502 and 0181346710LC342 to confirm whether decommissioning is required and arrange decommissioning as necessary.	1000002829BP476 – meter found on site 000165066CK5F0 – metered from start 0000921936TU403 – dismantled 0009604831CN581 & 0099551585CN50D - dismantled 0000008036CE985 – ready 0042141002PC502 believed to be at a different address than indicated 0181346710LC342 wrong property switch metering thought to be removed prior (2009)	Identified

The audit compliance report identified 11 new connections where an MEP nomination was not accepted within 14 business days. The delays were caused by late receipt of paperwork, late MEP acceptance of MEP nominations that were issued on time, and late processing of paperwork. This is recorded as non-compliance in **section 3.4**.

CTCX and CTCS

Simply Energy manages new connections as an agent. Contact provides Simply Energy with the customer and ICP information required to complete the new connection. 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 for CTCS and CTCX ICPs. Responsibility is accepted for each individual ICP and requires an MEP to be selected. 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.

CTCX	No new connections were completed. The audit compliance report recorded no "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no.

CTCS	I checked 25 NHH ICPs and nine HHR new connections. In all cases, CTCS had accepted responsibility.
	
	The audit compliance report recorded four "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. All were checked:
	
	• one ICP had metering details populated on the registry after the report was run, and
	• three ICPs had no MEP nomination raised, these were examined and found:
	  ○ two have since been decommissioned, and
	  ○ the meter has been removed by persons unknown for ICP 0110007670EL116 which was for a string of lights in Paekakariki that is where the new Transmission Gully highway work is being undertaken; this is being investigated to confirm if the lights are still present and are now unmetered or have been decommissioned.
	
	The audit compliance report did not identify any new connections where an MEP nomination was not accepted within 14 business days.

Audit outcome

Compliant

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

Code reference

Clause 10.33(1)

Code related audit information

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

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

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

Audit observation

The new connection process was examined in detail.

Audit commentary

CTCT

When investigating differences between meter certification dates and initial electrical connection dates as part of their active date validation process, CTCT has sometimes found a mismatch where the network and MEP both insist that their date is correct. Having additional information including how the meter was tested helps CTCT to confirm the correct date. In most cases where meter certification occurs prior to the initial electrical connection date, the MEP has confirmed that a generator was used for testing.

CTCT does not claim ICPs at 1,12 "inactive - new connection in progress" status. If temporary electrical connection occurs, they are unlikely to be recorded as the trader on the registry. No examples were identified.

CTCX and **CTCS**

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.

No new connections were completed for CTCX, and no temporary electrical connections occurred for CTCS.

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, 1 or more certified metering installations are in place*

- *if the ICP has not previously been electrically connected, the relevant distributor has given written approval of the electrical connection.*

Audit observation

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

The AC020 reports were examined to confirm process compliance and that controls are functioning as expected.

Audit commentary

CTCT

Active ICPs without metering

The audit compliance report recorded 196 "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. 116 ICPs had a metering data populated after the report was run, 61 had accepted MEP nominations, and nine had MEP nominations issued awaiting a response from the MEP. The following exceptions were identified:

Count	Comment
3	The MEP rejected the nomination. • Two were rejected because the incorrect MEP was listed on the returned service order paperwork. One was accepted on reissue to the correct MEP, and the nomination for 0000165066CK5F0 is still to be reissued to LMGL. • The MEP nomination for 0000512104CEC8E was rejected by Delta, who responded with the wrong premises advisory code. Further investigation confirmed a Delta meter is installed, and CTCT has asked Delta to accept the nomination.
7	No MEP nomination has been raised during the audit period. • 1000002829BP476 is believed to have a BOPE meter. BOPE were nominated in 2018 and have not responded. • 0000921936TU403 is believed to have a DELT meter, and CTCT is receiving regular readings from it. • 0042141002PC502 and 0181346710LC342 are believed to have been set up in error and will be followed up with the network. • 0009604831CN581, 0000008036CE985 and 0099551585CN50D have no metering and are to be decommissioned. The ICPs currently have active status. For ICP 0009604831CN581 returned paperwork in February 2021 confirmed the ICP should be decommissioned but was not actioned.

In **section 2.9**, I have recommended that investigation into MEP nominations, and decommissions is carried out as required to resolve these issues.

New connections

Contact does not use the "inactive - new connection in progress" status. The "inactive - new connection in progress" status is only applied where an ICP is moved to "active" status, and then a correction is required to make the ICP active from a later date.

Contact had accepted responsibility for all newly electrically connected ICPs. The audit compliance report found 183 NHH ICPs that were not certified within five business days of electrical connection. Where certification details were available, these were confirmed to be NHH ICPs. 108 of these ICPs were unmetered load, and the remaining 75 ICPs were expected to be metered and certified.

54 of the ICPs expected to be metered and certified had no meter certification details:

- ten were timing differences and metering certification details were added later,
- 40 had MEP nominations made; 35 were accepted and awaiting meter asset data and five were awaiting an MEP response, and
- four had rejected MEP nominations because an incorrect MEP was recorded on the returned service order paperwork, or the MEP rejected the nomination in error; one now has certified metering installed and another has had an updated MEP nomination accepted by the correct MEP but the nomination for 0000165066CK5F0 is still to be reissued to LMGL, and CTCT is working with Delta on ICP 0000512104CEC8E which is confirmed to have a Delta meter but had its nomination rejected.

21 of the ICPs expected to be metered and certified had certification dates more than five business days after the initial electrical connection date:

- 16 were unmetered BTS ICPs which were certified when they became permanent metered ICPs, and
- the other five had genuine late meter certification details, because the MEP provided the details late.

Reconnections

Between weekly and every three weeks as workloads allow, a report is run from SAS of reconnections with expired meter certification. ICPs which switch out between reconnection and the report being run are excluded from the report.

Contact advises the MEP that the reconnected meter(s) are uncertified because they have interim or expired certification. If the MEP is willing to recertify at its own cost, CTCT will ask the MEP to proceed with re-certification. If the MEP requires CTCT to issue a service order and pay for the recertification, CTCT does not ask the MEP to proceed with re-certification.

The process in place ensures that MEPs are advised of reconnected meters which are uncertified, but they will not be asked to proceed with re-certification unless this is at their own cost. The process is unlikely to be completed within five business days of reconnection.

The audit compliance report identified 133 reconnected ICPs where the meter has no current certification, two of which were unmetered. A diverse sample of 20 ICPs were checked and found:

- for 12 ICPs the MEP was notified that the meter was uncertified as part of the reconnection process and asked to re-certify,
- for four ICPs the meter was not certified as part of the reconnection and is expected to be re-certified as part of statistical sampling or when Arc meters are displaced,
- two ICPs had their meters certified late when the meters were replaced or relocated,
- one ICP switched out before the MEP re-certified it, and
- one active status event was reversed, removing the requirement for the ICP's metering to be certified.

Bridged meters

Contact confirmed 26 ICPs were bridged to reconnect between March 2021 and July 2021 and 24 were later unbridged. Meters are required to be certified on unbridging, and CTCT issues field services jobs to "unbridge and certify" to MEPs.

I reviewed the certification details for the 24 ICPs with bridged meters which were unbridged during the audit period. 21 ICPs were recertified on unbridging, and three were not showing as recertified in the registry. Further checks showed that two of the three were recertified but the MEP updated the registry late. One ICP switched away whilst the unbridge job was underway, but it has been recertified and the registry updated.

CTCS and CTCX

Active ICPs without metering

CTCX	The audit compliance report recorded no "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no.
CTCS	The audit compliance report recorded no "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no.

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.

CTCX	No new connections were completed for CTCX.
CTCS	The AC020 report found one CTCS HHR ICP 1002112011LCCEA was not certified within five business days of connection. This is recorded as non-compliance below.

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.

CTCX	No reconnections were completed for CTCX.
CTCS	The audit compliance report identified two reconnected ICPs where the meter has no current certification, one of which was unmetered. ICP 0000005966CPA23 was reconnected on an uncertified meter and the MEP was not notified. This is recorded as non-compliance.

Bridged meters

Simply Energy's policy is to never bridge meters, and no meters were bridged during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.11 With: Clause 10.33A From: 26-May-20 To: 17-Aug-21	**CTCT** 61 new metered ICPs had certification details recorded more than five business days after connection. 131 ICPs reconnected without having metering certified within 5 business days. **CTCS** ICP 1002112011LCCEA was not certified within five business days of connection. ICP 0000005966CPA23 was not recertified within five days of reconnection. 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. Uncertified meters are now identified and notified to MEPs. The audit risk rating is low as a small proportion of ICPs were affected.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT Contact actively collaborates with field service providers to determine the best way to minimize metering being left un-certified or certified after 5 business days. Where metering cannot be un-bridged and recertified due to no access issues, we have asked the MEP to notify as soon as practicable so we can continue discussions with our customers to organize access. **CTCS** This TOU meter install was organised directly by the customer with the MEP, therefore did not go through our standard process which would ensure a contractor takes a test block to certify the meter at the installation. For the Reconnection, the field of Meter Certification was incorrectly updated to N/A, this process has since been reviewed to ensure no repeat of this issue.	**CTCT** Ongoing **CTCS** 31/10/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCT Contact actively collaborates with field service providers to determine the best way to minimize metering being left un-certified or certified after 5 business days. Where metering cannot be un-bridged and recertified due to no access issues, we have asked the MEP to notify as soon as practicable so we can continue discussions with our customers to organize access. **CTCS** Our reconnection process has been reviewed and Operations staff re-trained on this process.	**CTCT** Ongoing **CTCS** 30/09/2021	

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 and controls within each system were checked.

Audit commentary

Contact demonstrated the existence of either a UoSA or other trading arrangement for all relevant networks. Contact did not begin trading on any new networks during the audit period.

CTCT

The NSP is added to SAP once the UoSA is in place. SAP will not accept a new ICP or ICP switching from a network where there is no agreement.

CTCX and CTCS

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

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, and the controls within each system were reviewed.

Audit commentary

Contact has arrangements in place with all MEPs for their ICPs, and no new MEPs were added during the audit period.

CTCT

The new connection process contains a step that requires nomination of a valid MEP. Rejected MEP nominations are identified and actioned using SAP's Business Process Exception Management (BPEM) process. The rejected nominations were reissued where required, as discussed in **section 3.4**.

The MEP is added to SAP once an agreement is in place. SAP will not accept a new ICP or ICP switching with an MEP where there is no agreement.

CTCX and CTCS

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**.

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

CTCT

CTCT uses a SAS report to identify ICPs which have been reconnected as part of the switching process where the switch is withdrawn. The report is run on an ad hoc basis as workloads allow, and each ICP is checked to determine whether any action is required.

If a withdrawal is completed for an ICP reconnected as part of the switch in process, CTCT's policy is to restore the status to disconnected and bear any associated costs if requested by the other trader.

CTCS and CTCX

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.

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

CTCT

Contact cannot create a service order for disconnection if they are not listed as the current trader in SAP.

CTCS and CTCX

Simply Energy checks that CTCS or CTCX is 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 unbridge 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

CTCT

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

CTCT liaises directly with Delta for legacy meters, and the MEP for AMI and HHR meters. Any field services jobs which could result in seals being removed or broken are raised in ORB, and rules apply to ensure that jobs are sent to the correct service provider. The only exception to this is where the MEP raises a field services job themselves and advises CTCT when work is completed. CTCT provided nine examples of service orders raised for broken seals or unbridging meters and I confirmed that the requests included clear instructions on resealing and recertifying the metering.

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

CTCT receives work completion paperwork from Delta and the MEPs and uses this information to confirm the correct ICP attributes including status and profile, and update SAP and the registry. Service orders are monitored in ORB, and reports of overdue jobs are generated each Tuesday and automatically emailed to Delta or the MEP for action. This process is helping to reduce lost and late paperwork.

I requested information on seals for a sample of 20 reconnections and 27 disconnections. Some of the reconnections related to corrections where inactive consumption was identified. Where physical

disconnection or reconnection was initiated, the MEP was advised where the ICP was metered, or remote disconnection or reconnection had occurred. Meter seal details were not available on the returned paperwork.

CTCS and CTCX

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 and uses 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 at CTCS or CTCX's request 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 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 and a sample of bridged meters were reviewed.

Audit commentary

CTCT

Bridged meters are identified through returned work completion paperwork, and the NHH meter reading validation process.

CTCT only allows meters to be bridged where an urgent reconnection is required, and it is not possible to reconnect without bridging the meter. When an onsite reconnection is requested for an AMI meter, Delta phones the MEP while on site to attempt a soft reconnection, and only bypasses the meter if that fails. CTCT requires the contractor to use the FWR (further work required) function on the returned paperwork, which ensures that a job to "unbridge and recertify" is raised with the MEP.

I reviewed a sample of 24 ICPs which had meters bridged on or after 1 March 2021 and were unbridged during the audit period, and the five ICPs which remained bridged at the end of the audit period. Corrections were conducted accurately for all examples examined. Of the five still bridged at the time the audit commenced, two are now unbridged and corrections will be conducted. Three are still bridged, one has a medically dependent consumer, one is a closed retail premise, and one is still being investigated. The MEP was appropriately notified in all cases.

CTCS and CTCX

Simply Energy's policy is to never bridge meters, and no meters were bridged during the audit period.

The previous audit found CTCS ICP 0007166559RN975 was bridged between its switch in on 23 October 2020 and 17 December 2020 and was recertified on unbridging. The ICP was disconnected by the losing trader, and Simply Energy issued a remote reconnection service order to AMS. AMS' contractor attended the site and reconnected the meter using a bypass without Simply Energy's knowledge. Upon identification and investigation of the issue, Simply Energy arranged for the bypass to be reviewed. A correction for consumption during the bridged period has now been processed and I confirmed it is accurate.

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

A sample of invoices and letter templates relating to invoicing were reviewed to confirm that the ICP number is present.

Audit commentary

CTCT

Invoices contain the ICP number, and ICP numbers are included in communications relating to the sale of electricity. Only the account number is included on correspondence relating to payments, as one account can have one or many ICPs attached.

CTCS and CTCX

CTCS customers are supplied under the Contact Energy brand, and CTCX customers are supplied under the Simply Energy or Plains Power brands.

The invoices for all three brands 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. A sample of invoices, letter templates, emails, messenger correspondence, and recorded greetings for inbound calls were reviewed to determine whether clear and prominent information on Utilities Disputes is provided.

Audit commentary

CTCT

Clear and prominent information on Utilities Disputes is provided:

- on the footer of each page on contact.co.nz a link states "For independent complaint or pricing advice, click here. UDL & Powerswitch can help." - the link takes the user to a page with information on Utilities Disputes, a link to their website and their telephone number,
- on CTCT's invoices,
- in the text of letter templates including a generic template, and those related to pricing, invoicing, payments, complaints, outages, medically dependent customers, bonds, welcomes, transaction history,
- as part of the email footer for outbound emails, and
- in the recorded welcome message for inbound telephone calls.

Most outbound communications to customers regarding their invoices are by letter.

CTCS and CTCX

CTCS customers are supplied under the Contact Energy brand, and CTCX customers are supplied under the Simply Energy or Plains Power brands.

All three brands have clear and prominent information on Utilities Disputes displayed on their websites, on their invoices, email footers, and in their terms and conditions. Simply Energy's terms and conditions refer to the Electricity and Gas Complaints Commissioner rather than Utilities Disputes. I recommend this is updated.

Description	Recommendation	Audited party comment	Remedial action
Provision of information on dispute resolution.	**CTCX** Update terms and conditions to Utilities Disputes	Simply T&Cs (CTCX) will be updated to Utilities Disputes Ltd.	Identified

There is no promotion of the Utilities Dispute service in place for inbound phone calls. If a complaint is raised this will be offered as a part of the conversation. I recommend a notification is put in the IVR so all inbound callers are presented with this information.

Description	Recommendation	Audited party comment	Remedial action
Provision of information on dispute resolution.	**CTCS** and **CTCX** Notification of Utilities Disputes be added to the IVR.	Notification of Utilities Disputes has been added to both the Simply Energy and Plains Power IVR systems on 8/11/2021.	Cleared

Social media channels are not used.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.19 With: Clause 11.30A From: 01-Apr-21 To: 17-Aug-21	**CTCS and CTCX** Not in place for inbound phone calls. 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 rated as weak as this is not in place for inbound phone calls. The audit risk rating is low, because Utilities Disputes information is provided on the websites and invoices, and in the terms and conditions.

Actions taken to resolve the issue	Completion date	Remedial action status

CTCS/CTCX Added to IVR for both Simply Energy and Plains Power.	**CTCS/CTCX** 8/11/2021	Cleared
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCS/CTCX Added to IVR for both Simply Energy and Plains Power.	**CTCS/CTCX** 8/11/2021	

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. A sample of invoices, letter templates and emails were reviewed to determine whether clear and prominent information on Powerswitch is provided.

Audit commentary

CTCT

Clear and prominent information on Powerswitch is provided:

- on the footer of each page on contact.co.nz a link states "For independent complaint or pricing advice, click here. UDL & Powerswitch can help." - the link takes the user to a page with information on Powerswitch and a link to their website,
- on CTCT's invoices,
- in the text of letter templates including a generic template, and those related to pricing, invoicing, payments, complaints, outages, medically dependent customers, bonds, welcomes, transaction history, and
- as part of the email footer for outbound emails.

Most outbound communications to customers regarding their invoices are by letter.

The annual notification requirement is met through issuing of invoices, which contain information on Powerswitch. Pre-pay customers who do not receive invoices were notified about Powerswitch via text message on 30 September 2021 and will continue to be notified on an annual basis. Having a mobile phone capable of receiving text messages is part of the terms and conditions of being a CTCT pre-pay customer.

CTCS and CTCX

Information on Powerswitch is required to be provided to any customers with a residential ANZSIC code. All three brands have clear and prominent information on Powerswitch displayed on their website and invoices.

Plains Power provide information on Powerswitch on outbound communications and as part of their annual newsletter. Most customers with residential ANZSIC codes are supplied by the Plains Power brand.

Audit outcome

Compliant

3. MAINTAINING REGISTRY INFORMATION

3.1. Obtaining ICP identifiers (Clause 11.3)

Code reference

Clause 11.3

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

A walkthrough of the process confirmed that this requirement is well understood and managed for all Contact's participant codes. There were no connections to networks identified without ICPs.

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

The AC020 reports for each code were reviewed. A sample of late status updates, trader updates and MEP nominations were checked as described in the audit commentary.

Audit commentary

CTCT

<u>Updates to active status</u>

Status changes to "active" are completed automatically upon the closure of the field service request, providing all the relevant information is provided. The timeliness of status updates to active (for reconnections) is set out on the table below.

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
Active	2015	1,991	81%	8.7
	2016	2,760	85%	7.6
	2017	3,578	91%	12.7
	2018	2,707	86%	10.2
	2019	3,762	90%	5.4
	2020	1,186	91.33%	4.17

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
	Jan 2021	928	91.01%	3.58
	Aug 2021	1,192	85.38%	3.87

164 of the late updates were made more than 30 business days after the event date, and the latest update was made 1,039 business days after the event date. I checked an extreme case sample of all ten late updates over 150 business days after the event date, and ten updates between 20 and 100 business days after the event date. All were corrections for inactive periods with consumption, replacement of status events reversed by switching files, or after receiving late confirmation that the ICP had been reconnected. The late updates were made from the correct event date.

Updates to inactive status

All status changes apart from moving an ICP to "inactive - ready for decommissioning" are completed automatically upon the closure of the field service request, providing all the relevant information is provided.

The "inactive - ready for decommissioning" updates are automated except for those that are notified by the network. CTCT will only create service orders for these ICPs once they have been confirmed to be ready for decommissioning. The information is then transferred from ORB to SAP in the same way as other updates.

The timeliness of status updates to inactive is set out on the table below. The increase in average business days is mainly due to backdated decommissioning of ICPs which are no longer required.

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
Inactive	2015	794	93%	3.9
	2016	462	96%	9.6
	2017	324	98%	1.2
	2018	461	94%	4.0
	2019	486	98%	2.0
	2020	860	94.44%	5.43
	Jan 2021	649	94.51%	3.29
	Aug 2021	491	94.24%	6.19

144 of the late updates were made more than 30 business days after the event date, and the latest update was made 1,982 business days after the event date. 61 of the late updates over 30 days were to "inactive - ready for decommissioning" status. I checked an extreme case sample of the ten latest updates, and a diverse sample of at least three or all late updates per status reason code, and found:

- late receipt of paperwork or confirmation of the correct status, or inconsistent paperwork which needed to be followed up before the correct attributes could be confirmed,

- corrections following inaccurate data being identified, where it had been entered incorrectly, incorrect information was provided by a contractor, or the ICP had switched in with an incorrect status recorded by the previous retailer, and
- workflow errors where the disconnection document had not been completed successfully which were not identified and actioned promptly due to workloads; the issues were detected through other processes and resolved.

The late updates were processed correctly except for four status updates which were corrected during the audit. Three had incorrect dates applied due to user data entry errors or confusion about the correct dates. One ICP had a disconnection entry processed in error, there was no request for disconnection but potentially a user made a mistake because the meter was not communicating and there was no consumption recorded. The inaccurate data is recorded as non-compliance in **sections 3.9** and **2.1**.

Previous audit exceptions were re-checked and found to be cleared.

Trader updates

The timeliness of trader updates is set out on the table below.

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
2020	16,591	90.63%	5.21
Jan 2021	1,912	94.90%	5.05
Aug 2021	2,498	89.18%	6.06

315 of the late updates were made more than 30 business days after the event date, and the latest update was made 1,744 business days after the event date. I checked a sample of late updates recorded on the AC020 report for CTCT as described in the table below:

ANZSIC updates - changes	I checked a sample of ten late updates and confirmed that they were corrections.
ANZSIC updates – new connections and switch ins	I checked a sample of the ten latest updates made more than 20 business days after initial electrical connection or the switch in date and found they were delayed by backdated new connections, backdated switch ins or were corrections.
Unmetered daily kWh and/or trader unmetered load details changes	I checked a sample of ten late updates and confirmed that they were corrections after updated information on the load connected was received. All of the updates were processed correctly.
Profile updates	I checked a sample of ten late updates and found that they were profile corrections, apart from one that the report had identified as a profile correction but was actually an MEP nomination.
Submission type updates	I checked a sample of ten late updates and confirmed that they were backdated upgrades or downgrades where information was received late.
MEP nominations	The MEP nomination process is discussed in **section 3.4**. I checked ten late MEP nominations and confirmed that they were delayed by late paperwork from the MEP.

The late updates contained the correct event date and attributes apart from:

- 0001831350TGAF6 which was updated to ANZSIC code A011 in error effective from 16 December 2020 and corrected back to D281100 effective from 27 August 2021, the incorrect ANZSIC code is applied from 16 December 2020 to 26 August 2021 and this is recorded as non-compliance in **section 2.1**.

The inaccurate data is recorded as non-compliance in **section 2.1**. Exceptions identified during the previous audit were found to be resolved.

CTCX and CTCS

Updates to active status

ICP status is updated to "active" using the registry user interface once the correct status and status date are confirmed. The timeliness of status updates to "active" (for reconnections) is set out on the tables below.

Code	Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
CTCS	Active	Jan 2021	11	71.05%	6.00
		Aug 2021	18	75%	7.63

Four of the late updates were made more than 30 business days after the event date, and the latest update was made 116 business days after the event date. I checked an extreme case sample of the four latest updates and a typical sample of 14 updated between six and 22 days late:

- nine were late due to the resource constraint that occurred prior to the resource being added to the team from mid-August,
- three were delayed by backdated switches because CTCS could not update the status until the switch was complete,
- four were due to human error:
    - ICP 0000204653UN270 was backdated to reconnect the ICP the day after a meter change but the ICP should have been active throughout; the inactive day has been corrected during the audit and was done in error due to a misunderstanding (Simply Energy is going to provide training and review their process documentation to ensure this is clear for staff), this is recorded as non-compliance in **sections 2.1** and **3.9**,
    - ICP 0000010073TE5D4s was disconnected for the day of the meter change on 19 April 2021 and should have been made active from 20 April 2021, but this was incorrectly recorded on the registry as 19 March 2021 and the reconnection was backdated incorrectly to 20 March 2021; this is still to be corrected and is recorded as non-compliance in **sections 2.1**, **3.8, 3.9** and **12.7**,
    - ICP 0000047763WE160 switched into CTCS from 24 January 2021 and was correctly updated to reconnected by CTCS on the same day but this event was reversed and replaced with the same event on 7 April 2021 (this was thought to be a correction required but it was correct in the first instance), and
    - ICP 0000016377HRAF9 was updated late as the next action set in Salesforce was set too far in advance causing this to be backdated.
- ICP 0000016378HR527 was a backdated correction from the last audit, and
- ICP 0001982631TG4C3 is a CODC DUML ICP created to be used for the dimmed lights and was set at "inactive - reconciled elsewhere" as the dimming profile is still to be put in place (golden meters are still to be installed) but the network requested that these (three ICPs in total – one

for each GXP) be made active, so this was done, and the dimmed lights are being reconciled under the DST profile until the dimming profile can be used.

Code	Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
CTCX	Active	Jan 2021	-	-	-
		Aug 2021	-	-	-

Updates to inactive status

ICP status is updated to "inactive" using the registry user interface once the correct status and status date are confirmed. The timeliness of status updates to "inactive" is set out on the tables below.

Code	Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
CTCS	Inactive	Jan 2021	2	75.00%	12.13
		Aug 2021	37	49.32%	34.49

19 of the late updates were made more than 30 business days after the event date, and the latest update was made 197 business days after the event date. Nine of the late updates over 30 days were to "inactive - ready for decommissioning" status.

I checked all 15 late status updates to 1,12 "inactive new connection in progress" status and found:

- nine updates were prior to the initial electrical connection date, and were not genuinely late,
- four were due to the ICPs being made "active" incorrectly; rather than reverse and replace the active event the ICPs were backdated to "inactive new connection in progress" and then made active for the correct active date, thus causing these updates to be late, and
- two were updated to "inactive new connection in progress" and then moved to active due to the lack of resources in June and July; additional resources were added to the operations team in August.

I checked an extreme case sample of the ten latest updates, and a diverse sample of at least three or all late updates per status reason code (12 in total).

- Five were due to backdated switches where the losing trader has disconnected the ICP during the backdated period and this is reversed by the registry. Simply Energy has then backdated the inactive status update. For three of these, the incorrect dates were used causing submission to be allocated to the incorrect period. I recommend in **section 3.9**, that the process for backdated switches be reviewed to ensure that any inactive periods are correctly recorded. The incorrect inactive dates are recorded as non-compliance in **sections 2.1, 3.9** and **12.7**.
- The four backdated "ready to decommission" ICPs were missed due to human error and had to be backdated once it was found that these hadn't been actioned once the additional operations team members came on stream, and
- Three were the CODC DUML dimming ICPs, these were active when with Genesis but were backdated to reconciled elsewhere post the switch into CTCS as they were not expected to be used until the dimming profile could be applied and the volume was being reconciled under the

original ICPs. These have since been returned to active and the associated lights are being reconciled using the DST profile.

Code	Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
CTCX	Inactive	Jan 2021	-	-	-
		Aug 2021	-	-	-

Trader updates

Trader updates including MEP nominations are updated using the registry user interface once the correct attributes and date are confirmed. The timeliness of trader updates is set out on the table below.

Code	Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
CTCS	Trader	Jan 2021	29	43.14%	8.76
		Aug 2021	113	26.14%	4.31

Code	Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
CTCX	Trader	Jan 2021	1	50.00%	8.50
		Aug 2021	18	0.00%	15.61

For CTCS, 59 of the late updates were made more than 30 business days after the event date, and the latest update was made 267 business days after the event date. A sample of late updates were checked for CTCS by type:

ANZSIC updates	I checked a sample of five late updates and confirmed four were corrections from the last audit and one was due to a backdated meter change where the ANZSIC code was also updated.
Profile updates	I checked a sample of five late updates and found that they were profile corrections. Simply Energy is moving all NHH traded ICPs to RPS from the various profiles previously being used e.g., RPS T07 T23.
Submission type updates	I checked a sample of five latest and found that these were all part of a project being undertaken to update the profile for any ICPs where HHR data is not being received and backdating these to the RPS profile from the point data stopped being received. This is now being actively managed as part of BAU so there should be no need to do such a project in the future. This arose due to the resource constraint earlier in the year.

MEP nominations	The MEP nomination process is discussed in **section 3.4**. I checked five late MEP nominations and found they were late due to the resource constraint in June and July 2021.

For CTCX, all 18 of the late updates were submission type changes, and one was made more than 30 business days after the event date (110 days). The sample of the five latest updates were part of the project to align profiles based on whether HHR data is being received or not.

The AC020 report did not record any late updates to ANZSIC codes for new connections and switch ins.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.3 With: Clause 10 Schedule 11.1 From: 01-Mar-21 To: 24-Aug-21	**CTCT** 1,192 late updates to active status. 491 late updates to inactive status. 2,498 late trader updates. **CTCS** 18 late updates to active status. 28 late updates to inactive status. 113 late trader updates. **CTCX** 18 late trader updates. 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 rated as moderate overall and the updating to the registry for CTCS/CTCX is expected to improve once the historic clean-up has been completed and with the additional resources to complete BAU tasks. Overall, the level of compliance is high with the majority of updates being completed within five business days of the event. The audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status

CTCT Contact continues to investigate delays and errors in relation to paperwork from the field. We continue to utilise the contractor performance provisions within the respective agreements to address late or incorrect data being returned on paperwork from the field. We continue to provide on going training to our employees as needed. **CTCS/CTCX** 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 for New Connections and MEP Nominations 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 now occurring. The Operations Team Lead is now completing quality control to ensure we continue to improve in this space. The Late trader updates are influenced by AMI providers updating the AMI flag to N on HHR reconciled ICPs when no read is received, this is normally +10 Business Days after the last read. We fell that unless data is updated by MEP's in a timelier manner, or the code is changed to align the Traders compliance timelines with the MEPs, then this will continue to be a noncompliance for Simply Energy. NB: any ICPs changing from NHH to HHR reconciliation are done with in Compliance timing.	**CTCT** Ongoing **CTCS/CTCX** 31/10/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCT Contact acknowledges the non-compliances identified and the underlying factors that lead to incorrect or late notifications in the Registry. Where necessary, continuous training is being provided to employees to assist in minimising the opportunity for late or incorrect notifications being sent to the Registry. We continue to utilise the contractor performance provisions within the respective agreements to address late or incorrect data being returned on paperwork from the field. **CTCS/CTCX** A Salesforce view has been created for the Operations Team Lead to monitor all field services jobs. We also import the EDA file regularly so we have visibility over the late registry updates so ongoing coaching to Operations team members can be completed and so we can refine our processes further.	**CTCT** Ongoing **CTCS/CTCX** 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

CTCT

Retailers Responsibility to Nominate and Record MEP in the Registry

The audit compliance report recorded 196 "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. 116 ICPs had metering data populated after the report was run, 61 had accepted MEP nominations, and nine had MEP nominations issued awaiting a response from the MEP. The following exceptions were identified:

Count	Comment
3	The MEP rejected the nomination. • Two were rejected because the incorrect MEP was listed on the returned service order paperwork. One was accepted on reissue to the correct MEP, and the nomination for 0000165066CK5F0 is still to be reissued to LMGL. • The MEP nomination for 0000512104CEC8E was rejected by Delta, who responded with the wrong premises advisory code. Further investigation confirmed a Delta meter is installed, and CTCT has asked Delta to accept the nomination.
7	No MEP nomination has been raised during the audit period. • 1000002829BP476 is believed to have a BOPE meter. BOPE were nominated in 2018 and have not responded. • 0000921936TU403 is believed to have a DELT meter, and CTCT is receiving regular readings from it. • 0042141002PC502 and 0181346710LC342 are believed to have been set up in error and will be followed up with the network. • 0009604831CN581, 0000008036CE985 and 0099551585CN50D have no metering and are to be decommissioned. The ICPs currently have active status. For ICP 0009604831CN581 returned paperwork in February 2021 confirmed the ICP should be decommissioned but was not actioned.

In **section 2.9**, I have recommended that investigation into MEP nominations, and decommissions are carried out as required to resolve these issues.

MEP nominations are processed when job completion paperwork is received for all MEPs apart from FCLM who require an MEP nomination to be made at the time the service order is issued. FCLM MEP nominations are rare and are processed manually using the registry interface.

For all other MEPs, the MEP details are transferred to SAP once completion paperwork is received, and SAP workflows will automatically process an MEP nomination.

MEP details are entered into ORB as part of the service order process, and valid MEPs are assigned by network.

The MEP details are transferred to SAP once completion paperwork is received, and SAP workflows then automatically process an MEP nomination. If the information is incomplete or inconsistent with expected values for the fields (e.g., a relay owner is recorded in the MEP field) a BPEM is created, and a user will update the required information so that the MEP nomination can be created.

For new connections MEP nominations are sent when the ICP is moved to "active" status, therefore MEP nominations will be late for any backdated new connections. This is discussed further in **section 2.9**.

Rejected MEP nominations are also managed through the BPEM process, and missed nominations are either identified through the BPEM process (where SAP information is incomplete) or by the MEP when

they attempt to load metering details on the registry but are not listed as the proposed MEP. The switching team monitor these BPEMs.

Eight (0.09%) of the 8,890 MEP nominations identified on the event detail report were rejections:

- seven MEP nominations were rejected because the contractor had listed an incorrect MEP on the service order paperwork, six were accepted on reissue to the correct MEP, and the nomination for 0000165066CK5F0 is still to be reissued to LMGL, and
- the MEP nomination for 0000512104CEC8E was rejected by Delta, who responded with the wrong premises advisory code, but further investigation confirmed a Delta meter is installed, and CTCT has asked Delta to accept the nomination.

The audit compliance report identified 11 new connections where an MEP nomination was not accepted within 14 business days. The delays were caused by late receipt of paperwork, late MEP acceptance of MEP nominations that were issued on time, and late processing of paperwork.

No active metered ICPs had a blank MEP.

ICP Decommissioning

CTCT continues with their obligations under this clause. ICPs that are vacant and active, or inactive are still maintained in SAP.

CTCT'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 Delta.

A diverse sample of ten ICPs was examined. An attempt to read the meter was made at the time of removal, and actual readings were obtained prior to decommissioning for all ten ICPs. Notification was provided to the MEP prior to decommissioning for six of the ten ICPs. The other four ICPs had their service order assigned to Delta, and the only notification to the MEP was the registry status update to "inactive ready for decommissioning" status, which was provided after the physical decommissioning occurred.

CTCX and CTCS

Retailers Responsibility to Nominate and Record 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.

CTCX	No active ICPs had a blank MEP. The audit compliance report recorded no "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. One MEP nomination was made during the audit period and was accepted by the MEP.
CTCS	No active ICPs had a blank MEP. The audit compliance report recorded four "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. All were checked: • one ICP had metering details populated on the registry after the report was run, and

	• three ICPs had no MEP nomination raised; these were examined and found:
	  ○ two have since been decommissioned, and
	  ○ the meter has been removed by persons unknown for ICP 0110007670EL116 which is for a string of lights in Paekakariki where the new Transmission Gully highway work is being undertaken; this is being investigated to confirm if the lights are still present and are now unmetered or have been decommissioned.
	
	The audit compliance report did not identify any new connections where an MEP nomination was not accepted within 14 business days.
	
	All 110 MEP nominations identified on the event detail report were accepted by the MEP.

The previous audit recommended that ICPs where the metering category is 9 or blank and no unmetered load recorded should be checked, to ensure that any load is quantified. This hasn't been adopted during the audit period. I recommend that the audit compliance report tab 17 is used as this this will identify any of these ICPs. I have updated the recommendation to reflect this.

Description	Recommendation	Audited party comment	Remedial action
Monitoring of active ICPs where the metering category is 9 or blank	**CTCS** and **CTCX** Use the AC-020 report -tab 17 to identify and check any ICPs where the metering category is 9 or blank and no unmetered load recorded.	Tab 17 of the AC-020 report has been incorporated to our monthly checklist of Reconciliation actions.	Cleared

<u>ICP Decommissioning</u>

ICPs that are vacant and active, or inactive are be 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.

CTCX	No ICPs were decommissioned during the audit period.
CTCS	17 CTCS ICPs were decommissioned during the audit period. A diverse sample of ten ICPs was examined to confirm an attempt to read the meter was made at the time of removal. An attempt to read was made for all ICPs and actual readings were obtained for six ICPs and the MEP was notified in all instances. The accuracy of the decommissioning date is discussed in **section 3.9**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.4 With: Clause 11.18 From: 15-Mar-21 To: 13-Aug-21	**CTCT** Notification was not provided to the MEP prior to decommissioning for four ICPs from a sample of ten. An incorrect MEP nomination for 0000165066CK5F0 has been rejected and needs to be reissued to the correct MEP (LMGL). The audit compliance report found 11 ICPs where the MEP had been nominated but no response had been received within 14 days of the nomination. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are moderate overall, because: • in most cases the MEP is advised prior to decommissioning but where the field services job is raised for Delta and the update to "inactive - ready for decommissioning" status is made after the event date the MEP notification is likely to be late. • in almost all cases the correct MEP was nominated. The impact is low because the status updates occurred within four business days of the event date, so the MEP advice was within one week of decommissioning.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT 0000165066CK5F0 – issues resolved. Add comment on MEP acceptance. We are actively working with field contractors to ensure correct MEP is recorded on the field paperwork. We do provide training to new users to ensure exceptions and BPEMs are handled efficiently and in timely manner.	**CTCT** Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Further user training will be provided as required.	**CTCT** Ongoing	

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

Code reference

Clause 9 Schedule 11.1

Code related audit information

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

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

The trader must provide information specified in (a) to (j) above within 5 business days of trading (clause 9(2)).

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

Audit observation

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

CTCT

<u>New connection timeliness</u>

The timeliness of status updates to active (for new connections) is set out on the table below. The percentage of updates completed on time has increased with improved monitoring.

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
2015	1,077	68%	9.7
2016	985	79%	5.6
2017	1,138	89%	3.1
2018	1,239	84%	6.0
2019	784	77%	8.0
2020	1,083	82%	5.4

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
Jan 2021	306	92.64%	3.35
Aug 2021	195	94.22%	5.05

Contact claim ICPs from the "ready" status and change them to "active" once electrical connection has occurred. The "inactive - new connection in progress" status is not used, and the nomination of the MEP will be late for any ICPs not updated within the required timeframe.

52 of the late updates were made more than 30 business days after the event date, and the latest update was made 1,063 business days after the event date. I checked an extreme case sample of all the late updates made more than 100 business days after the event date, and seven new connections with unmetered load.

- Nine late updates were corrections to active status dates made at the network's request.
- Eight late updates were corrections following validation of the active status date against the meter certification date and initial electrical connection date.
- Two late updates were corrections following data entry errors.
- One late update was delayed by investigation to confirm whether the ICP was connected, and the correct connection date.

The late updates were processed correctly.

<u>New connection information accuracy</u>

The status of an ICP is only changed to "active" once confirmation has been received by a contractor. Submission information is provided for all "active" ICPs. Workflows are used to transfer work completion paperwork details from ORB to SAP, including readings if available. A workflow will be generated for a user if SAP cannot find the correct service order number or information is missing, such as readings or dates. A user manually checks the paperwork and/or confirms the missing details with the contractor before updating SAP.

A robot compares the meter certification date and initial electrical connection date to CTCT's active status date. If the dates are inconsistent, it creates a workflow exception which is directed to a user for investigation. If there is no initial electrical connection date, the robot process will not identify a discrepancy, so the IE Mismatch report is run monthly which compares the initial electrical connection date, active date, meter certification date and ORB service order completion date. Any discrepancies are investigated. The IE Mismatch report has not been run consistently for the entire audit period, which has resulted in some exceptions and late updates.

The AC020 report identified three ICPs with an initial electrical connection date populated which had not been made active. All were timing differences and the ICPs were moved to "active", or the network removed the initial electrical connection date before the audit was completed.

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 1,001 ICPs with date discrepancies:

Findings	Quantity	Sample size	Number in sample incorrect	Commentary
IECD[1] = active date and MCD[2] ≠ active date	8	5	-	CTCT's active status dates were correct for the sample checked.
IECD ≠ active date and MCD = active date	9	5	2	CTCT's active status dates were correct for three ICPs and incorrect for ICPs 0000049481HB6D2 and 0000572629NR17A (see table below).
IECD ≠ active date and MCD ≠ active date	7	5	1	Four active status dates were correct. For three of the ICPs another retailer had claimed the ICP and then it had switched to CTCT, and CTCT made the ICP active from their first day of responsibility. ICP 0000060622NT9E0 had an incorrect status date (see table below).
IECD = active date and no MCD	317	5	-	CTCT's active status dates were correct for the sample checked.
IECD ≠ active date and no MCD	6	5	3	CTCT's active status dates were correct for two ICPs and incorrect for ICPs 0007203165RN85E, 0007202111RNDA9 and 0007201591RN602 (see table below). The differences occurred due to confusion about active dates for Orion BTS ICPs. Orion usually emails confirmation that the ICP is connected, but this notification may contain a different date to returned paperwork. It appears that contractors may be populating the date the paperwork is sent on the returned paperwork. CTCT will investigate to ensure that correct dates are assigned in the future.
No IECD and MCD = active date	543	5	-	CTCT's active status dates were correct for the sample checked.
No IECD and MCD ≠ active date	10	5	-	CTCT's active status dates were correct for the sample checked.
No IECD and no MCD	101	5	1	CTCT's active status dates were correct for four ICPs and incorrect for ICPs 0007199964RN126 (see table below). The difference occurred due to confusion about the correct connection date for an Orion BTS ICP.

[1] Initial electrical connection date
[2] Meter certification date

Findings	Quantity	Sample size	Number in sample incorrect	Commentary
Grand Total	1001	40	7	

The following ICPs were confirmed to have incorrect active status dates:

ICP	Recorded Status Event Date	Correct Status Event Date	Exception type
0000049481HB6D2	12/03/2021	10/03/2021	IECD ≠ active date and MCD = active date
0000572629NR17A	02/03/2021	1/03/2021	IECD ≠ active date and MCD = active date
0000060622NT9E0	21/07/2020	20/07/2020	IECD ≠ active date and MCD ≠ active date
0007203165RN85E	22/07/2021	21/07/2021	IECD ≠ active date and no MCD
0007202111RNDA9	25/06/2021	24/06/2021	IECD ≠ active date and no MCD
0007201591RN602	21/05/2021	20/05/2021	IECD ≠ active date and no MCD
0007199964RN126	09/03/2021	10/03/2021	No IECD and no MCD (now decommissioned)

Discrepancies found during the previous audit were rechecked and found to be resolved apart from ICP 0007197288RN34C which is recorded as active from 8 November 2020 but should have been active from 8 September 2020. The incorrect date was applied due to an error on paperwork for an unmetered supply, and the ICP has now switched away.

MEP nomination

As Contact does not use the "new connection in progress" status, the nomination of the MEP will be late for any ICPs not updated within the required timeframe. The 195 late new connections identified above have a late MEP nomination and are recorded as non-compliant.

ANZSIC code population

The code requires that the ANZSIC code is populated within 20 days of trading commencing. The AC020 report recorded 108 late updates. I checked a sample of the ten latest updates and found they were delayed by backdated new connections, backdated switch ins or were corrections.

CTCX and CTCS

New connection timeliness

New connections are managed using workflows and SalesForce cases which remain open until the new connection is completed. Meters for new connections are imported into SalesForce and then through to DataHub from a meter change sheet which is processed twice per month.

The timeliness of status updates to active (for new connections) is set out on the tables below.

Code	Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
CTCS	Active	Jan 2021	5	16.67%	22.33

Code	Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
		Aug 2021	27	27.03%	16.49

Three of the late updates were made more than 30 business days after the event date, and the latest update was made 64 business days after the event date. I checked an extreme case sample of the five latest updates and five other late updates and found:

- seven were due to resource constraints before the additional resources were added to the operations team,
- late paperwork from the MEP delayed ICP 0098080215WWBD9,
- ICP 1000598923PCF44 was backdated to active late for the incorrect date of 15 July 2021 but the meter was certified and livened on 1 July 2021, this was corrected during the audit and is recorded as non-compliance in **section 2.1** and **3.8**, and
- ICP 1002112011LCCEA was delayed as the customer was connected during the migration to CTCS.

Code	Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
CTCX	Active	Jan 2021	-	-	-
		Aug 2021	-	-	-

<u>New connection information accuracy</u>

The accuracy of active status dates was checked using the AC020 report:

CTCX	CTCX did not complete any new connections and no active status date discrepancies were identified.

CTCS	The AC020 report identified:
	• two ICPs with initial electrical connection dates populated and inactive new connection in progress status; both were timing differences and the ICPs were updated to active status after the report was run,
	• one ICP with IECD ≠ active date and MCD ≠ active date; ICP 0000165339CK125 was made active for the incorrect date of 7 April 2021 but was corrected to 6 April 2021 during the audit,
	• two ICPs with IECD = active date and no MCD; both had MCD populated after the report was run, and the MCD did not match the IECD or active date:
	  ○ the active date has been corrected from 6 April 2021 to match the meter certification date for ICP 0000165339CK125 as consumption did not commence until 7 April 2021; this is recorded as non-compliance in **sections 2.1** and **3.8**.
	  ○ the active date has been corrected from 14 July 2021 to match the meter certification date for ICP 0000061322NTD455 as consumption did not commence until 15 July 2021; this is recorded as non-compliance in **sections 2.1** and **3.8**.

	• 19 ICPs with no IECD and MCD = active date; two had IECDs added after the report was run, and one was consistent with the active date - I checked a sample of five and found four were correct (the IECD and meter certification date has since been populated for ICP 1002141220UN6D0 which was made active from 10 August 2021, but the has been corrected to 12 August 2021) and is recorded as non-compliance in **sections 2.1** and **3.8**, and • one ICP with no IECD and MCD ≠ active date ICP 1002112011LCCEA was not certified within five business days of electrical connection; this is recorded as non-compliance in **section 2.11**.

MEP nomination

The new connection process contains a step for Simply Energy to accept responsibility for CTCS and CTCX ICPs. Responsibility is accepted for each individual ICP and requires an MEP to be selected. Simply Energy completes MEP nominations when ICPs are moved to 1,12 "inactive new connection in progress" status.

I found that ICP 0000061322NTD45 had a late MEP nomination because the ICP was not claimed until it became active for CTCS.

ANZSIC code population

The code requires that the ANZSIC code is populated within 20 days of trading commencing.

CTCX	The AC020 report did not record any late updates to ANZSIC codes for new connections and switch ins.
CTCS	The AC020 report recorded four late updates to ANZSIC codes for new connections and switch ins.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.5 With: Clause 9 Schedule 11.1 From: 19-Sep-19 To: 17-Aug-21	**CTCT** 195 late updates to active status and MEP nominations for new connections. Seven new ICPs have incorrect active dates recorded. 108 late ANZSIC code updates. **CTCS** 27 late updates to active status for new connections. One late MEP nomination for new connections. 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. Compliance has improved since the previous audit. The audit risk rating is low because the number of ICPs affected overall is small. Late changes to active can result in delays in providing submission information and billing the customer.		
Actions taken to resolve the issue		**Completion date**	**Remedial action status**

CTCT New Connections: Contact is working through correcting the data inaccuracies identified during the audit. We currently have robust daily reporting in place to monitor new connections and the accompanying compliance obligations we have. We acknowledge there is still some improvements required in this space, so we have committed to allocating further resources to our new connection reporting to further assist with reducing the non-compliances from arising and the time taken to resolve any non-compliances identified. As the cause of delayed or inaccurate data becomes apparent or frequent, these instances will continue to be addressed via the contractor performance provisions within the respective agreements. ANZSIC Codes: Contact has monthly reporting in place to identify ICPs with an incorrect ANZSIC code applied in the Registry. This reporting is utilised to identify and correct ANZISIC code inaccuracies where they exist, as well as being used to help identify the underlying factors causing the data inaccuracies to arise. The late updates identified by the Auditors were a result of correcting data inaccuracies identified via the above-mentioned reporting. As the root cause of the data inaccuracies are identified, we actively work to implement further training and or process changes for our front office teams to assist in further decreasing the opportunity for incorrect ANZSIC code related issues from arising. **CTCS** 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 for New Connections and MEP Nominations 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 occurring. The Operations Team Lead is now completing quality control to ensure the timeliness of events continues to trend in the right direction..	**CTCT** Ongoing **CTCS** 31/10/2021	Identified

Preventative actions taken to ensure no further issues will occur	Completion date
CTCT New Connections: Contact will be committing further resources to the current new connection reporting which is in place. We will continue to utilise the contractor performance provisions within the respective agreements to address late or incorrect data being returned on paperwork from the field. ANZSIC Codes: As the root cause of the data inaccuracies are identified, we will continue to actively work to implement further training and or process changes for our front office teams to assist in further decreasing the opportunity for incorrect ANZSIC code related issues from arising.	**CTCT** Ongoing
CTCS A Salesforce view has been created for the Operations Team Lead to monitor all field services jobs. We also import the EDA file regularly so we have visibility over the late registry updates so ongoing coaching to Operations team members can be completed and so we can refine our processes further.	**CTCS** 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

CTCT

Contact captures an ANZSIC code for all new connections. For customers switching in, the CSR is required to verify the ANZSIC code.

As discussed in **section 2.1,** ANZSIC code mismatches between SAP and the registry, meter category 2 ICPs with residential ANZSIC codes and ICPs with unknown ANZSIC codes are checked and corrected monthly. This has resulted in a reduction in the number of unknown ANZSIC codes as shown in the table below:

Issue	Aug 2021	Jan 2021	2020	2019	2018	2017
Active ICPs with blank ANZSIC codes	-	-	-	-	-	-
Active ICPs with ANZSIC "T994" or "T994000" don't know	3	43	1	140	183	524
Active ICPs with ANZSIC "T997 "response unidentifiable	-	-	-	-	-	-
Active ICPs with ANZSIC "T998 "response outside of scope	-	-	-	-	-	1
Active ICPs with ANZSIC "T999" or "T999999" not stated	-	4	-	28	30	161
Active ICPs with metering category 2 or above with a residential ANZSIC code	22	16	-	69	-	1

All exceptions were checked:

- all ICPs with T994 ANZSIC codes were updated to residential ANZSIC codes prior to the audit, and
- all 22 ICPs with meter category 2 and residential ANZSIC codes were checked; 20 were confirmed to be residential, and two were corrected to other codes during the audit.

I checked a sample of 100 ICPs with the ten most frequently applied codes to confirm they were correct. I compared the codes applied to google street view and registry property name information and checked customer industry information for any ICPs I could not verify using registry and google street view information. 82 ANZSIC codes were correct and the other 18 were updated to the correct code during the audit. I checked ANZSIC codes for DUML ICPs and confirmed they were correct.

During the check of late trader updates in **section 3.3**, I found 0001831350TGAF6 was updated to ANZSIC code A011 in error effective from 16 December 2020 and corrected back to D281100 effective from 27 August 2021. The incorrect ANZSIC code is applied from 16 December 2020 to 26 August 2021.

CTCX and CTCS

ANZSIC codes are provided as part of the application process. The SalesForce Dashboard reports ICPs which have T9 series ANZSIC codes. Checks for T9 series ANZSIC codes have decreased from fortnightly to monthly. ICPs with T9 series ANZSIC codes are checked to confirm the correct code and updated.

The AC020 report found:

Issue	CTCX Aug 21	CTCX Jan 21	Comment
Active ICPs with blank ANZSIC codes	1	1	ICP 0000001000RJ970 is a residual load ICP for an embedded network and is not expected to have an AZSIC code.
Active ICPs with ANZSIC "T994" or "T994000" don't know	0	0	
Active ICPs with metering category 2 or above with a residential ANZSIC code	0	0	

Issue	CTCS Aug 21	CTCS Jan 21	Comment
Active ICPs with blank ANZSIC codes	0	0	
Active ICPs with ANZSIC "T994" or "T994000" don't know	2	0	Both of these have been corrected and backdated to switch in as part of the BAU process.
Active ICPs with metering category 2 with a residential ANZSIC code	2	1	Both ICPs identified have been updated to the correct code. I recommend below using the AC020 report tab 12 to identify these as part of the registry discrepancy checks.
Active ICPs with metering category 3 with a residential ANZSIC code	1	0	ICP 0000061322NTD45 has been updated to the correct code. I recommend below using the AC020 report tab 12 to identify these as part of the registry discrepancy checks.

Recommendation	Description	Audited party comment	Remedial action
ANZSIC codes	Use the AC020 report tab 17 to identify and investigate any ICPs greater than category 1 with a residential AZNSIC code applied.	Tab 17 of the AC020 report has been added to our monthly checklist of Reconciliation actions.	Cleared

A sample of ANZSIC codes were checked:

CTCX	I checked a sample of 20 ICPs with the six most frequently applied codes to confirm they were correct. I compared the codes applied to google street view and registry property name information and checked customer industry information for any ICPs I could not verify using registry and google street view information. 19 were confirmed to be correct, and ICP 0000032926EA17E (A01 Agriculture) was found to be incorrect and has been updated to E323300 - Air con and Heating Services. This is recorded as non-compliance.
CTCS	I checked a sample of 30 ICPs with the ten most frequently applied codes to confirm they were correct. I compared the codes applied to google street view and registry property name information and checked customer Industry information for any ICPs I could not verify using registry and google street view information. 23 ICPs were confirmed to be correct. The remaining seven ICPs were confirmed to be incorrect and were corrected during the audit.

Active ICPs with the incorrect ANZSIC code are recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.6 With: Clause 9 (1(k) of Schedule 11.1 From: 16-Dec-20 To: 14-Oct-21	**CTCT** 18 (18%) of the 100 ICPs sampled were confirmed to have the incorrect ANZSIC codes applied. These were corrected during the audit period. A further two ICPs were confirmed to have incorrect ANZSIC codes while examining late updates to registry. 0001831350TGAF6 was updated to ANZSIC code A011 in error effective from 16/12/20 and corrected back to D281100 effective from 27/08/21. The incorrect ANZSIC code is applied from 16/12/20 to 26/08/21. **CTCX** One of the 20 ICPs sampled had an incorrect ANZSIC code applied. This was corrected during the audit. **CTCS** Three Category 2 and above metered ICPs with an incorrect residential ANZSIC code applied. Seven (23%) of the 30 ICPs sampled had an incorrect ANZSIC code applied. These were corrected during the audit. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as weak, based on the proportion of incorrect ANZSIC codes identified. 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

CTCT The ANZSIC code inaccuracies identified by the auditors were corrected during the audit or have since been corrected. CTCT has steadily been reducing its ANZSIC code mismatches through a variety of clean-up projects as we refine our onboarding process to reduce the likelihood of future errors occurring. Contact has monthly reporting in place to identify ICPs with an incorrect ANZSIC code applied in the Registry. This reporting is utilised to identify and correct ANZISIC code inaccuracies where they exist, as well as being used to help identify the underlying factors causing the data inaccuracies to arise. As the root cause of the data inaccuracies are identified, we will continue to actively work to implement further training and or process changes for our front office teams to assist in further decreasing the opportunity for incorrect ANZSIC code related issues from arising. **CTCS/CTCX** As we find and are made aware of incorrect ANZSIC codes we make changes to the registry record.	**CTCT** Ongoing **CTCS/CTCX** Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT As the root cause of the data inaccuracies are identified via our monthly reporting or clean-up projects, we will continue to actively work to implement further training and or refine processes for our front office teams to assist in further decreasing the opportunity for incorrect ANZSIC code related issues from arising. **CTCS/CTCX** We are integrating ANZSIC code analysis and review into our sales and onboarding processes, as well as adding functionality into our systems which will allow us to accurately identify incorrect ANZSIC codes when switching in new ICPs. Additionally, we will start completing a 4 monthly review of all ICPs and their ANZSIC codes to identify and resolve errors.	**CTCT** Ongoing **CTCS/CTCX** 31/03/2022	

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 were examined.

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

- unmetered load is identified by the distributor, but none is recorded by Contact; and
- Contact'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 0.1 kWh per day (0.1 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 0.1 kWh per day).

Audit commentary

CTCT

CTCT supplies 977 active ICPs with the unmetered flag set to "yes". 300 ICPs are indicated to have shared unmetered load, and three ICPs have distributed unmetered load. The remainder have standard unmetered load.

SAP holds two fields for the unmetered daily kWh, one for reconciliation and one for billing, which are independent. This enables settlement corrections to be processed without reversing and rebilling invoices. It is the reconciliation value that is validated against the registry. Standard unmetered load corrections are able to be processed in SAP and will flow through to reconciliation submissions. The correction process is discussed in **sections 2.1** and **8.1**.

<u>New connections of unmetered load</u>

CTCT has not received any requests for connection of unmetered load apart from unmetered builder's temporary supplies during the audit period. All unmetered load new connections or capacity changes require an application to CTCT, which then follows the "new connections" process. The process includes checks of whether the ICP can be metered and the daily unmetered kWh. If an application is received for an ICP with unmetered load over the 3,000-kWh threshold, it is checked with the operations team member responsible for unmetered load before being accepted.

<u>Monitoring of unmetered load</u>

A BPEM is generated when an ICP switches in with unmetered load details, so that they can be checked and updated as necessary.

Changes to distributor unmetered load are also monitored through the BPEM process:

- an IE11 BPEM is created when a distributor adds new unmetered load details,
- an IE22 BPEM is created when a distributor changes unmetered load details, and
- an IE19 BPEM is created when a distributor changes their pricing category information (because some distributors have separate codes for unmetered load, these changes can coincide with addition or removal of unmetered load).

During the previous audit, I found that BPEMs were not consistently being generated where unmetered load details were removed. This issue is still present and CTCT intends to modify the IE22 BPEM to include this scenario or create a new BPEM. I have repeated the previous audit recommendation to maintain visibility.

Description	Recommendation	Audited party comment	Remedial action
BPEMs for changes to distributor unmetered load	**CTCT** Review the criteria for the IE22 BPEM, which appears not to be identifying changes to distributor unmetered load where the unmetered load is removed.	**CTCT** We have identified the core issue and intend to put the solution into production system within the 1st half of 2022 year after final testing and approval for release.	Identified

The following queries are run at the beginning and middle of each month to check unmetered load details. The queries were not routinely run at the time of the previous audit and began to be completed regularly during this audit period.

Query name	Description
UNMETERED_REPORTING_1	This report shows: • discrepancies between the trader unmetered load details, unmetered flag, and daily unmetered kWh in SAP and the registry, and • ICPs with at least one unmetered load field populated, which do not have the other corresponding fields populated. The correct details are confirmed, and the registry and SAP are updated as required.
UNMETERED_REPORTING_1	This report shows active ICPs with meter category 9 or null and the unmetered flag set to no. The ICPs are checked to determine whether action or correction is required.

As recommended during the previous audit, CTCT investigated why some unmetered load updates were not transferred to the registry. They found some failed trader updates which were not detected and resolved, and some later updates removing unmetered load details on the registry. CTCT confirmed that the IE45 BPEM detects failed registry updates and report of these is now run and reviewed weekly. For part of the audit period, the report was not regularly run and reviewed due to workloads and changes in staff roles.

<u>Accuracy of unmetered load</u>

Distributor and trader unmetered load details for the standard unmetered load ICPs were compared using the audit compliance report. The table below lists the discrepancies found.

Issue	Aug 2021 ICPs	Jan 2021 ICPs	2020 ICPs	Comments
Daily kWh difference more than 1.0 kWh per day from the distributor unmetered load details	1	1	11	There was one genuine difference over 1 kWh. CTCT's daily unmetered load value was confirmed to be correct.

Issue	Aug 2021 ICPs	Jan 2021 ICPs	2020 ICPs	Comments
Daily kWh difference more than 0.1 kWh per day from the distributor unmetered load details	3	2	20	In addition to the difference above, there were two genuine differences over 0.1 kWh. ICP 0043579907WEC49's unmetered daily kWh was confirmed to be correct. ICP 0000552757HB3CE has a 125 W MV lamp which is expected to have standard ballast wattage of 11 W, giving a total wattage of 136 W. The 1.656 kWh daily average has been calculated based on 138 W but should have been 1.632 kWh based on 136 W.
Contact's load value is different to that of their load description by more than 0.1 kWh	11	22	52	Seven ICPs had incorrect trader unmetered load details. The differences occurred because of failed registry updates. Five were corrected during the audit and two require further correction: • 0005301922TU192 should be updated to 1.45 kWh and 252;11.9;2x UVL; tThe correct details are recorded in SAP, and • 0000553257NR3D0 should be updated to 20;24;security gate; the correct details are recorded in SAP. Five ICPs had incorrect trader daily unmetered kWh including 0005301922TU192 above. In addition to 0005301922TU192, two ICPs require further correction: • 0015822016EL2B1 should be updated to 3.45 kWh on the registry; the correct details are recorded in SAP, and • 0005000186HBD7A had its unmetered load details corrected from 28/09/21 but should be corrected from the switch in date 14/04/21.
Trader's unmetered load field is populated but the Distributor has none	50	53	72	I checked all 50 ICPs. 18 ICPs had the correct trader unmetered load details recorded, and eight ICPs had timing differences. A further ten ICPs are currently being checked with the network and/or customer to confirm the correct unmetered load details. Once confirmed SAP and the registry will be updated as required. 14 exceptions remained: • ICPs 0000503975DE2C1, 0000503967DE8E9, 0000508312DE511 are to be decommissioned but all currently have active status on the registry, • 11 ICPs had incorrect unmetered load information recorded on the registry, seven were updated during the audit and ICPs 0006797822RN416, 0000026060WE15A, 0013531104EL2A7 and 0000024991EA327 do not have unmetered load installed and require the unmetered load details to be removed (as described in the monitoring section above, the existing BPEMs do not create exceptions where unmetered load is removed).

Issue	Aug 2021 ICPs	Jan 2021 ICPs	2020 ICPs	Comments
Distributor's unmetered field is populated but the retailer field is not populated	8	3	1	CTCT's unmetered load details were correct for five ICPs, and missing for three ICPs: • ICP 0000370124TUF5B was corrected to the expected value during the audit, • ICP 0015780248EL8F7 has missing unmetered load details on the registry from 12/03/19 until 23/09/21; SAP is correct so there is no impact on submission, and • ICP 0000020052CPB35 has missing unmetered load details on the registry from 18/05/21 until 15/09/21 and there is also a gap in SAP's unmetered load between the previous customer moving out on 01/06/21 and new customer moving in on 05/06/21.
Unmetered flag = Y but daily unmetered kWh = 0	2	-	1	ICP 0014600304ELDB8 had its daily unmetered kWh removed in error when a backdated profile update was completed on 20/04/21. A backdated correction to the expected value was applied during the audit. ICP 0000025882NTB41 had its UNM flag incorrectly set to Y and was corrected to N during the audit.

Description	Recommendation	Audited party comment	Remedial action
Decommissioning of unmetered ICPs no longer required	**CTCT** Decommission ICPs 0000503975DE2C1, 0000503967DE8E9, and 0000508312DE511.	ICP's dismantled or work under way. Contact was recently challenged on the issue of total decommissioning of abandoned or long-term Temp supplies and may need to modify the approach into disconnection / deenergised for future identified ICP's.	Identified

I re-checked previous audit exceptions and found they had been resolved apart from ICP 0016096677ELF31 which was downgraded from three to two under veranda lights from 6 April 2021. The daily unmetered kWh was updated, but the trader unmetered load details were not. CTCT has attempted to resolve the issue, but the registry update failed and was not detected.

Unmetered BTS

Long term active unmetered BTS ICPs are being reviewed. The customer is contacted by letter and given the option of having metering installed if the ICP is still required, or the ICP being disconnected and decommissioned. The customer is given at least 60 days to respond before a second letter is issued advising the customer that the ICP will be disconnected and decommissioned in seven days. The letters have not been issued regularly during the audit period due to workloads, but good progress is being made with resolving long term unmetered BTS ICPs:

Year commissioned	Currently active unmetered BTS supplies	Previous audit active unmetered BTS supplies	Decrease in active unmetered BTS this audit period
2004	1	1	-
2005	-	1	1
2009	-	1	1
2011	1	1	-
2013	-	1	1
2014	-	11	11
2015	1	9	8
2016	1	4	3
2017	-	3	3
2018	1	3	2
2019	6	18	12
2020	16	82	66
2021	96	-	-
Total	124	135	108

I checked all 12 BTS ICPs commissioned prior to 2020:

- two ICPs were decommissioned after the report was run,
- six ICPs are confirmed to be still in the process of being built, and will be metered once complete,
- ICP 0007145674RN355 is subject to an EQC claim which has delayed installation of a permanent supply, the network has confirmed that they will accept the long term BTS and monitor the ICP every six months, and
- ICPs 0007174330RN573, 0007188927RN602, and 0007191754RNDD5 appear to be completed buildings based on Google satellite images, and are to be followed up with the customer, account manager and/or network to arrange metering.

CTCX and CTCS

The issue discussed in the last audit where the manual process for Simply Energy to manage unmetered load had become unmanageable has been resolved and a material change audit undertaken to put a new process in place. There is a monthly validation check to ensure any changes to the distributor's, or trader's unmetered load fields will be identified. This validation process has a check sheet with the business day, process, date completed, person completing the check and any relevant notes. Using this process, Simply Energy calculated and entered meter readings up to the end of 2021 in anticipation of a new system being in place to manage this in 2022. This is now not going ahead and therefore Simply Energy will continue with the current process until such time as a new solution has been found.

The standard and shared unmetered load processes are planned to be reviewed, to make them more efficient and accurate. This is expected to address some limitations in the current process, including unmetered daily kWh not being date ranged, and SalesForce only recording daily unmetered kWh values to one decimal place.

CTCS supplies 167 active ICPs with the unmetered flag set to "yes". Ten ICPs are indicated to have shared unmetered load, and 31 ICPs have distributed unmetered load. The remainder have standard unmetered load.

Issue	Aug 2021 ICPs	Jan 2021 ICPs	Comments
Daily kWh difference more than 0.1 kWh per day	11	1	Nine are DUML ICPs. The unmetered load details recorded by the Distributor's in both instances are not in the recommended format. I checked the unmetered loads and found the unmetered load for ICP 0000006552TECE0 is being rounded to one decimal place and should be recorded as 1.85. This is recorded as non-compliance below and in **section 2.1**.
Daily kWh difference more than 1.0 kWh per day	11	1	As above
Trader's unmetered load field is populated but the Distributor has none	31	28	17 of these are DUML ICPs which are reconciled via a database therefore the registry kWh figure is not used. I confirmed the load where the details were sufficient to do so for 11 ICPs and found two ICPs (0001509605WA609 and 0000020933CE90E) where the loads were calculated incorrectly. This will be resulting in a very minor amount of under submission and is recorded as non-compliance below and in **section 2.1**.
Trader's load value is different to that of their load description	-	4	
Distributor's unmetered field is populated but the retailer field is not populated	-	-	
Unmetered flag = Y but daily unmetered kWh = 0	4	5	Three are DUML ICPs and one is a residual load ICP. Compliance is confirmed.
Unmetered BTS	2	1	Both ICPs were examined and confirmed to be unmetered BTS supplies.

Review of the event detail reports confirmed that there have been no changes to trader unmetered load details for CTCX or CTCS.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.7 With: Clause 9(1)(f) of Schedule 11.1	**CTCT** Some incorrect unmetered load information was identified: • ICP 0000552757HB3CE has a 125 W MV lamp which is expected to have standard ballast wattage of 11 W, giving a total wattage of 136 W. The 1.656 kWh daily average has been calculated based on 138 W but should have been 1.632 kWh based on 136 W. • 0005301922TU192 should be updated to 1.45 kWh and 252;11.9;2x UVL on the registry. • 0000553257NR3D0 should be updated to 20;24;security gate on the registry.

From: 24-Aug-21 To: 14-Oct-21	• 0015822016EL2B1 should be updated to 3.45 kWh on the registry. • 0005000186HBD7A had its unmetered load details corrected from 28/09/21 but should be corrected from the switch in date 14/04/21. • ICPs 0006797822RN416, 0000026060WE15A, 0013531104EL2A7 and 0000024991EA327 do not have unmetered load installed but have unmetered load details recorded on the registry. • ICP 0015780248EL8F7 has missing unmetered load details on the registry from 12/03/19 until 23/09/21. SAP is correct so there is no impact on submission. • ICP 0000020052CPB35 has missing unmetered load details on the registry from 18/05/21 until 15/09/21. There is also a gap in SAP's unmetered load between the previous customer moving out on 01/06/21 and new customer moving in on 05/06/21. • ICP 0016096677ELF31 requires its trader unmetered load details to be corrected to 200;11.5, 2x100W UVL. A further ten ICPs had incorrect unmetered load details corrected during the audit. **CTCS** Three ICPs with the incorrect unmetered load recorded. This will be resulting in a very minor amount of under submission. 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 currently rated as moderate. During the audit period unmetered load details and failed trader updates were not consistently monitored due to workloads and changes to staff responsibilities. Monitoring is now consistently occurring but there are still some discrepancies which were not resolved prior to the audit. The audit risk rating is low because the impact on settlement is minor.

Actions taken to resolve the issue	Completion date	Remedial action status

CTCT Contact is working through the exceptions identified during the audit. In some instances, change or corrections made within Contacts systems has not transferred through to registry due to user errors. We are reviewing the processes in place to eliminate the gaps and upskilling for users will be provided as required. 0016096677ELF31 – corrected to 200w 0015780248EL8F7 – updated to reflect network restarted 22.06.2021 - current 0000020052CPB35 date & load corrected gap removed 21.05.2021 - 16.09.2021 0000024991EA327, 0006797822RN416, 0000026060WE15A, 0013531104EL2A7 – load removed from registry 0005000186HBD7A – data fixed 0000553257NR3D0 – gate data fixed 0005301922TU192 – is twin fluro x2 uvl total 252w kwh values is correct 0000552757HB3CE – kwh fixed **CTCS** A review of unmetered load inherited to the CTCS code is underway. Where discrepancies are found, discussions will be held with the client and Distributor to determine a source of the truth so we can reflect the correct information in the Registry; back dated to the 14 month revision if required.	**CTCT** Ongoing **CTCS** 31/01/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Contact is reviewing its processes along with providing further training to users. Contact will be putting a priority (more resources) towards resolving UNM mismatches identified to ensure these are corrected in a timely manner and will be increasing the frequency of our UNM mismatch reporting being run to ensure UNM mismatches are identified earlier on in the process. **CTCS** When new Unmetered sites switch to Simply Energy (all codes) a case is created for operations to manually review/confirm the unmetered load details are accurate.	**CTCT** Ongoing **CTCS** 31/10/2021	

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

Code reference

Clause 17 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

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

CTCT

The status of an ICP is only changed to "active" once confirmation has been received by a contractor. Submission information is provided for all "active" ICPs. Workflows are used to transfer work completion paperwork details from ORB to SAP, including readings if available. A workflow will be generated for a user if SAP cannot find the correct service order number or information is missing, such as readings or dates. A user manually checks the paperwork and/or confirms the missing details with the contractor before updating SAP.

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. SAP will not allow more than one party per ICP, nor will it allow an ICP to be set up without either a meter or if it is unmetered, the daily kWh.

<u>Accuracy of status updates</u>

A robot compares the meter certification date and initial electrical connection date to CTCT's active status date. If the dates are inconsistent, it creates a workflow exception which is directed to a user for investigation. If there is no initial electrical connection date the robot process will not identify a discrepancy, so the IE Mismatch report is run monthly to compare the initial electrical connection date, active date, meter certification date and ORB service order completion date. Any discrepancies are investigated. The IE Mismatch report has not been run consistently for the entire audit period, which has resulted in some exceptions and late updates.

As discussed in **section 3.5**, the AC020 report identified 1,001 ICPs with date discrepancies. All were examined and a sample of 40 ICPs were checked. Seven new ICPs had incorrect active dates recorded:

ICP	Recorded Status Event Date	Correct Status Event Date	Exception type
0000049481HB6D2	12/03/2021	10/03/2021	IECD ≠ active date and MCD = active date
0000572629NR17A	02/03/2021	1/03/2021	IECD ≠ active date and MCD = active date
0000060622NT9E0	21/07/2020	20/07/2020	IECD ≠ active date and MCD ≠ active date
0007203165RN85E	22/07/2021	21/07/2021	IECD ≠ active date and no MCD
0007202111RNDA9	25/06/2021	24/06/2021	IECD ≠ active date and no MCD
0007201591RN602	21/05/2021	20/05/2021	IECD ≠ active date and no MCD
0007199964RN126	09/03/2021	10/03/2021	No IECD and no MCD (now decommissioned)

I checked a sample of 20 reconnections and confirmed that the status event date and status was correct.

Previous audit exceptions were re-checked, and I found ICP 0007197288RN34C still has an incorrect active date recorded (8 November 2020 instead of 8 September 2020). The ICP has now switched out.

CTCX and CTCS

Simply Energy manage "active" statuses as an agent, using the same processes as the existing trader codes that they manage. 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. All CTCS and CTCX ICPs have one customer, and SalesForce will not allow an ICP to become "active" without either a meter or a dummy meter (for unmetered load).

The accuracy of active status dates for was checked using the AC020 report:

CTCX	CTCX did not complete any new connections or reconnections, and no active status date discrepancies were identified.
CTCS	The AC020 report identified the following discrepancies for new connections: • two ICPs with initial electrical connection dates populated and inactive new connection in progress status; both were timing differences and the ICPs were updated to active status after the report was run, • one ICP with IECD ≠ active date and MCD ≠ active date; ICP 1000598923PCF44 was backdated to active late for the incorrect date of 15 July 2021 but the meter was certified and livened on 1 July 2021, this was corrected during the audit and is recorded as non-compliance below and in **section 2.1,** • two ICPs with IECD = active date and no MCD; both had MCD populated after the report was run, and the MCD did not match the IECD or active date: ○ the active date has been corrected from 6 April 2021 to match the meter certification date for ICP 0000165339CK125 as consumption did not

	commence until 7 April 2021, this is recorded as non-compliance below and in **section 2.1,** ○ the active date has been corrected from 14 July 2021 to match the meter certification date for ICP 0000061322NTD455 as consumption did not commence until 15 July 2021, this is recorded as non-compliance in below and in **section 2.1,** • 19 ICPs with no IECD and MCD = active date; two had IECDs added after the report was run, and one was consistent with the active date - I checked a sample of five and found four were correct and the IECD and meter certification date has since been populated for ICP 1002141220UN6D0 which was made active from 10 August 2021, but has been corrected to 12 August 2021 and is recorded as non-compliance in **section 2.1**, and • one ICP with no IECD and MCD ≠ active date ICP 1002112011LCCEA was not certified within five business days of electrical connection, this is recorded as non-compliance in **section 2.11**. I checked a sample of 18 reconnections and confirmed that the correct active date was applied to all ICPs with the exception of ICP 0000010073TE5D4. This was disconnected for the day of the meter change on 19 April 2021 and should have been made active from 20 April 2021. This was incorrectly recorded on the registry as 19 March 2021 and the reconnection was backdated incorrectly to 20 March 2021. This is still to be corrected and is recorded as non-compliance in **sections 2.1**, **3.9** and **12.7.**

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.8 With: Clause 17 Schedule 11.1 From: 21-Jul-20 To: 22-Jul-21	**CTCT** Seven new ICPs have incorrect active status dates recorded. **CTCS** Four new connections with the incorrect active date recorded. One (5%) of the 18 reconnected ICPs sampled updated to inactive for the incorrect date. 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 controls will mitigate risk to an acceptable level for all codes but there is room for improvement with accuracy for CTCS/CTCX. The audit risk rating is low, as the number of ICPs affected is small.

Actions taken to resolve the issue	Completion date	Remedial action status

CTCT Contact is working through correcting the data inaccuracies identified during the audit. We currently have robust daily reporting in place to monitor new connections and the accompanying compliance obligations we have. We acknowledge there is still some improvements required in this space, so we have committed to allocating further resources to our new connection reporting to further assist with reducing the non-compliances from arising and the time taken to resolve any non-compliances identified. As the cause of delayed or inaccurate data becomes apparent or frequent, these instances will continue to be addressed via the contractor performance provisions within the respective agreements. **CTCS** 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 for New Connections and MEP Nominations 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 now completing quality control over Registry updates to ensure the accuracy and timeliness of events being sent to the Registry continue to trend in the correct direction.	**CTCT** Ongoing **CTCS** 31/10/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Contact will be committing further resources to the current new connection reporting which is in place. We will continue to utilise the contractor performance provisions within the respective agreements to address late or incorrect data being returned on paperwork from the field. **CTCS** 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.	**CTCT** Ongoing **CTCS** Ongoing	

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.

The timeliness of updates to inactive statuses is detailed in **section 3.3**.

Audit commentary

CTCT

Management of inactive status

The status of "inactive" is only used once a CTCT approved contractor has confirmed that the ICP has been disconnected, except for some ICPs at "inactive - ready for decommissioning" status which are confirmed to be ready for decommissioning by the network. Workflows are used to transfer work completion paperwork details from ORB to SAP, including readings if available. A workflow will be generated for a user if SAP cannot find the correct service order number or information is missing, such as readings or dates. A user manually checks the paperwork and/or confirms the missing details with the contractor before updating SAP. CTCT continues to read all disconnected ICPs to identify unauthorised reconnections and incorrect statuses.

ICPs are not automatically updated to active status if they switch in with an inactive status. Their existing status is applied when they switch in, and if reconnected their status is changed once paperwork is received.

CTCT does not use the "inactive - new connection in progress" status for the new connections unless a correction to the active status date is required. One ICP had "inactive - new connection in progress" status on the registry list and GENE has replaced CTCT as the proposed trader. The ICP has not been connected.

Inactive status accuracy

Review of a sample of 31 updates to inactive status confirmed that the correct statuses and dates were applied except for four errors which were corrected during the audit. Three updates had incorrect dates applied due to user data entry errors or confusion about the correct dates. One ICP had a disconnection entry processed in error, there was no request for disconnection but potentially a user made a mistake because the meter was not communicating and there was no consumption recorded.

Ohoka Downs DUML ICP 0000366150MP46C is to be decommissioned as the connected lights are metered. The ICP became inactive on 4 June 2021, but the registry has recorded inactive status from 7 October 2020.

The AC020 report identified 487 ICPs that that have been recorded as AMI-remote disconnection, but AMI is not indicated. A typical sample of 100 ICPs were checked and found that all were updated to AMI non-communicating post the disconnection date.

Previous audit exceptions were re-checked, and I found 0007103286RN193 was disconnected at the pillar but had inactive status reason code 10 (electrically disconnected at meter box fuse) applied. Review of disconnection information confirmed that the status was correct.

Monitoring of consumption on ICPs with inactive status

BPEMs are generated for the assurance team when consumption occurs on an inactive site. A robot initially validates the consumption to determine whether it is likely to be genuine, then it is reviewed by a user who will correct the status, add disconnection and reconnection reads and/or invalidate misreads as necessary.

Contact also maintains a report of inactive sites with consumption, which is refreshed every month. Contact's reconciliation team uses this report to identify ICPs with consumption during periods with inactive status which have not already been corrected through the BPEM process. Depending on the volume of consumption, a correction is processed by either:

- correcting the ICP to "active" status from the day before consumption was detected with a reconnection read which matches the disconnection read, or
- adding the inactive consumption to an existing reconciliation period record which allows the change to be independent of billing to the customer.

The review of ICPs with inactive consumption sometimes identifies switched ICPs which were reconnected by the gaining trader prior to the effective switch date. Contact periodically sends lists of affected ICPs to other retailers, requesting that they ensure reconnection does not occur until the effective switch date in future. Early reconnection sometimes occurs where MEPs receive forward dated reconnection requests but process the reconnection before the requested date.

Contact provided a report of inactive ICPs with consumption recorded. The report contained 297 ICPs, and comments indicated that all of the ICPs with inactive consumption had been investigated. I checked 20 corrections and they were all conducted accurately.

Consumption for active vacant ICPs is included in the relevant submission files, as discussed in **section 12.2**.

CTCX and CTCS

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 changes 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.

CTCX	CTCX did not complete any inactive status updates during the period reviewed. The AC020 report did not identify any ICPs that that have been recorded as AMI-remote disconnection, but AMI is not indicated.
CTCS	Review of a sample of 12 updates to "inactive" confirmed that the correct statuses and dates were processed correctly except for three backdated switches ICPs where the inactive update during the backdated period has been updated for the incorrect dates. I recommend below that the process for backdated switches be reviewed to ensure that any inactive periods are correctly recorded. The review of the late inactive status updates identified that two of the 18 ICPs sampled were incorrectly updated:

	• ICP 0000204653UN270 was backdated incorrectly to inactive for a day during a meter change, this was done in error due to a misunderstanding, was corrected during the audit and is recorded as non-compliance below and in **section 2.1**, and • ICP 0000010073TE5D4 was made inactive for an incorrect date from 20 March 2021 to 21 March 2021 instead of 19 April 2021 to 20 April 2021, this is recorded as non-compliance below and in **sections 2.1, 3.9** and **12.7**. The sample of ten decommissioned ICPs examined found that three ICPs were set to inactive for the incorrect date. Two had a 1-day discrepancy and have been corrected as result of this audit. ICP 0005455766RN839 was decommissioned on 9 April 2021 and a final read was gained but was made inactive from 24 March 2021. This is being corrected. I recommend below that this process is reviewed to ensure that the operations team use the correct dates. This is recorded as non-compliance below and in **sections 2.1** and **12.7**. The AC020 report identified five ICPs that that have been recorded as AMI-remote disconnection, but AMI is not indicated. All were updated to AMI non-communicating post the disconnection date.

Description	Recommendation	Audited party comment	Remedial action
Management of inactive status	**CTCS** I recommend that the process for backdated switches be reviewed to ensure that any inactive periods are correctly recorded.	Process has been added to Confluence and Operations team members have been re-trained accordingly.	Identified
	CTCS Review decommissioning process to ensure that staff use the correct date to decommission ICPs.	A salesforce view has been created for the Operations Team Lead to monitor all field services jobs. We also import the EDA file regularly, so we have visibility over late registry updates. This file is used to provide ongoing coaching to the Operations team members and further refine our processes.	Identified

The last audit identified that ICP 0000040548WEC86 was updated to inactive from 26 October 2020 but should have been updated from 29 October 2020. The ICP has since been decommissioned and the network is refusing to reverse their event so that Simply Energy can correct this.

<u>Inactive - new connection in progress</u>

Simply Energy uses the 1,12 “inactive - new connection in progress” status; and sends the MEP nomination when the ICP is claimed.

CTCX	CTCX did not complete any inactive status updates during the period reviewed, and no ICPs currently have “inactive - new connection in progress” status.
CTCS	CTCS completed 708 updates to “inactive - new connection in progress” status for new connections. All were updated to the correct status prior to the initial electrical

	connection date, apart from six which were updated after initial electrical connection. These were examined and found: • four were due to the ICPs being made "active" incorrectly and rather than reverse and replace the active event the ICPs were backdated to "inactive - new connection in progress" and then made "active" for the correct active date, thus causing these updates to be late, and • two were updated to "inactive - new connection in progress" and then moved to "active" due to the lack of resources in June and July. Additional resources were added to the operations team in August. 14 ICPs currently have "inactive - new connection in progress" status; and none have had this status for more than eight months. Two ICPs had initial electrical connection dates populated and" inactive - new connection in progress status". Both were timing differences and the ICPs were updated to "active" status after the report was run.

Monitoring of consumption on ICPs with inactive status

An end date is entered in DataHub and MADRAS when ICPs are disconnected. Simply Energy 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. Where reads are received after disconnection, a read import error will be created.

Read import exceptions for readings after the data stream end are not specifically monitored to identify consumption during disconnected periods. Simply Energy has also stopped its monitoring of ICPs with "inactive" status, which was checked at least twice each month to confirm that the "inactive" status was correct and genuine. The report has not been reviewed since 21 January 2021.

Description	Recommendation	Audited party comment	Remedial action
Monitoring of inactive consumption	**CTCS** and **CTCX** 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.	Simply Energy has adjusted their current processes to stop end dating data streams upon a switch loss or site disconnection. This will allow SEL to record consumption against data streams during an inactive period and have these reported on. To support this, Simply Energy will also be building reporting off the back of this data to accurately report ICP's which fit this scenario. Interim report to be developed to manually identify and review/resolve by 28/2/2022 Process Change Implementation Date: Oct 21. Data Warehouse Reporting Build: Sep 22	Identified

CTCX	No ICPs with inactive consumption were identified.

CTCS	Two ICPs with inactive consumption were reported. One ICP was incorrectly reported, there was no consumption present. ICP 0000572490WT5C1 has had the status changed to "active" for the period consumption was present and the revision process will ensure correct submission.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.9 With: Clause 19 of schedule 11.1 From: 05-Mar-21 To: 03-Aug-21	**CTCT** Ohoka Downs DUML ICP 0000366150MP46C is to be decommissioned as the connected lights are metered. The ICP became inactive on 04/06/21, but the registry has recorded inactive status from 07/10/20. Four updates to inactive status were incorrect and were corrected during the audit. **CTCS** Eight (3+ 2+3) (20%) of the 40 (12+18+10) ICPs sampled updated to inactive for the incorrect dates. 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	Controls are rated as moderate overall but there is room for improvement in the accuracy of inactive updates for CTCS/CTCX and I have made recommendations above to address this. The number of ICPs affected is small, therefore the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status

CTCT ICP 0000366150MP46C – this issue has now been resolved and correct volumes will be submitted via standard wash up cycles. **CTCS** 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 for New Connections and MEP Nominations 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 frequency of late updates occurring. The Operations Team Lead is also acting as quality control to ensure the quality and timeliness data being loaded in the Registry continues to trend in the right direction.	**CTCT** Resolved **CTCS** 31/10/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Further training on our disconnection/reconnection service orders and work items has been provided to employees to minimise the opportunity for manual data inaccuracies from arising. **CTCS** A salesforce view has been created for the Operations Team Lead to assist with monitoring all field services jobs. We also import the EDA file so we have visibility over late registry updates. This file is used to provide ongoing coaching to Operations team members and to assist with further refining our processes.	**CTCT** Resolved **CTCS** 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 the process in place to manage and respond to such requests.

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

Audit commentary

CTCT

Any requests received from distributors regarding ICPs at "new" and "ready" status are actioned, and I saw evidence that ICPs are investigated, and responses are provided.

As detailed in **section 2.9**, CTCT runs their NEWREADYICPSREPORT daily to monitor new connections. The report includes ICPs at "new" or "ready" status, with either a service order raised, or an initial electrical connection date populated. A counter is included which identifies the days remaining before a breach for late registry information will occur. The report is restricted to ICPs at "new" or "ready" status which have work completion paperwork, or an initial electrical connection date populated indicating that they should be claimed on the registry.

There is currently no monitoring of ICPs which have been at "new" or "ready" status for more than 24 months. CTCT is developing reporting, but this has not been a high priority, and has been in development since the previous audit.

Analysis of the registry list found 82 ICPs at the "new" and "ready" statuses for two years or more, a decrease from previous audits.

Network	Count of ICPs at new or ready status Aug 2021	Count of ICPs at new or ready status Jan 2021	Count of ICPs at new or ready status 2020
Total	82	114	211

I checked the 20 oldest ICPs with "new" or "ready" status. Four ICPs were decommissioned after the report was run. The other 16 were confirmed to be required but are not ready for connection.

CTCX and CTCS

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

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 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. 15 ICPs were on the report as of 27/10/21 and none had a meter owner or initial electrical connection date. Management in this area has improved and ICPs are updated to active as soon as possible.
ICPs with an initial electrical connection date populated and inactive new connection in progress status	A report is run from the registry monthly and monitored to identify ICPs which may have become active without having their status updated.

Requests for information on ICPs at “new” or “ready” status for more than two years will be responded to as they are received. The recommendation in the last audit that ICPs at “new” and “ready” status be monitored regularly has been adopted. This is monitored monthly and there were no ICPs identified.

CTCX	No new connections have been initiated and no ICPs are at “new” or “ready” status.
CTCS	No ICPs have been at “new” or “ready” status for more than 12 months.

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 Contact deem all conditions to be met. A typical sample of NTs were checked for each trader code to confirm that these were notified to the registry within two business days, and that the correct switch type was selected.

Audit commentary

CTCT

CTCT's processes are compliant with the requirements of 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.

Robots process applications made via the website. The values the customer enters into the application determine whether the customer is moving into the address or transferring between retailers at an existing address, which in turn determines the switch type. If the robot does not complete the action within 12 hours, an email is raised for a CSR to process the application and issue the NT. Applications received through other channels, such as customer's phoning in, are handled by CSRs.

Transfer switch type is applied where a customer is transferring between retailers at an address. Switch move is sometimes applied for transfer switches with the other trader's agreement if a certain switch event date is required, but this has not occurred during this audit period.

The five NT files checked were sent within two business days of pre-conditions being cleared. The correct switch type was selected for four of the five ICPs. ICP 0001264018UNCE6 (29 May 2021) should have been requested as a switch move but was requested as a transfer switch in error.

I checked the metering category for the 8,836 transfer switch ICPs where this information was available on the PR255 report and found none had metering categories of three or above.

CTCX and CTCS

CTCX and CTCS 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, such as tranches of ICPs being transferred in from CTCT, Simply Energy loaded the batch of ICPs directly into SalesForce and arranged for Emersion to load the ICPs over the next two to three days. This prevented 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. To ensure that the correct switch event date was applied, it was necessary for Simply Energy to request incoming switches from CTCT as switch moves, although they were transfer switches. This is because the requested date would not always be applied for transfer switches.

CTCX	No NT files were issued during the audit period.
CTCS	I checked the metering category for the 225 transfer switch ICPs where this information was available, and found none had metering categories of three or above. The five NT files checked found the correct switch type was selected but three of the five switches were not sent within two business days of pre-conditions being cleared due to resource constraints at the time. Additional resources have been added to this team, so this is not expected to occur in the future.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.1 With: Clause 2 of Schedule 11.3 From: 14-May-21 To: 07-Jul-21	**CTCT** One NT file was issued as a transfer switch but should have been a switch move. **CTCS** Three of the sample of five NT files checked were issued more than two business days after pre-conditions were cleared. Potential impact: None Actual impact: None Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong as there is sufficient trained resource in both operations to ensure that NTs are sent to the registry for both CTCT and CTCS/CTCX. The impact is assessed to be low as the number of late NTs overall is assessed to be low.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT Contact has strong controls in place to minimise the opportunity for incorrect switch types being used. Robust reporting is also in place to help identify when these occurrences arise, so further training can be provided to staff to further assist in stopping the re-occurrence of this non-compliance in future. **CTCS** These ICPs had withdrawals due to wrong switch types being used, but due to many ICPs switching and a lack of trained resource in the Operations team at the time, these ICPs were not re-requested as soon as the withdrawals were acknowledged. The addition of more knowledgeable people to the team has added additional value in this area.	**CTCT** Ongoing **CTCS** 31/08/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Ongoing coaching for the operators will be completed on a regular basis. **CTCS** We now have several knowledgeable people across the switching area, as well as having check-ins and monitoring of Registry breach reports to assist with improving compliance in this area.	**CTCT** Ongoing **CTCS** Ongoing	

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 2 months.

Audit observation

The event detail report was reviewed to:

- identify AN files issued by Contact 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

CTCT

AN content

SAP generates AN files automatically and the codes are based on a hierarchy. BPEMs are created where the AN cannot be automatically generated, including for pre-pay ICPs with non-settled meter registers and ICPs which have not received a meter reading for more than 365 days. A user manually reviews the BPEM and creates the AN file directly on the registry.

The switching process was examined in relation to CTCT as the "losing trader", and AN response codes were checked:

- 85 ANs had the AA (acknowledge and accept) code correctly applied,
- 865 ANs had the AD (advanced metering) code correctly applied, and
- five ANs had the PD (Premises electrically disconnected) code correctly applied.

The event detail report was reviewed for all 955 transfer ANs to assess compliance with the setting of event dates requirements:

- 947 (99.2%) had a proposed event date within five business days of the NT receipt date, and
- all 1,817 ANs had proposed event dates within ten business days of the NT receipt date.

AN timeliness

The AN responses are automated, and the switch breach report is checked each morning and afternoon to ensure that all ANs have been sent as expected. Any exceptions are manually processed.

The switch breach history report did not record any late AN files for transfer switches.

CTCX and CTCS

AN content

There have been no changes to the AN file process since the last audit. AN files are generated by SalesForce, unless there is sufficient information to generate the CS instead of an AN. 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, and AA (accept and acknowledge) is applied in all other circumstances. Simply Energy plans to automate more of the switching process and I repeat the last two audit's recommendations that Simply Energy review the AN code hierarchy and add the following codes so that they are applied in preference to AA to ensure future compliance:

- CO (contracted customer),
- MP (metering is pre-paid),
- PD (premises electrically disconnected), and
- OC (occupied premises).

Description	Recommendation	Audited party comment	Remedial action
AN response code hierarchy	**CTCS** and **CTCX** Consider adding the OC (occupied premises), PD (premises electrically disconnected), CO (contracted customer) and MP (metering is prepaid) 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.	Simply Energy is building automation through our Switch Loss processes to include rules to automatically set the AN Code Hierarchy prior to sending the AN. (Excluding Prepaid Metering which is not applicable). The rules have been defined and development is in progress. Implementation Date: June 22	Identified

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.

CTCX	No transfer AN files were issued during the audit period.
CTCS	The switching process was examined in relation to CTCS as the "losing trader", and AN response codes were checked: • 57 ANs had the AA (acknowledge and accept) code correctly applied, and • 254 ANs had the AD (advanced metering) code correctly applied The event detail report was reviewed for all 311 transfer ANs to assess compliance with the setting of event dates requirements. All had a proposed event date within five business days of the NT receipt date.

<u>AN timeliness</u>

The timeliness of AN files is monitored using the switch breach history report, and SalesForce dashboard. No AN breaches were recorded in the switch breach history report for CTCS or CTCX.

Audit outcome

Compliant

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

Code reference

Clause 5 Schedule 11.3

Code related audit information

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

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

Audit observation

The event detail report was reviewed to identify CS files issued by Contact 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

CTCT

<u>CS timeliness</u>

CS generation is automated. If a CS fails to generate a BPEM is created. Failures most commonly occur because no reading is received in the last 365 days, or the event reading is not plausible. CS BPEMs are actioned by the switching team, and the switch breach history report is reviewed in parallel to ensure that all switch files expected are received by the registry. In addition, a single user reviews the switching breach history report each morning and afternoon and escalates any ICPs which are close to falling due with the individual team member responsible for processing that file type that day.

The switch breach history report was reviewed for transfer CS files and found:

- eight CS breaches for transfer switches where the CS was not sent within five business days of the actual transfer date, in each case SAP had issued the CS with an earlier event date than the proposed date recorded in the AN file; the ICT team is investigating the issue which appears to have started in late April 2021 and only affected a small number of CS files, in the meantime, CTCT is using the switch breach report to identify ICPs which may be affected so that the CS files can be issued manually if necessary, and.
- two E2 breaches where the NT proposed transfer date and CS actual transfer date do not match, and the CS actual transfer date is more than ten business days after the receipt of the NT, the affected ICPs had not received a reading in the previous 365 days when the NT was received so

CTCT delayed the CS while they tried to obtain an actual reading, and issued the CS from the actual read date (the issue is under investigation with the ICT team, to determine how recurrence can be prevented).

CS content

CTCT calculates the average daily kWh based on the last two actual readings received, which is compliant with the registry functional specification. Under certain circumstances invalid average daily kWh is/was calculated:

- up to 14 April 2021 where more than one read was recorded in SAP on the latest actual read date, the actual daily kWh would be calculated as zero; no further instances of this issue were identified after the system correction was made, and
- average daily consumption for ICPs where the customer is on the Good Nights plan at the time they switch out have an average daily kWh of zero calculated, because they are billed and settled as HHR and the NHH registers have the settlement indicator set to "N"; the issue is currently being investigated.

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

Average daily kWh	Count of transfer CS files	Comment
Negative	-	
Zero	23	A sample of five CS files were checked. Two were correct and three were on the Good Nights plan at the time of switching and should have had between 2 and 49 kWh recorded.
More than 200 kWh	1	The average daily kWh was confirmed to be correct.

I checked for discrepancies between the last actual read date and switch event reading type for transfer switch CS files:

- 17 transfer switches had a last actual read date the day before the event date and an estimated switch event read type; I checked a sample of five ICPs and found that the last actual read date and event reading were correct, but the switch read type was recorded as estimated when it should have been actual - this issue was present in the previous audit and was under investigation but had not been resolved due to workloads so it has now been escalated, and
- one transfer switch had a last actual read date more than one day before the event date and an actual switch event read type, the last actual read date was incorrectly recorded because SAP had applied the last actual read date for an earlier instance of the meter, which had been renamed; there was no impact because the switch was later withdrawn.

I did not identify any transfer CS files which were missing CSMETERCHANNEL, CSMETERCOMPONENT or CSMETERINSTALL rows.

I checked the content of a further five CS files and confirmed that all details were accurately recorded.

CTCX and CTCS

CS timeliness

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

No late CS files were recorded on the switch breach history report for CTCS or CTCX.

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.

The registry functional specification requires estimated daily kWh to be based on the average daily consumption for the last read to read period. This is being calculated outside of Datahub and SalesForce using a formatted excel spreadsheet as the figures being presented in Datahub were not calculating correctly and the data feed from Datahub to SalesForce is not functioning correctly. Investigation is underway into both issues to resolve them. The figure is entered into the CS file and once all expected data is present the CS file is sent to the registry.

The creation of CS files is planned to be automated, and I have repeated the last audit's recommendation so this can be considered as part of the automation.

Description	Recommendation	Audited party comment	Remedial action
CS estimated daily kWh	**CTCS** and **CTCX** Consider reviewing the estimated daily consumption calculation to ensure compliance with the registry functional specification.	Our Bulk Switch Out Process was reviewed recently to ensure that any multipliers that are more than one are calculated correctly before the CS is processed. This also includes using two actual reads to calculate an accurate average daily consumption. This process is being monitored and controlled by the Operations Team Lead with one other member of the team as back up.	Identified

CTCX	No transfer CS files were issued.

CTCS	I checked for discrepancies between the last actual read date and switch event reading type for transfer switch CS files:
	• 11 transfer switches had a last actual read date the day before the event date and an estimated switch event read type - 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**,
	• 11 transfer switches had a last actual read date more than one day before the event date and an actual switch event read type - a sample of five files were checked and found:
	  ○ the incorrect last read date was recorded in three files due to human error, and
	  ○ the reads were incorrectly sent as actuals when they were not a read from the day before the switch event date due to human error, this is recorded as non-compliance below and in **sections 4.16, 6.7** and **9.1**.
	I checked the content of a further five CS files and found the content was correct except for the average daily consumption as these were sent using the Datahub figure which, as discussed above, was calculating incorrectly. These were all sent prior to the new average daily consumption process being put in place in mid-October 2021.

	CS average daily consumption was checked for transfer CS files: • 29 CS files had average daily consumption over 200 kWh - I checked the five files with the largest values and found these were calculated incorrectly due to the issues discussed above; the manual processes in place now are expected to address this until automation can occur. This is currently being scoped, • 25 CS files had average daily consumption of zero kWh; I checked the five files and found three were correctly calculated by the system and two were incorrect due to the same issues discussed above, and • no CS files had negative average daily consumption.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.3 With: Clause 5 Schedule 11.3 From: 05-Mar-21 To: 17-Aug-21	**CTCT** Eight CS breaches. Two E2 breaches. Three CS files had had an incorrect daily average kWh recorded. 17 transfer switches had an estimated read type recorded but should have had actual. One transfer switch had an incorrect last actual read date and was later withdrawn. **CTCS** All five ICPs sampled of a possible 11 ICPs where the last actual read date is for a date before the switch event date were sent with the incorrect read type of "E" due to human error. Two of the five ICPs sampled of a possible 11 ICPs where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error. 18 (5+5+ 5+3) (87%) of the 20 ICPs (5+5+5+5) sampled had the incorrect average daily consumption recorded. 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, and Simply Energy has put a work around process in place, so the average daily consumption figure is expected to be calculated correctly going forward but there is room for improvement with the accuracy of last read types being entered. The audit risk rating is low because impact on settlement and participants is minor.

Actions taken to resolve the issue	Completion date	Remedial action status

CTCT Eight CS breaches and two E2 breaches: Contact ICT team is investigating the issue and working on the possible solution however a manual process has been implemented to prevent the reoccurrence. Three CS files had had an incorrect daily average kWh recorded: Contact Implemented a logic change in April 2021 to comply with EA requirements for average daily consumption however we have one pending issue which our ICT team is working on. 17 transfer switches had an estimated read type recorded but should have had actual: Contact ICT team is investigating the issue and it has been escalated to find the solution. We anticipate this to be resolved by June 2022. **CTCS** These issues cannot be "resolved" now as the sites have switched. Overview: 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, resulting in some errors being made during this time.	**CTCT** 30/06/2022 **CTCS** Not applicable	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCT Contact ICT team is investigating the issue and working on the possible solutions. **CTCS** Automation of the CS file generation process is due 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 June 2021 - October 2021. 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.	**CTCT** 30/06/2022 **CTCS** 30/06/2022	

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

Code reference

Clause 6(1) and 6A Schedule 11.3

Code related audit information

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

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

If the gaining trader disputes a switch meter reading because the switch event meter reading provided by the losing trader differs by 200 kWh or more, the gaining trader must, within 4 calendar months of the registry manager giving the gaining trader written notice of having received information about the switch completion, provide to the losing trader a changed switch event meter reading supported by two validated meter readings.

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

Audit observation

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 Contact's systems 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 Contact's systems.

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

Audit commentary

CTCT

RR

Inaccurate switch event reads are normally identified through the read validation process, or the customer querying their first bill. When a potential discrepancy is identified, CTCT gains a second actual reading as soon as possible. If the two actual readings confirm an RR is required, the billing team emails the other retailer using the switching inbox (so the switching team has a copy of the correspondence) and issues the RR. The switching team provides process support where requested, including for complex cases. CTCT attempts to issue RRs within four months as required by this clause.

Separate BPEMs (business process exceptions) are generated for accepted and rejected AC files returned by other traders. These BPEMs are processed by the switching team daily.

CTCT issued 65 RR files for transfer switches. 44 were accepted and 21 were rejected. For the sample of five acceptances and five rejections checked there was a genuine reason for CTCT's RR, the RR was supported by at least two validated readings, and the reads recorded in SAP reflected the outcome of the RR process.

The switch breach history report recorded no late RRs for transfer switches.

AC

A BPEM is generated when an RR file is received. These are worked through manually and accepted or rejected, then the BPEM is closed by the user. Another user is responsible for reviewing the switch breach report each morning and afternoon and checking any ICPs close to breaching which are followed up with the user responsible.

The switch breach history report did not record any late AC files, and CTCT did not issue any AC files for transfer switches.

CS files with estimated readings where no RR is issued

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

CTCX and CTCS

RR

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 CTCS or CTCX 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 previously being checked against AMI data to determine whether a read change is required, but this is not routinely checked as discussed in **section 2.1**. Other read changes are identified through the read validation processes discussed in **section 9.5**.

RRs are issued as soon as Simply Energy confirms that they are required and has received supporting readings.

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.

CTCX	No RR files were issued by CTCX, and no breaches were recorded in the switch breach history report.
CTCS	No transfer RR files were issued by CTCS, and no breaches were recorded in the switch breach history report.

AC

Read change workflows are managed using the SalesForce dashboard, and the timeliness of AC files is also monitored using the switch breach report.

<table>
<tr><td>CTCX</td><td>No AC files were issued by CTCX, and no breaches were recorded in the switch breach history report.</td></tr>
<tr><td>CTCS</td><td>CTCS issued 40 AC files for transfer switches. 37 were accepted and three were rejected (for two ICPs). I checked a sample of five accepted and all rejected RR requests and found:

all three RRs were validly rejected, and an updated RR was received with revised agreed reads that were accepted, however the reads have not been updated in Datahub and MADRAS which will have resulted in 4,460 kWh of under submission for ICP 0000029576CHE3F and 5,589 kWh of over submission for ICP 2106001000CHE3D, and
the sample of five accepted RR reads checked have not been updated in Datahub and MADRAS resulting in the following submission errors:

<table>
<tr><th>ICP</th><th>Net kWh over +/under- submission</th><th>Event date</th></tr>
<tr><td>2002022000CHDEB</td><td>+684</td><td>03/05/21</td></tr>
<tr><td>2106001000CHE3D</td><td>-5,589</td><td>17/06/21</td></tr>
<tr><td>0007112635RNAA1</td><td>+1,446</td><td>21/06/21</td></tr>
<tr><td>1917013000CHDD2</td><td>+1,182</td><td>06/03/21</td></tr>
<tr><td>0000571052HBAAE</td><td>-30,819</td><td>15/04/21</td></tr>
</table>
Simply Energy have accepted read changes, but they were not processing these due to resource constraints between 1 March 2021 to 30 September 2021. This affected approximately 650 ICPs across both transfer and switch moves. These are being reviewed and corrected. For those within the 14-month revision period the corrections will flow through the revision cycle. Those outside of the revision cycle will be evaluated on a case-by-case basis as to how these are best resolved. Going forward these are being processed as part of BAU from 1 October 2021. This is recorded as non-compliance below and in sections 2.1, 6.7 and 12.7.

One AC breach was recorded and was due to resource constraints. Additional resources have been added to the Operations team, so this is not expected to occur going forward.</td></tr>
</table>

CS files with estimated readings where no RR is issued

CTCX	There were no incoming transfer CS files with estimated reads where no RR was issued.
CTCS	Review of all three transfer CS files with estimated reads where no RR was issued confirmed that the correct readings were recorded in SAP.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.4 With: Clause 6(1) and 6A Schedule 11.3 From: 01-Mar-21 To: 30-Sep-21	**CTCS** One late AC file. Approximately 650 of both transfer and switch move ICPs with readings were not reflective of the readings agreed through the RR process resulting in some significant incorrect volumes being reconciled. Potential impact: High 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 rated as moderate overall as CTCT's controls are strong, but CTCS controls were weak but have been improved to moderate as the backlog of unprocessed read changes is being worked through and going forward these are being actioned as part of BAU from 01/10/21. The impact assessed to be medium due to large number of ICPs affected and the indicative impact on submission with one ICP having 30,819 kWh of under submission from the 17 ICPs sampled.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCS A full review of all switch read changes which were not updated is being conducted. All scenarios identified will be resolved.	**CTCS** 30/11/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCS Automation of the Switch Read change process is due for development in 2022 and will go through the material change audit process. In the meantime, the operations team have been fully trained on the correct process to update these into all systems, and the Compliance team will spot check RR's each month to ensure new reads are reflected in all systems.	**CTCS** 30/06/2022	

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

CTCT

These RR requests are processed in the same way as those received for greater than 200 kWh. Each request is evaluated and validated against the ICP information. If the request is within validation requirements these are expected to be accepted.

Contact did not issue any read change requests or acknowledgements where clause 6(2) and (3) of schedule 11.3 applied.

CTCX and CTCS

Simply Energy is aware of the requirements of Clause 6(2) and (3) of Schedule 11.3 and has processes in place to ensure compliance.

CTCX	No RR or AC files were issued by CTCX.
CTCS	No RR or AC files were issued under Clause 6(2) and (3) of Schedule 11.3.

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 Contact whether any disputes have needed to be resolved in accordance with this clause.

Audit commentary

Contact confirmed that no disputes have needed to be resolved in accordance with this clause for any of the participant codes.

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 Contact deem all conditions to be met. A typical sample of NTs were checked for each trader code to confirm that these were notified to the registry within two business days, and that the correct switch type was selected.

Audit commentary

CTCT

CTCT's processes are compliant with the requirements of 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.

Robots process applications made via the website. The values the customer enters into the application determine whether the customer is moving into the address or transferring between retailers at an existing address, which in turn determines the switch type. If the robot does not complete the action within 12 hours, an email is raised for a CSR to process the application and issue the NT. Applications received through other channels, such as customer's phoning in, are handled by CSRs.

Transfer switch type is applied where a customer is transferring between retailers at an address. Switch move is sometimes applied for transfer switches with the other trader's agreement if a certain switch event date is required, but this has not occurred during this audit period.

Switch move is applied where a new customer is moving into an address, and with the other trader's agreement if a certain switch event date is required. This is usually only occurs where groups of ICPs are switching between retailers, and to the best of the switching team's knowledge has not occurred this audit period because (1) no bulk transfers of ICPs between traders have occurred, and (2) customer groups are switched into the CTCS instead of CTCT code.

CTCT's customer help tool used by CSRs who process customer applications clearly states that MI should applied where the customer is moving into a property, and PA (the internal code applied for transfer switches) should be applied where the customer is not moving. The robots are programmed to ensure that correct switch types are applied.

The 15 most backdated NT files were checked and had the correct switch type applied. Seven NTs were technically issued more than two business days after pre-conditions were cleared, because the NT was initially issued on time for an incorrect address due to confusion over property unit numbers, and later issued for the correct address.

I checked the metering category for the 29,363 switch move ICPs and found none had metering categories of three or above.

CTCX and CTCS

CTCX and CTCS 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, such as tranches of ICPs being transferred in from CTCT, Simply Energy loaded the batch of ICPs directly into SalesForce and arranged for Emersion to load the ICPs over the next two to three days. This prevented 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. To ensure that the correct switch event date was applied, it was necessary for Simply Energy to request incoming switches from CTCT as switch moves, although they were transfer switches. This is because the requested date would not always be applied for transfer switches.

CTCX	No NT files were issued during the audit period.
CTCS	4,407 NT files were issued for switch moves. I checked the metering category for the 204 switch move ICPs where this information was available, and found none had metering categories of three or above. The five NTs checked found that the correct switch type had been used for all. Two ICPs were not sent within two business days of pre-conditions being cleared, due to resource constraints at the time. Additional resources have been added to this team, so this is not expected to occur in the future.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.7 With: Clause 9 of Schedule 11.3 From: 10-May-21 To: 12-Aug-21	**CTCT** Seven switch move NT files were issued more than two business days after pre-conditions were cleared. The NTs were initially issued on time for the wrong address and were reissued to the correct address once the error was found. **CTCS** Two of the sample of five NT files checked were issued more than two business days after pre-conditions were cleared. Potential impact: None Actual impact: None 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 there is sufficient trained resource in both operations to ensure that NTs are sent to the registry for both CTCT and CTCS/CTCX. The impact is assessed to be low as the number of late NTs overall is assessed to be low.		
Actions taken to resolve the issue		**Completion date**	**Remedial action status**

CTCT Contact has got strong controls and robust measures in place for this process. Original NTs were issued within the required timeframes however they were found to be for incorrect addresses. New NTs were issued for correct addresses to ensure accuracy and correct outcome for the customers, therefore some of these scenarios are unavoidable. **CTCS** These ICPs had withdrawals due to wrong switch type but due to a large number of ICPs switching and a lack of trained resource in the Operations team at the time, these ICPs were not re-requested as soon as the withdrawals were acknowledged. Additional knowledgeable people have been added to the team to further add value in this area.	**CTCT** Ongoing **CTCS** 31/08/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT As above. **CTCS** We now have several people across the switching area as well as daily check-ins and monitoring of Registry breach reports to minimise the opportunity for con-compliance to arise in this area.	**CTCT** Ongoing **CTCS** 30/06/2022	

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 Contact during the audit period,
- assess compliance with the requirement to meet the setting of event dates requirement, and
- check a diverse sample ANs 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

CTCT

AN content

SAP generates AN files automatically and the codes are based on a hierarchy. BPEMs are created where the AN cannot be automatically generated, including for pre-pay ICPs with non-settled meter registers and ICPs which have not received a meter reading for more than 365 days. A user manually reviews the BPEM and creates the AN file directly on the registry.

The switching process was examined in relation to CTCT as the "losing trader", and AN response codes were checked:

- 13 ANs had the AA (acknowledge and accept) code correctly applied,
- 164 ANs had the AD (advanced metering) code correctly applied,
- one AN for an unmetered ICP had the MU (unmetered supply) code correctly applied,
- 1,021 ANs had the OC (Occupied premises) code applied, I checked a sample of five and confirmed the code was correctly applied, and
- 65 ANs for disconnected ICPs had the PD (Premises electrically disconnected) code correctly applied.

The event detail report was reviewed for all 1,264 switch move ANs to assess compliance with the setting of event dates requirements:

- 1,262 (99.84%) had proposed event dates within ten business days of the NT receipt date; two ICPs had event dates more than ten business days after the NT receipt date, which matched the gaining trader's requested transfer date, and
- no ANs has a proposed event date before the gaining trader's requested date.

The switch breach history report was reviewed to identify non-compliant event dates and found two ET breaches for ANs with expected transfer dates more than ten business days after NT receipt. Both were for the same ICP and matched the gaining trader's requested date. CTCT's ICT team is currently investigating this issue.

AN and CS timeliness

AN and CS generation is automated. If a CS fails to generate a BPEM is created. Failures most commonly occur because no reading is received in the last 365 days, or the event reading is not plausible. CS BPEMs are actioned by the switching team, and the switch breach history report is reviewed in parallel to ensure that all switch files expected are received by the registry.

In addition, a single user reviews the switching breach history report each morning and afternoon and escalates any ICPs which are close to falling due with the individual team member responsible for processing that file type that day.

The switch breach history report was reviewed and found:

- no AN breaches,
- two E2 breaches where CS files were late,
- two T2 breaches where the AN and NT proposed transfer dates matched, but the CS was sent more than five business days after receipt of the NT, and
- one WR breach, where the CS was provided more than two business days after a NW being rejected.

The alleged breaches affected small numbers of switches and stemmed from resourcing issues due to staff on leave and training new staff members. All the breaches occurred in May and June 2021 and did not recur once resourcing issues were addressed and training was complete.

CTCX and CTCS

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 recommendation made in the last audit to add 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 is repeated in **section 4.2**.

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.

CTCX	Two AN files were issued for switch moves, and the AN response codes were correctly applied. Both ANs had proposed event dates which matched the gaining trader's proposed event date. Both dates were within ten business days of NT receipt.
CTCS	The switching process was examined in relation to CTCS as the "losing trader", and AN response codes were checked. • 376 ANs had the AA (acknowledge and accept) code correctly applied, eight had unmetered load recorded on the registry and were expected to have the MU (unmetered supply) code applied - this was caused as Simply Energy moved from SalesForce Classic to SalesForce Lightning which was expected to be just a platform change but it was discovered that the code which covers this was not carried over resulting in the MU code not being applied. This was corrected upon discovery. A material change would not be expected when carrying out a platform change, hence I haven't recorded a non-compliance for no material change in relation to this. This was the only incidence of the platform change causing an issue. The other 368 had the AA code correctly applied. The incorrect AN code applied is recorded as non-compliance below. • 945 ANs had the AD (advanced metering) code applied. All the AMI flag set to yes. • 54 ANs for unmetered ICPs had the MU (unmetered supply) code correctly applied. • Four ANs for disconnected ICPs had the PD (Premises electrically disconnected) code correctly applied.

	The event detail report was reviewed for all 1,379 switch move ANs to assess compliance with the setting of event dates requirements. • All ANs proposed event dates within ten business days of the NT receipt date, and • No ANs has a proposed event date before the gaining trader's requested date.

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.

CTCX	No breaches were recorded on the switch breach history report.
CTCS	No AN breaches were recorded on the switch breach history report. The switch breach report recorded: • one E2 breach for a switch move due to human error as the incorrect event date was sent, • 34 T2 breaches where the AN and NT proposed transfer dates matched, but the CS was sent more than five business days after receipt of the NT, I checked a sample of ten ICPs and found all were due to a lack of resources at the time and since additional resources have been added there have been no breaches since 5 July 2021, and • one WR breach, where the CS was provided more than two business days after a NW being rejected in June 2021, this was caused by the lack of resource and since additional resources have been added there have been no further WR breaches.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.8 With: Clause 10(1) Schedule 11.3 From: 10-May-21 To: 27-Jul-21	**CTCT** Two E2 breaches. Two T2 breaches. Two ET breaches affecting one ICP. One WR breach. **CTCS** Eight AN files sent with AA when MU would have been more accurate. One E2 breach. 34 T2 breaches. One WR breach. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate

	Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as moderate overall for because the breaches for late files all occurred during a period with resourcing issues and have not occurred since resourcing was addressed and training of new staff was complete. The ET breaches affected one ICP and are being investigated by the ICT team. The audit risk rating is low because impact on settlement and participants is minor.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT Contact has addressed the resourcing issue and provided further training to the users to prevent reoccurrence of these breaches. **CTCS** An update to the business process for sending AN files was made since the last audit however a change of CRM system unexpectedly removed this code. The removed Code was reinstated in July 2021.	**CTCT** Completed **CTCS** 31/07/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Further training has been provided to the users. **CTCS** Code to ensure correct assignment of response codes re-instated in July 2021; and automation of the AN file generation process is due for development in 2022 and will go through the material change audit process.	**CTCT** Completed **CTCS** 30/06/2022	

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 AN files issued by Contact during the audit period, and assess compliance with the requirement to meet the setting of event dates requirement.

Audit commentary

CTCT

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

CTCS and CTCX

Analysis found all switch move ANs had a valid switch response code, and event dates were compliant and matched the gaining trader's requested date. 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 Contact 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

CTCT

CS content

CTCT calculates the average daily kWh based on the last two actual readings received, which is compliant with the registry functional specification. Under certain circumstances invalid average daily kWh is/was calculated:

- up to 14 April 2021 where more than one read was recorded in SAP on the latest actual read date, the actual daily kWh would be calculated as zero; no further instances of this issue were identified after the system correction was made, and
- average daily consumption for ICPs where the customer is on the Good Nights plan at the time they switch out have an average daily kWh of zero calculated, because they are billed and settled as HHR and the NHH registers have the settlement indicator set to "N"; the issue is currently being investigated.

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

Average daily kWh	Count of switch move CS files	Comment
Negative	-	
Zero	76	A sample of five CS files were checked. Four were correct and one had zero recorded in error because there were two reads on the latest actual read date. The CS files were generated before the system fix on 14/4/21.
More than 200 kWh	2	Both CS files were checked and confirmed to be correct.

I checked for discrepancies between the last actual read date and switch event reading type for switch move CS files:

- ten switch moves had a last actual read date the day before the event date and an estimated switch event read type, I checked a sample of five ICPs and found that the last actual read date and event reading were correct, but the switch read type was recorded as estimated and should have been actual - this issue was present in the previous audit and was under investigation but had not been resolved due to workloads so it has now been escalated, and
- no switch moves had a last actual read date more than one day before the event date and an actual switch event read type.

Five switch moves had no CSMETERINSTALL, CSMETERCOMP or CSMETERCHANNEL rows. All were unmetered or had pre-pay metering installed, which do not allow metering details to be entered into the CS file.

I checked the content of a further five CS files and confirmed that all details were accurately recorded.

CTCX and CTCS

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.

The registry functional specification requires estimated daily kWh to be based on the average daily consumption for the last read to read period. This is being calculated outside of Datahub and SalesForce using a formatted excel spreadsheet as the figures being presented in Datahub were not calculating correctly and the data feed from Datahub to SalesForce is not functioning correctly. Investigation is underway into both issues to resolve them. The figure is entered into the CS file and once all expected data is present the CS file is sent to the registry.

The creation of CS files is planned to be automated, and I have repeated the last audit's recommendation in **section 4.3**, so this can be considered as part of the automation.

CTCX	Two switch move CS files were issued. The content was correct except for the average daily consumption figures as this was prior to the excel spreadsheet being used and the figures from Datahub were used. One switch move CS file had average daily consumption over 200 kWh and as detailed above the figure was incorrect. No CS files had average daily kWh that was negative or zero.
CTCS	I checked for discrepancies between the last actual read date and switch event reading type for switch move CS files: • 147 switch moves had a last actual read date the day before the event date and an estimated switch event read type - 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**, • nine switch moves had a last actual read date more than one day before the event date and an actual switch event read type - I checked a typical sample of five ICPs and found the reads were incorrectly sent as actuals when they were not a read from the day before the switch event date, due to human error and this is recorded as non-compliance below and in **sections 4.16, 6.7** and **9.1**. I checked the content of a further five CS files and found the content was correct except for the average daily consumption as these were sent using the Datahub figure which, as discussed above, was calculating incorrectly. These were all sent prior to the new average daily consumption process being put in place in mid-October 2021. CS average daily consumption was checked for switch move CS files: • 21 CS files had average daily consumption over 200 kWh - I checked the five files with the largest values and found one was correct and four were incorrect as these were calculated incorrectly due to the issues discussed above; the manual processes in place now are expected to address this until automation can occur. This is currently being scoped, • 153 CS files had average daily consumption of zero kWh - I checked the five files and found four were correctly calculated by the system and one were incorrect due to the same issues discussed above, and

	• one CS file had negative average daily consumption due to human error, and additional checks have been put in place to ensure that this doesn't occur in the future.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.10 With: Clause 11 Schedule 11.3 From: 08-Mar-21 To: 31-Jul-21	**CTCT** One CS file had an incorrect average daily kWh. Ten transfer switches had an estimated read type recorded but should have had actual. **CTCX** Incorrect average daily consumption sent for both CS files sent. **CTCS** All five ICPs sampled of a possible 147 ICPs where the last actual read date is for a 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 nine ICPs where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error. 18 (5+4+4+4+1) (87%) of the 21 ICPs (5+5+5+5+1) sampled had the incorrect average daily consumption recorded. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as moderate overall, as most CS content was accurate and on time, but the calculation of the average daily consumption is a manual process for Simply Energy. The audit risk rating is low because impact on settlement and participants is minor.

Actions taken to resolve the issue	Completion date	Remedial action status

CTCT One CS file had an incorrect average daily kWh: Contact Implemented a logic change in April 2021 to comply with EA requirements for average daily consumption however we have one pending issue which our ICT team is working on. Ten transfer switches had an estimated read type recorded but should have had actual: Contact ICT team is investigating the issue and it has been escalated to find the solution. We anticipate this to be resolved by June 2022. **CTCS/CTCX** A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of resources within the Operations Team. Some errors were made during this time. This has now been resolved through increasing the resources and adding additional quality checks to the process.	**CTCT** 30/06/2022 **CTCS/CTCX** 31/08/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Contact ICT team is investigating the issue and working on the possible solutions. **CTCS/CTCX** Automation of the CS file generation process is due 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 June 2021 - October 2021. Tthe 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.	**CTCT** 30/06/2022 **CTCS/CTCX** 30/06/2022	

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

Code reference

Clause 12 Schedule 11.3

Code related audit information

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

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

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

Audit commentary

CTCT

<u>RR</u>

Inaccurate switch event reads are normally identified through the read validation process, or the customer querying their first bill. When a potential discrepancy is identified, CTCT gains a second actual reading as soon as possible. If the two actual readings confirm an RR is required, the billing team emails

the other retailer using the switching inbox (so the switching team has a copy of the correspondence) and issues the RR. The switching team provides process support where requested, including for complex cases. CTCT attempts to issue RRs within four months as required by this clause.

Separate BPEMs are generated for accepted and rejected AC files returned by other traders. These BPEMs are processed by the switching team daily.

CTCT issued 473 RR files for switch moves. 327 were accepted and 146 were rejected. For the sample of five acceptances and five rejections checked there was a genuine reason for Contact's RR, the RR was supported by at least two validated readings. The reads recorded in SAP reflected the outcome of the RR process for nine of the ten ICPs. One ICP had an incorrect event reading recorded resulting in a difference of 1 kWh which was corrected during the audit.

The switch breach history report recorded five late RRs for switch moves where there was a delay in receiving two actual readings to support the RR.

AC files

A BPEM is generated when an RR file is received. These are worked through manually and accepted or rejected, then the BPEM is closed by the user. Another user is responsible for reviewing the switch breach report each morning and afternoon and checking any ICPs close to breaching which are followed up with the user responsible.

CTCT issued six AC files for switch moves. Two were rejected and four were accepted. All were rejected for valid reasons, and all switches were withdrawn so no switch event reading was recorded in SAP.

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

CS files with estimated readings where no RR is issued

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

CTCX and CTCS

RR

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 CTCS or CTCX 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 not routinely checked as discussed in **section 2.1**. Other read changes are identified through the read validation processes discussed in **section 9.5**.

RRs are issued as soon as Simply Energy confirms that they are required and has received supporting readings.

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.

CTCX	No RR files were issued by CTCX, and no breaches were recorded in the switch breach history report.
CTCS	CTCS issued two RR files for switch moves, which were accepted. There was a genuine reason for CTCS' RR, the RR was supported by at least two validated readings, or a reconnection read, and the reads recorded in Datahub and MADRAS reflected the

	outcome of the RR process for ICP 0000122591TRC78. The agreed read has not been processed for ICP 0005105891WME43. This is in the process of being corrected and is one of the approximately 650 ICPs where the read change has not been processed. This will have resulted in 98 kWh of over submission from 1 July 2021. This correction will flow through the revision cycle. This is recorded as non-compliance below and in **sections 2.1, 6.7** and **12.7.**

AC

Read change workflows are managed using the SalesForce dashboard, and the timeliness of AC files is also monitored using the switch breach report.

CTCX	No AC files were issued by CTCX, and no breaches were recorded in the switch breach history report.
CTCS	CTCS issued 29 AC files for switch moves. 23 were accepted and six were rejected, and a sample of five accepted and five rejected files were checked. All were rejected for valid reasons at the time. The reads recorded in Datahub and MADRAS reflected the outcome of the RR process for six of the ten files examined. The four ICPs not matching are part of the approximately 650 ICPs where the accepted read change was not processed due to resource constraints as detailed in **section 4.4**. This will have resulted in the following submission errors:

ICP	Net kWh over +/ under- submission	Event date
0000709008HBF56	+5,451	01/05/21
1002039107LCC8D	2	01/04/21
1001281792LC839	-25	01/04/21
0041100272PCBA6	-14,367	29/03/21

This is recorded as non-compliance below and in **sections 2.1, 6.7** and **12.7**.

No breaches were recorded on the switch breach history report.

CS files with estimated readings where no RR is issued

CTCX	There were no incoming switch move CS files with estimated reads where no RR was issued.
CTCS	Review of five switch move CS files with estimated reads where no RR was issued confirmed that the correct readings were recorded.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.11 With: Clause 12 of Schedule 11.3 From: 01-Mar-21 To: 30-Sep-21	**CTCT** Five late RR files for switch moves. The reading in SAP for one ICP did not reflect the outcome of the RR process and was corrected during the audit. **CTCS** Approximately 650 of both transfer and switch move ICPs had readings not reflective of the readings agreed through the RR process resulting in some significant incorrect volumes being reconciled. Potential impact: High 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 rated as moderate overall as CTCT's controls are strong, but CTCS controls were weak but have been improved to moderate as the backlog of unprocessed read changes is being worked through and going forward these are being actioned as part of BAU from 01/10/21. The impact assessed to be medium due to large number of ICPs affected and the indicative impact on submission with one ICP having 30,819 kWh of under submission from the 17 ICPs sampled.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT Late RRs were required to ensure accuracy and correct billing for the customers. Some of these delays are unavoidable due to meter access issues. Further training has been provided to the user to ensure read accuracy. **CTCS** A full review of all switch read changes that have been not updated is being conducted. Once identified the respective resolution patch will be taken to ensure the data inaccuracies are corrected.	**CTCT** Ongoing **CTCS** 30/11/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCT Further training has been provided to the users. **CTCS** Automation of the Switch Read change process is due for development in 2022 and will go through the material change audit process. In the meantime, the operations team have been fully trained on the correct process to update these into all systems, and the Compliance team will spot check RR's each monthly to ensure new reads are reflected in all systems.	**CTCT** Ongoing **CTCS** 30/06/2022	

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 Contact 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

CTCT

CTCT did not request any HH switches during the audit period. All HH ICPs switch in to the CTCS participant code.

I checked the metering category for the 8,836 transfer switch ICPs and 29,363 switch move ICPs and found none had metering categories of three or above.

CTCX and CTCS

CTCX and CTCS 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, such as tranches of ICPs being transferred in from CTCT, Simply Energy loaded the batch of ICPs directly into SalesForce and arranged for Emersion to load the ICPs over the next two to three days. This prevented 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.

CTCX	No NT files were issued during the audit period.
CTCS	The NT files for HH switches contained the information required by this clause. Six NTs were issued for gaining trader switches, all had metering category 3 or 4 and the correct switch type was selected. One was an internal transfer from CTCT to CTCS. I checked the five ICPs requested from traders other than CTCT to confirmed they were requested on time and the correct switch type was applied I checked the metering category for the 204 switch move ICPs and 244 transfer switch ICPs where this information was available, and found none had metering categories of three or above. The switch breach history report did not record any breaches for HH switches.

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 Contact during the audit period, and a sample of ANs were reviewed to determine whether the codes had been correctly applied.

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

Audit commentary

CTCT

No HH AN files were issued by CTCT during the audit period, and no breaches were recorded for HH AN files.

CTCX and CTCS

The process to determine AN codes and event dates is automated. The recommendation made in the last audit 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 is repeated in **section 4.2**.

CTCX	No HH AN files were issued by CTCX during the audit period, and no breaches were recorded for HH AN files.
CTCS	108 HH AN files were issued during the audit period. 107 had the AA (acknowledge and accept) response code correctly applied, and one had the AD (advanced metering) response code correctly applied. The switch breach history report did not record any breaches for HH switches.

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

CTCT

CTCT did not request any HH switches during the audit period. All HH ICPs switch in to the CTCS participant code.

The switch breach history report did not record any late HH CS files, and CS content was as expected for all HH CS files.

CTCX and CTCS

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

CTCX	No HH CS files were issued during the audit period. The switch breach history report did not record any late HH CS files, and CS content was as expected for all HH CS files.
CTCS	The CS file content was as expected for all six HH CS files issued during the audit period. The switch breach history report did not record any late HH CS files, and CS content was as expected for all HH CS files.

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 Contact, and check a sample for accuracy,
- identify all switch withdrawal acknowledgements issued by Contact, 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

CTCT

<u>NW</u>

Switch withdrawals are sent as soon as they are discovered, which in some instances may be more than two months after the event date.

NWs are created in SAP by users or robots. The robots generate NWs and emails to the other trader for unauthorised account and customer requested withdrawals each morning, based on user created service orders. The service orders specify a service order type and category which is used to determine the NW reason code. Validation is in place to prevent the robots from creating NWs for any ICPs which have been supplied for over two months, and CTCT initiated withdrawals for reasons which are not

related to the customer's error, authority, or preference are initiated by users. Any responses to the emails generated by the robots are returned to users for review.

Daily exception reports are generated which show all service orders for NWs and whether they were processed successfully by the robots, or an exception was generated. All exceptions are reviewed and actioned daily.

CTCT issued 1,894 NW files, and 402 of those files were rejected. The content of 21 NW files (including at least three for each NW advisory code, and 19 rejected requests) was compared to details in SAP. The following NWs did not have the withdrawal advisory code with the best fit applied:

ICP	Event date	Applied code	Code with best fit
0005727790RNCEC	24/04/2021	CE (Customer error)	UA (Unauthorised switch)
1001160324UND78	04/06/2021	DF (Date failed)	CE (Customer error) because the event date was not ten business days in the future
0005563160RNF30	31/03/2021	DF (Date failed)	CE (Customer error)) because the event date was not ten business days in the future
0313155216LCA90	01/06/2021	UA (Unauthorised switch)	CX (Customer cancellation)
1099577643CN02C	20/08/2021	WS (Wrong switch type)	Issued in error should not have been sent

The switch breach history report recorded:

- 17 SR breaches where the NW arrival date is more than 10 business days after the initial NW for the same trader requesting the withdrawal, and
- 78 NA breaches where the NW arrival date is more than two calendar months after the CS actual transfer date.

I checked the 20 NA breaches with the largest number of days overdue, and all SR breaches. I found the delays were caused by:

- late notification that the withdrawal was required from the customer, field technicians or other traders,
- double withdrawals,
- delays while CTCT investigated whether the NW was required,
- delays in actioning emails regarding withdrawals due to workloads,
- timing issues where a customer has requested a withdrawal be issued before an existing NW response has been dealt with, and/or NW rejections have not been processed by users on time (these issues occurred in July and earlier and have been addressed through training to ensure users check for NWs in progress before issuing a new NW, and training).

<u>AW</u>

A BPEM is generated when an NW file is received. These are worked through manually and accepted or rejected, then the BPEM is closed by the user. Another user is responsible for reviewing the switch breach report each morning and afternoon and checking any ICPs close to breaching which are followed up with the user responsible.

185 (7.6%) of the 2,419 AWs issued by CTCT were rejections. I reviewed a diverse sample of 14 rejections by CTCT (including at least two for each NW advisory code), and confirmed they were rejected based the information available at the time the response was issued.

The switch breach history report did not record any AW breaches.

CTCX and CTCS

NW

NWs are issued 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 monitored using SalesForce workflows to make sure a response is received and actioned.

NWs are created from SalesForce using the SQL (ETL) process. Withdrawal and response codes will be applied based on the best information available.

CTCX	CTCX issued one NW, and this was issued with the DF code. This can only be used when the NT request date is more than ten days in advance. In this instance it was due to contract end dates and should have been sent as using the CE code. This is recorded as non-compliance below. The switch breach history report did not record any breaches.

CTCS	CTCS issued 141 NW files, and 13 of those files were rejected. The content of 18 NW files (including at least three or all for each NW advisory code, and six rejected requests) was compared to details in SalesForce and found:
	
	• ten were issued correctly (including four of the rejected NWs),
	• six were issued using the incorrect reason code:
	  ○ for all three DF coded switch withdrawals sampled, CE would have been the more appropriate code,
	  ○ two UA coded switch withdrawals issued where CE would have been the more appropriate code,
	  ○ one issued using the WS code when it was gained for the incorrect date where CE would have been a more appropriate code, and
	• two MI NWs were issued in error, and both were rejected.
	
	The switch breach history report recorded:
	
	• five SR breaches where the NW arrival date is more than 10 business days after the initial NW for the same trader requesting the withdrawal:
	  ○ three late as they were part of a double withdrawal,
	  ○ ICP 0000035247HRF28 was late due to the time taken to confirm that the withdrawal should have been reissued,
	  ○ ICP 0001257998UN369 was delayed due to a lack of resource (additional resource has been added to the operation team since this time and there have been no further late SR breaches recorded), and
	• two NA breaches where the NW arrival date is more than two calendar months after the CS actual transfer date and found both they were delayed by the investigation to confirm that the NW was required.

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.

CTCX	No AW files were issued by CTCX, and the switch breach history report did not record any breaches.
CTCS	11 (4.8%) of the 227 AWs issued by CTCS were rejections. I reviewed a diverse sample of six rejections by CTCS (including at least two or all for each NW advisory code), and

	confirmed they were rejected based the information available at the time the response was issued. The switch breach history report recorded five AW breaches where the AW arrival date was more than five business days after receipt of the NW.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.15 With: Clauses 17 and 18 Schedule 11.3 From: 11-Mar-21 To: 20-Aug-21	**CTCT** Five NWs did not have the code with the best fit applied. 17 SR breaches. 78 NA breaches. **CTCX** One NW did not have the code with the best fit applied. **CTCS** Six NWs did not have the code with the best fit applied. Two NWs issued in error. Five SR breaches. Two NA breaches. Five AW breaches. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are moderate overall, a small number of NW files did not have the NW code with the best fit applied and a small number of files were late. The number of late files decreased later in the audit period. The audit risk rating is low because impact on settlement and participants is minor. Revised reconciliation data will be provided through the revision process.

Actions taken to resolve the issue	Completion date	Remedial action status

CTCT Contact has provided further training to the users to prevent these breaches. All late NWs were sent for valid reasons. These often involve complex and lengthy investigations hence some of these delays are inevitable. **CTCS/CTCX** A large number of ICPs were switched out between April and August which put a lot of pressure on the limited number of resources within the Operations Team. Data quality during this period was negatively impacted, however since an increase in knowledgeable staff from Mid-August, we now have a dedicated staff member working on this process with the Operations Team Lead as back up and quality control.	**CTCT** Ongoing **CTCS/CTCX** 30/11/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Contact has provided additional training to the users and will continue to look for further improvements in this process. **CTCS/CTCX** The Operations Team have been updated around the different codes and when they should be applied following the recent audit. This is 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 now across the different NW codes and when they must be applied.	**CTCT** Ongoing **CTCS/CTCX** 30/11/2021	

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

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

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.

CTCT

The meter readings used in the switching process are validated meter readings or permanent estimates. All CS and RR readings checked were confirmed to be correct.

CTCS and CTCX

The meter readings used in the switching process are validated meter readings or permanent estimates.

As detailed in **section 4.3** for CTCS:

- all five ICPs sampled of a possible 11 transferred ICPs and all five ICPs sampled of a possible 147 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, and
- two of the five ICPs sampled of a possible 11 transferred ICPs and all five ICPs sampled of a possible nine switch moves where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error.

As detailed in **sections 4.4** and **4.11**, Simply Energy have accepted read changes, but they were not processing these due to resource constraints between 1 March 2021 to 30 September 2021. This affected approximately 650 ICPs across both transfer and switch moves. These are being reviewed and corrected. For those within the 14-month revision period the corrections will flow through the revision cycle. Those outside of the revision cycle will be evaluated on a case-by-case basis as to how these are best resolved. Going forward these are being processed as part of BAU from 1 October 2021. This is recorded as non-compliance in **sections 2.1, 4.4, 4.11,6.7** and **12.7**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.16 With: Clause 21 Schedule 11.3	**CTCS** All five ICPs sampled of a possible 11 transferred ICPs and all five switch move ICPs sampled of a possible 147 where the last actual read date is for a date before the switch event date were sent with the incorrect read type of "E" due to human error. Two of the five ICPs sampled of a possible 11 transferred ICPs and all five ICPs sampled of a possible nine switch moves where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error. Potential impact: Low

From: 01-Mar-21 To: 30-Sep-21	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 overall as CTCT's controls are strong, but CTCS controls were weak but have been improved to moderate but there is room for improvement. The impact assessed to be low due to the number of ICPs affected as percentage of the total number of switches completed.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCS 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 resources from mid-August, this has reduced the number of late updates. The Operations Team Lead is also acting as quality control to assist with minimising the opportunity for non-compliance to arise.	**CTCS** 30/09/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCS Automation of the CS file generation process is due 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 June 2021 - October 2021. The team have also 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.	**CTCS** 30/06/2022	

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 post 31 March 2020. A sample were checked to determine compliance.

Audit commentary

CTCT

CTCT does not carry out any win-back activity. Customers who are switching out are not contacted to confirm they wish to switch or attempt a win-back.

Review of the event detail report identified 153 NWs issued for switch losses where CTCT was the losing trader within 180 days of switch completion with a CX withdrawal code. I checked a sample of ten of these withdrawals and confirmed they were initiated by the customer, and no win back activity occurred.

CTCX and CTCS

No win-back activity is undertaken for the CTCX and CTCS codes.

CTCX	No NW CX files were issued.
CTCS	Review of the event detail report identified four NWs issued for switch losses where CTCS was the losing trader within 180 days of switch completion with a CX withdrawal code. The files related to two ICPs, and both were initially rejected and then accepted on reissue with the same withdrawal code. The wrong code was used as these were undergoing a meter change and should have been sent as NWMI code. Feedback has been provided to the operations team in relation to this. No win back activity was undertaken.

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

CTCT

Additions and changes to shared unmetered load are monitored as part of CTCT's validation processes discussed in **section 3.7**. 300 ICPs had shared unmetered load indicated by the distributor. The loads were confirmed to be correct within 0.1 kWh of the distributors value apart from 0000429949MP763 where CTCT's value was confirmed to be correct.

CTCX and CTCS

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

CTCX	CTCX does not supply any ICPs with shared unmetered load.
CTCS	Ten CTCS ICPs had shared unmetered load indicated by the distributor. The loads were confirmed to be correct.

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

CTCT

17 ICPs had a load between 3,000 and 6,000 kWh. One ICP had switched out, and 15 were confirmed to be of a predictable load type or DUML ICPs. ICP 0007194608RN8E7 is being investigated to confirm the control method but is believed to have a predictable load type.

All ICPs with unmetered loads over 6,000 kWh are DUML ICPs.

CTCX and CTCS

CTCX and CTCS customer applications are approved by Contact Energy before being requested by Simply Energy. As part of this process, Contact Energy considers whether there is unmetered load over the thresholds.

CTCX	CTCX does not supply any unmetered ICPs with loads over 3,000 kWh.
CTCS	CTCS supplies four non-DUML unmetered ICPs with loads over 3,000 kWh but under 6,000. These are all of an approved type.

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

CTCT

All ICPs with unmetered loads over 6,000 kWh are DUML ICPs.

CTCX and CTCS

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

CTCX	CTCX does not supply any unmetered ICPs with loads over 6,000 kWh.
CTCS	CTCS supply any non-DUML unmetered ICPs with load over 6,000 kWh.

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

CTCT

CTCT has responsibility for a number of distributed unmetered load databases. The audit findings are detailed in the table at the end of this section.

CTCX

The CTCX code does not have any DUML ICPs. The list file was examined, and no distributed unmetered load databases were identified.

CTCS

The processes to manage distributed unmetered load were reviewed. CTCS now manages 19 DUML databases. The audit findings are detailed in the table below.

Audit commentary

CTCT and CTCS

The following exemptions are in place for DUML:

Exemption No. 177: Exemption to clause 8(g) of schedule 15.3 of the Electricity Industry Participation Code 2010 in respect of providing half-hour ("HHR") submission information instead of non-half-hour ("NHH") submission information for distributed unmetered load ("DUML"). This exemption expires at the close of 31 October 2023.

Exemption No. 185: Exemption to clause 11 of schedule 15.3 of the Electricity Industry Participation Code 2010 in respect of creating DUML databases for the following ICPs. This exemption expires on the date on which Contact no longer has responsibility as the trader for these ICPs on the registry. One of the affected ICPs is still supplied by Contact, therefore the exemption is still valid.

ICP identifier	Comments
0001183605HB0B0	Contact still has responsibility for this ICP; under veranda lights with load of 3.7 kWh per day are connected.

DUML audits for databases were conducted by Veritek.

The Electricity Authority issued a memo on 18 June 2019 confirming that the code requirement to calculate the correct monthly load must:

- take into account when each item of load was physically installed or removed, and

- wash up volumes must take into account where historical corrections have been made to the DUML load and volumes.

Currently Contact use a snapshot of a DUML database taken at the end of each month to derive submission.

I have reviewed all of the DUML audits and detailed in the table below the main submission related issues applicable for the DUML databases that Contact is recorded as the trader for. The following completed reports have not yet been submitted to the Electricity Authority.

Database	Due date
Christchurch City Council - Orion	01/05/2021
Christchurch City Council - Mainpower	01/05/2021
Christchurch City Traffic lights	28/04/2021
NZTA Waimakariri	01/06/2021

Those shaded blue are now with CTCS, those shaded grey are with CTCT. The two without shading are in the process of being decommissioned.

ICPs 0016099060EL730 and 0110004920EL4F1 are Waka Kotahi ICPs and are recorded on the registry as standard unmetered load ICPs with a daily kWh figure of 1.19 and 0.6 respectively. A recent DUML database extract provided to Veritek from Waka Kotahi identified that the load associated with these is 51.98 and 59.98 kWh respectively and should be managed as DUML ICPs. This information has been passed to Simply Energy to investigate and resolve. This is recorded as non-compliance below and in **sections 2.1.** I have not recorded non-compliance in **section 5.3** as this has only just been passed to Simply Energy to resolve.

Database	DUML Audit completed or to be completed by 16A.26	Deriving submission information 11(1) of schedule 15.3	ICP identifier 11(2)(a) of schedule 15.3	Location of items of load 11(2)(b) of schedule 15.3	Description of load 11(2)(c)&(d) of schedule 15.3	All load recorded in database 11(2A) of schedule 15.3	Tracking of load changes 11(3) of schedule 15.3	Audit trail 11(4) of schedule 15.3	Database accuracy 15.2 and 15.37B(b)	Volume information accuracy 15.2 and 15.37B(c)	**Database indicative kWh +=over -=under Variance PA**
Mackenzie DC **NB- audit still to be undertaken**	1/7/21	No	Yes	Yes	Yes	No	Yes	Yes	No	No	Minor
Kapiti Coast DC	1/06/21	No	Yes	Yes	No	Yes	Yes	Yes	No	No	Accurate
Tasman NZTA	1/09/21	No	Yes	Yes	No	Yes	Yes	Yes	No	No	+9,300
Dunedin CC	1/12/20	No	Yes	Yes	Yes	No	Yes	No	No	No	Accurate
Waimea Village	1/12/18	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Accurate
Far North Holdings	1/03/21	No	Yes	Yes	No	No	No	No	No	No	+13,290
Kapiti Retirement Trust	1/12/20	No	No	Yes	Yes	Yes	No	No	No	No	Very minor
Manawatu DC	1/9/20	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	+7,900
Hutt CC	8/4/21	No	No	Yes	No	No	Yes	Yes	No	No	+827,200
Christchurch CC-Orion	1/5/21	No	Yes	Yes	Yes	No	Yes	Yes	No	No	--5,300
Christchurch CC-Mainpower	1/5/21	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	+10,669
Christchurch CC Traffic Lights	28/4/21	No	No	Yes	No	Yes	Yes	No	No	No	Very minor
New Plymouth DC	1/9/20	No	Yes	Yes	Yes	No	Yes	No	No	No	Very minor

Database	DUML Audit completed or to be completed by 16A.26	Deriving submission information 11(1) of schedule 15.3	ICP identifier 11(2)(a) of schedule 15.3	Location of items of load 11(2)(b) of schedule 15.3	Description of load 11(2)(c)&(d) of schedule 15.3	All load recorded in database 11(2A) of schedule 15.3	Tracking of load changes 11(3) of schedule 15.3	Audit trail 11(4) of schedule 15.3	Database accuracy 15.2 and 15.37B(b)	Volume information accuracy 15.2 and 15.37B(c)	**Database indicative kWh +=over -=under Variance PA**
NZTA Wairarapa & Masterton – **NB in process of being decommissioned**	1/6/21	No	Yes	Yes	Yes	Yes	Yes	No	No	No	N/A
Central Otago DC	1/9/21	No	Yes	No	No	No	Yes	Yes	No	No	+5,600
Horowhenua DC	18/09/21	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	-10,300
NZTA Waimakariri	1/06/21	No	Yes	No	No	Yes	Yes	Yes	No	No	Accurate
Ohoka Downs	1/06/21	No	Yes	Yes	No	Yes	Yes	Yes	No	No	Very minor

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 5.4 With: Clause 11 of schedule 15.3 From: 01-May-21 To: 06-Nov-21	**CTCT** and **CTCS** The monthly database extracts used to derive submission from are provided as a snapshot and do not track changes at a daily basis as required by the code. Inaccurate submission information for several databases. Some streetlight audits not submitted by the due date. No streetlight audit undertaken for Waka Kotahi ICPs 0016099060EL730 and 0110004920EL4F1 Potential impact: High Actual impact: High Audit history: Multiple times Controls: Moderate Breach risk rating: 6
Audit risk rating	**Rationale for audit risk rating**
High	The controls in place mitigate risk most of the time, therefore the control rating is moderate. There is a major impact on settlement outcomes because there are examples of over submission and under submission; therefore, the audit risk rating is high.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT We are in the process of investigating why some streetlight audits were not submitted by the due date. We are also working with clients to either meter or measure via an alternative method, such as a council RAMM data base. We hope to have these resolve middle of 2022. **CTCS** Overdue Audits will be submitted prior to Christmas 2021; New audits are prioritised to ensure ongoing issues are minimised. The two Waka Kotahi ICPs are listed in the registry as standard Unmetered and is how they were tendered initially. The recent audit completed by Veritek identified these two as DUML and negotiations underway with the client to ensure that these ICPs will either be switched to their incumbent supplier of DUML ICPs (and integrated into that audit schedule) or a new Audit will be completed.	**CTCT** Ongoing **CTCS** 31/12/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
[Participant comment]	**CTCT**	

CTCT Please refer to Actions taken to resolve. **CTCS** Discussions have been had with all DUML clients about submitting daily information for reconciliation. Uptake has been slow and whilst we work with them towards a more detailed monthly submission, we use the best information available.	**CTCS** Ongoing	

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 were examined to determine compliance.

Audit commentary

CTCT

<u>Metering installations installed</u>

Contact's new connection process includes a check that metering is installed before energisation occurs, or that any unmetered load is quantified.

Subtraction has been used to determine submission information for two ICPs during the audit period, in accordance with the following exemptions:

- **Exemption No. 203:** Exemption to clause 10.24(c) of the Electricity Industry Participation Code 2010 to allow subtraction to determine submission information for ICP 0000880392WEA92, and
- **Exemption No. 191:** Exemption to clause 10.24(c) of the Electricity Industry Participation Code 2010 to allow subtraction to determine submission information for ICP 0000032431HR99C.

I walked through the submission process for each of the affected ICPs and checked a sample of data to confirm that the submissions were calculated correctly.

The audit compliance report recorded 196 "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. All were checked:

Count	Comment
9	MEP nominated, awaiting response.
61	MEP accepted nomination, awaiting meter asset data.
3	MEP rejected nomination. Two were rejected because the incorrect MEP was listed on the returned service order paperwork. One was accepted on reissue to the correct MEP, and the nomination for 0000165066CK5F0 is still to be reissued to LMGL. The MEP nomination for 0000512104CEC8E was rejected by Delta, who responded with the wrong premises advisory code. Further investigation confirmed a Delta meter is installed, and CTCT has asked Delta to accept the nomination.
7	No MEP nomination has been raised during the audit period. • 1000002829BP476 is believed to have a BOPE meter. BOPE were nominated in 2018 and have not responded. • 0000921936TU403 is believed to have a DELT meter, and CTCT is receiving regular readings from it. • 0042141002PC502 and 0181346710LC342 are believed to have been set up in error and will be followed up with the network. • 0009604831CN581, 0000008036CE985 and 0099551585CN50D have no metering and are to be decommissioned. The ICPs currently have active status. For ICP 0009604831CN581 returned paperwork in February 2021 confirmed the ICP should be decommissioned but was not actioned.
116	Metering details were populated on the registry after the report was run.
196	

In **section 2.9**, I have recommended that investigation into MEP nominations and decommissions are carried out as required to resolve these issues.

The audit compliance report identified 11 new connections where an MEP nomination was not accepted within 14 business days. The delays were caused by late receipt of paperwork, late MEP acceptance of MEP nominations that were issued on time, and late processing of paperwork.

Distributed Generation

Contact has a process in place to identify ICPs where distributed generation possibly exists. As discussed in **section 2.1**, a monthly report shows installation type discrepancies between SAP and the registry, and instances where the profile is inconsistent with the installation type. Where a job for import/export metering has been raised, no action is taken. Where no job has been raised, the exception is passed to the distributed generation team to arrange meter installation. The operations team manages profiles on the registry, and periodically updates the registry profiles.

I confirmed that CTCT's NHH reconciliation process automatically changes the profile for injection registers to PV1 for submission if there is an open trading notification for PV1 profile at the GXP and the registry shows RPS. Because the registry management and reconciliation processes for generation profiles are not synchronised, the profiles recorded on the registry for generating ICPs may differ from the profiles used for submission.

5,932 active ICPs with generation listed by the distributor were identified on the registry list. The AC020, event detail, registry list and meter installation details reports were reviewed to determine compliance:

Generation recorded by the distributor and an I flow register with no generation compatible profile	Review of the AC020 report confirmed that there were 67 NHH ICPs with generation recorded by the distributor and an I flow register where CTCT did not record a generation compatible profile on the registry. 66 ICPs were updated to include PV1 or HHR profile by the time that the audit was completed, and the other ICP had switched out.
Generation recorded by the distributor with no I flow register or generation compatible profile	1,379 ICPs with generation indicated by the distributor had HHR profile. I checked the 1,303 ICPs on the HHR aggregates file for April 2021 and found 1,286 had I flows reported on the HHR aggregates report. The other 17 did not have injection registers, and CTCT confirmed that they were not aware of any solar generation for the ICPs. 28 ICPs with generation indicated by the distributor had NHH submission type without a generation profile, and no I flow metering. • For 20 ICPs CTCT confirmed that they were not aware of any solar generation. • For seven ICPs, solar generation was confirmed. Four had I flow metering installed before the audit was completed, and ICP 0000932060TE629 is in the process of having I flow metering installed. I flow meter installations for 0418695067LC047 and 0419151060LCC0F have been turned down by the customer and CTCT will re-attempt installation. • The I flow meter for ICP 0221906002LC12A was removed when the meter was relocated on 14/07/21. CTCT will investigate to determine whether the ICP is still generating.
Generation profile recorded but no generation details recorded by the distributor	164 active ICPs had profiles indicating generation was present, but no generation was recorded by the distributor. • 151 had settled I flow registers, and CTCT's profiles appear to be correct. • Two were timing differences and the profile was corrected to RPS. • Three have no I flow meter registers. For one ICP there is no generation, and the profile was updated during the audit, and for ICPs 0000060012NT81E and 1000002206BPCF7 CTCT believes metering details on the registry may be incorrect. • Eight have unsettled I flow meter registers. For four ICPs there is no generation, and the profiles were updated during the audit. ICPs 0000076130CE377, 0002967578BUE49, 0003921719AL1E7 and 0005503188ML3AA should be checked to determine whether generation is present and update the settlement flag as required.
Generation profiles inconsistent with the distributor fuel type	Where generation profiles were recorded, they were consistent with the generation fuel type apart from: • 63 ICPs with PV1 profile where the distributor had recorded a generation fuel type other - I checked a sample of 15 ICPs and found 13 were confirmed to have solar generation and ICPs 0007006355HBE4D and 0006178979RNEB4 switched in with PV1 profile and are to be checked to confirm the correct fuel type and profile, • two ICPs with PV1 profile where the distributor had recorded a generation fuel type wind - ICPs 0000053221CP0F6 and 0011006802PCDFA switched in with PV1 profile and are to be checked to confirm the correct fuel type and profile, and

	• one ICP with PV1 profile where the distributor had recorded a generation fuel type wave; the fuel type was confirmed to be solar and CTCT's profile is correct.

Description	Recommendation	Audited party comment	Remedial action
Investigate distributed generation exceptions	**CTCT** The I flow meter for ICP 0221906002LC12A was removed when the meter was relocated on 14/07/21. Investigate to determine whether it is still generating, and I flow metering is required. Follow up I flow metering for 0000060012NT81E and 1000002206BPCF7 which have generation profiles recorded and no I flow registers. ICPs 0000076130CE377, 0002967578BUE49, 0003921719AL1E7 and 0005503188ML3AA should be checked to determine whether generation is present and update the settlement flag as required. Confirm the fuel types and correct profiles for 0000053221CP0F6 (wind PV1), 0011006802PCDFA (wind PV1), 0007006355HBE4D (other PV1) and 0006178979RNEB4 (other PV1).	Participant comment: ICP 0221906002LC12A – is still under investigation ICP 0000060012NT81E and 1000002206BPCF7 – are still under investigation with MEP/Contractor ICPs 0000076130CE377, 0002967578BUE49, 0003921719AL1E7 and 0005503188ML3AA – issue has been resolved ICPs 0000053221CP0F6, 0011006802PCDFA, 0007006355HBE4D and 0006178979RNEB4 – We do not have Fuel type data in our records as the installation already had generation installed prior to us taking over supply. We are in the process of reviewing this type of data and will address it internally to ensure we collect the required information.	Investigating

Bridged meters

Meters are only bridged where an urgent reconnection is required, and a soft reconnection cannot be arranged.

I reviewed a sample of 24 ICPs which had meters which were bridged on or after 1 March 2021 which were unbridged during the audit period, and the five ICPs which remained bridged at the end of the audit period. Corrections were conducted accurately for all examples checked.

Two of the ICPs that were recorded as still bridged have been unbridged, but the corrections are yet to occur. The ICPs are 0007113076RN362 and 0000003949EN1BA. Three ICPs remain bridged, the ICPs are shown in the table below.

ICP	Bridged date
1001136169LC621	23/11/2020
0007301114NVEE8	16/03/2021

1001154371CKBEE	05/11/2020

The existence of bridged meters is recorded as non-compliance below. Capture of the bridged consumption is discussed further in **section 8.1**.

CTCX and CTCS

Metering installations installed

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.

No submission information is determined by subtraction.

CTCX	No new connections were completed. The audit compliance report recorded no "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no.

CTCS	The audit compliance report recorded four "active" ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. All were checked:
	• one ICP had metering details populated on the registry after the report was run,
	• three ICPs had no MEP nomination raised; these were examined and found:
	  ○ two have since been decommissioned,
	  ○ the meter has been removed by persons unknown for ICP 0110007670EL116 which is for a string of lights in Paekakariki that is where the new Transmission Gully highway work is being undertaken; this is being investigated to confirm if the lights are still present and are now unmetered or have been decommissioned.
	The audit compliance report did not identify any new connections where an MEP nomination was not accepted within 14 business days.

Distributed Generation

CTCX	Three active ICPs with generation listed by the distributor were identified on the registry list. The AC020, event detail, registry list and meter installation details reports were reviewed to determine compliance: • both HHR ICPs have generation metering installed and I flow submitted, • NHH ICP 0000012442EA341 has RPS profile and does not have generation metering installed, solar generation was installed on 4 June 2021, but import/export metering was only installed on 17 September 2021, therefore quantification was not occurring, • no ICPs had a generation profile recorded but no generation details recorded by the distributor, and • there were no generation profiles inconsistent with the distributor fuel type.
CTCS	38 active ICPs with generation listed by the distributor were identified on the registry list. The AC020, event detail, registry list and meter installation details reports were reviewed to determine compliance: • no ICPs have generation recorded by the distributor and an I flow register with no generation compatible profile,

	• two ICPs have generation recorded by the distributor with metering that does not indicate distributed generation is present:
	  ○ ICP 0000589585UNDB0 has generation present but this is not expected to fed back to the grid, but metering is being configured so that in the event of this any generation will be submitted,
	  ○ ICP 0179867339LC7DF has no injection channels and it is not expected that the generation present is grid connected but this is being investigated with the customer,
	• no ICPs had a generation profile recorded but no generation details recorded by the distributor, and
	• there were no generation profiles inconsistent with the distributor fuel type.

Bridged meters

Simply Energy's policy is to never bridge meters, and no meters were bridged during the audit period. As recorded in the previous audit report, ICP 0007166559RN975 switched in bridged on 23 October 2020 and was unbridged on 17 December 2020. The correction was processed on 12 April 2021, and I confirmed the correct kWh appeared in the HHR aggregates files.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.1 With: Clause 10.13 From: 24-Aug-21 To: 14-Oct-21	**CTCT** While meters were bridged, energy was not metered and quantified according to the code for 24 ICPs. ICPs 0000932060TE629, 0418695067LC047, and 0419151060LCC0F are believed to be generating but do not have I flow metering installed and electricity is not quantified according to the code. **CTCX** NHH ICP 0000012442EA341 has RPS profile and does not have generation metering installed. Solar generation was installed on 04/06/21 but import/export metering was only installed on 17/09/21, therefore quantification was not occurring. **CTCS** ICP 0000589585UNDB0 is believed to be grid connected generation but the I flow is not settled. 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 are sufficient to reduce the risk most of the time. The audit risk rating is low. Bridging only occurs where a soft reconnection cannot be performed after hours, and the customer urgently requires their energy supply for health and safety reasons. Corrections are processed as discussed in **section 8.1**.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT Bridged meters – our ability to resolve these meter bridging scenarios has been restricted due to the Auckland / upper North Island Covid lockdowns – we will attempt to resolve these once the alert levels enable contractors to enter customers premises. Contact has made steady improvements to distributed generation exceptions since the last audit. We are actively working with our customers and distributors to determine distributed generation details to resolve these non-compliances. Contact will ensure any future non-compliances will be actioned as part of our monthly reconciliation process. For ICPs 0418695067LC047 and 0419151060LCC0F, the issues are now resolved and generation metering with I flow direction has been installed **CTCX/CTCS** 0000012442EA341 - Request to organise metering was received 4/08/2021 and metering was organised ASAP upon receipt. 0000589585UNDB0 - Generation on site has been designed to never export, however is theoretically possible, so the I flow has been changed to be a settlement register	**CTCT** **CTCX/CTCS** Complete	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Contact has made steady improvements to distributed generation exceptions since the last audit. We are actively working with our customers and distributors to determine distributed generation details to resolve these non-compliances. Contact will ensure any future non-compliances will be actioned as part of our monthly reconciliation process. **CTCX/CTCS** A new query will be built to identify ICPs that have values populated in "DIST - Generation Capacity" field but no corresponding I flow settlement register.	**CTCT** **CTCX/CTCS** 28/02/2022	

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 the GIPs which Contact is responsible for, and the certification expiry date for those GIPs. Changes to the NSP table were reviewed to determine whether they had been processed accurately.

Audit commentary

CTCS and CTCX are not responsible for any GIPs. CTCT is responsible for the GIPs shown in the table below.

Responsible party	Description	NSP	MEP	Previous certification expiry date (if different)	Certification expiry date
CTCT	CLYDE	CYD2201CTCTG	ACCM	16/9/2022	16/09/2022
CTCT	OHAAKI	OKI2201CTCTG	ACCM	10/3/2023	10/03/2023
CTCT	POIHIPI	PPI2201CTCTG	ACCM	11/6/2023	11/06/2023
CTCT	ROXBURGH	ROX1101CTCTG	ACCM	22/5/2022	22/05/2022
CTCT	ROXBURGH	ROX2201CTCTG	ACCM	5/7/2021	21/05/2022
CTCT	STRATFORD	SFD2201CTCTG	ACCM	23/8/2021	17/12/2022
CTCT	TE MIHI	THI2201CTCTG	ACCM	22/10/2023	22/10/2023
CTCT	WHIRINAKI	WHI2201CTCTG	ACCM	17/10/2022	17/10/2022
CTCT	WAIRAKEI	WRK2201CTCTG	ACCM	14/10/2022	14/10/2022

Contact has not made any new connections to the grid during the audit period. All grid connection points Contact is responsible for have current certification recorded on the network supply point (NSP) table.

Accucal updates meter certification changes directly, and the timeliness of meter recertifications is closely monitored by the generation operations team.

Certification dates for ROX2201CTCTGG and SFD2201CTCTGG were updated during the audit period. The updates were within 20 days.

Audit outcome

Compliant

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

CTCT

Review of the registry list with history showed that CTCS has used profiles requiring certified control devices, including E08, E11, E13, E24, TOC TON, T07 T23, and T08 T24.

The AC020 report identified 2,894 ICPs with profiles which require AMI or HHR metering, or a certified control device, where the control device was not certified. 2,744 of those had HHR metering and were compliant, leaving 240 genuine exceptions.

CTCT's reconciliation process applies RPS (using the force RPS process) if the ICP metering does not meet the requirements of the profile. Contact elects not to update the profile to RPS in SAP and the registry, so that if/when the MEP updates their control device certification records the force RPS process will be disabled, and the correct profile will be applied. The affected ICPs are highly visible, so they can be tracked and followed up with the MEPs.

Compliance is recorded in this section, because where the controlled profiles are used for submission, the ICPs met the requirements of the profiles. Non-compliance is recorded in **section 2.1** for the 240 ICPs submitted as RPS which have controlled profiles recorded on the registry.

CTCX and CTCX

CTCX	Review of the registry list with history showed that CTCX has not used any profiles requiring certified control devices.

	The AC020 report did not record any ICPs with profiles requiring certified control devices where control devices were not certified.
CTCS	Review of the registry list with history showed that CTCS has used profiles requiring certified control devices, including E08, E11, E13, TOC TON, T07 T23, and T08 T24. The AC020 report did not record any ICPs with profiles requiring certified control devices where control devices were not certified.

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. A sample of defective meters were reviewed, to determine whether the MEP was advised, and if appropriate action was taken.

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. Corrections are discussed in **sections 2.1, 8.1** and **8.2**.

CTCT

I reviewed 38 examples of potential defective meters, including 28 bridged meters and 10 stopped meters.

Contact issues requests to MEPs to unbridge AMI meters, and Delta to unbridge legacy meters. Contact expects that Delta will arrange meter replacement and certification when unbridging legacy meters. The relevant MEP is notified because recertification occurs, and the completed paperwork is provided to them. The MEP was advised for all examples checked.

CTCX and CTCX

CTCX	No meter defects were identified during the audit period.
CTCS	One non-communicating meter was identified during the audit period. This was not considered defective, and the MEP did not need to be notified.

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.

Contact's agents and MEPs are responsible for the collection of HHR and AMI data. Collection of data and clock synchronisation were reviewed as part of their agent and MEP audits. A sample of clock synchronisation events received by Contact were reviewed.

Contact's own data collection processes for generation data were reviewed.

Audit commentary

All information used to determine volume is collected by Contact, one of their agents, or the MEP.

CTCT

<u>HHR</u>

There is now only one C&I HHR ICP (1001157629CK617), which is read by AMS. A system issue is preventing the data from being loaded into SAP; therefore, submission has not been occurring since 1 February 2021. Data collection is occurring as expected and AMS's clock synchronisation processes are compliant. Non-compliance is recorded in **sections 2.1, 12.2 and 12.7**.

<u>AMI</u>

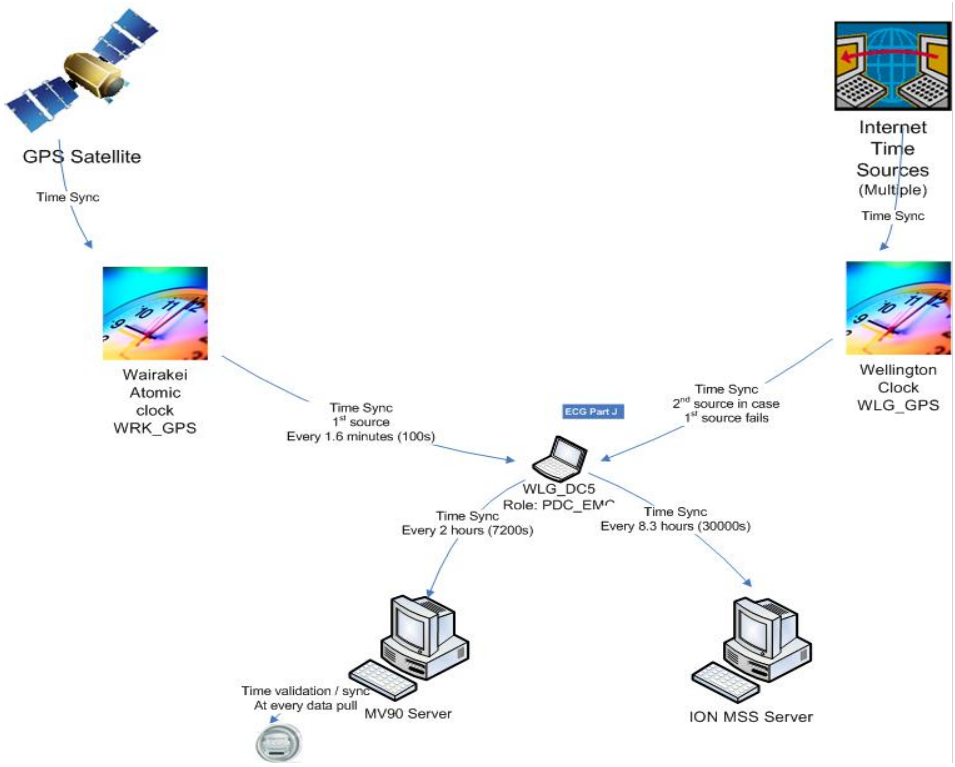
MEPs monitor clock synchronisation, and this is covered as part of their audits. Each of the MEPs advise Contact of clock synchronisation events, but these are not currently being checked or actioned. Emailed events are reviewed and actioned as required, but there are other events that are sent and not actioned. These two issues are not relevant to this clause because this clause relates to data collection by Contact, not by MEPs. Non-compliance is recorded in **section 9.6**.

Generation

The generation clock synchronisation process has not changed during the audit period. The diagram below shows Contact's timekeeping process for generation metering.

The MV90 server is synchronised every two hours and prior to the commencement of any interrogation. WLG-DC5 time is manually checked on a periodic basis and this event is recorded.

During interrogation, a comparison occurs between data logger and MV90 clocks. MV90 is set to automatically synchronise all data logger clocks where time errors are less than or equal to five seconds. Where time errors exist, which are greater than five seconds, but less than or equal to 60 seconds, the error is recorded in the events log and this event is noted as a failed task. A time synchronisation is still performed automatically, and the data is accepted as it is considered by Contact that the data has not been affected by the time error. If the time error is greater than 60 seconds, then the data is downloaded; however, the time is not synchronised, and the data is deemed invalid. An investigation then occurs which may result in data correction. No clock errors outside the threshold occurred during the audit period.



CTCX and CTCS

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

Information on clock synchronisation events is provided when events occur 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 the agent audits. Contact'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, including review of process documentation.

Audit commentary

CTCT

<u>Derivation of volume and labelling of readings</u>

I reviewed a diverse sample of meter readings to confirm they were appropriately labelled, and validated readings were derived from meter readings.

Estimated AMI register readings are provided by Intellihub (IHUB) when they cannot obtain a reading. These estimated readings are imported into SAP and labelled as actual readings. "Catchup" register readings are not available from AMI installations, so the estimates are not overwritten by actual readings. If ICPs are on a "smart sequence", where AMI data is expected then billing and submission occurs using estimates labelled as actuals. This also has an impact on switching, where reads will be incorrectly labelled. Contact was already aware of this issue and is working on the ability to have IHUB estimates ignored. Non-compliance is recorded in this section because the Code requires that "…all validated meter readings must be derived from meter readings", and in this case they are not derived from meter readings.

The previous audit recorded that when a reading is not received for all registers on the meter read order date, SAP retrieves the nearest actual reading within the last three days for AMS, Smartco, Metrix and

FCLM and the nearest actual reading within the last two days for all other providers and records it as an actual reading against the meter read order date. This matter has been resolved since October 2021.

MRS readings

MRS data collection processes were reviewed as part of MRS' agent audit and found to be compliant. I confirmed that there have been no changes to MRS processes since their 2021 audit.

MRS provides meter condition information with their read files. The meter condition information is imported into SAP and used to create BPEM events, which are directed to work queues in SAP for investigation and action.

I requested information on meter condition events during the audit period from MRS and Contact and found events had been identified and actioned, including stopped meters, meter register differences, safety hazards, seals missing and tampering.

Customer reads

MRS does not record customer readings; customers are advised to provide any customer readings directly to Contact.

Customer reads are entered through Contact's app or provided to a customer services representative by email or phone. Reads entered into the app are loaded directly into SAP and validated. If the read fails validation a high priority BPEM is created and directed to a user, who will check the read and reconfirm it with the customer. Readings entered by CSRs are manually validated on entry and pass through the SAP read validations.

If an actual reading is received after a customer reading is entered it will be loaded in SAP as an actual but unbillable read and create a "MRO (meter read order) not found" exception. The reading will be used to generate historic estimate and future invoice estimates but will not be used for billing.

Customer reads are not treated as validated readings unless they have been validated by two actual readings from another source.

I checked a sample of ten customer readings and found all had the customer read type correctly recorded. Customer reads are not used in the historic estimate process, and there is no impact on settlement.

CTCS and CTCX

Derivation of volume and labelling of readings

Review of a diverse sample of meter readings confirmed validated readings are derived from meter readings. When AMI estimates are received from Intellihub, they are labelled as actuals. This is not compliant.

MRS and Wells readings

MRS provides readings for CTCS, and Wells provides readings for CTCX. MRS and Wells' data collection processes were reviewed as part of their agent audit and found to be compliant.

MRS usually provides information on meter condition along with the daily reads, and a monthly summary of ICPs with missing and broken seals. This information is not currently routinely reviewed. Information is only imported if it relates to a no-read. This information is required to be reviewed to achieve compliance.

Wells provides reports of ICPs with missing and broken seals monthly, which are reviewed. 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 initial read attainment or validation processes.

Customer reads

MRS and Wells only record reads that their meter readers have taken directly as actual readings.

Customers may provide customer and photo readings directly to Simply Energy. Customer supplied readings are entered into DataHub as customer actual if they have been validated against a set of readings from another source, and customer estimate if they have not been validated against a set of actual readings from another source. Validated customer actual reads are published and sent to EMS for use in the historic estimate calculations, and customer estimate reads are not published or sent to EMS.

I checked ten examples of customer or photo readings for CTCS and CTCX during the audit period and I found they were correctly classified as customer estimate or customer actual.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.6 With: Clause 3(1), 3(2) and 5 Schedule 15.2 From: 01-Mar-21 To: 20-Oct-21	**CTCT** IHUB estimates labelled as actuals. **CTCS** Meter condition information is not routinely reviewed to identify issues with seals, tampering, phase failure or safety. IHUB estimates labelled as actuals. Potential impact: Medium Actual impact: Low Audit history: Once Controls: Weak Breach risk rating: 3
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as weak because they are unlikely to mitigate risk most of the time. 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
CTCT IHUB estimates labelled as actuals was recently identified and we are now working with the MEP to resolve. **CTCS** Please refer to preventative actions.	**CTCT** **CTCS** 30/09/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCT We have been informed by HUB that their AMI platform upgrade is to be carried out during February 2022. This will then enable the filtering out of estimate reads in the files sent to Contact.	**CTCT**	
CTCS 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.	**CTCS** 30/09/2022	
We are working with our billing system provider to remediate the issue related to IHUB estimates being labelled as Actuals and will discuss how to remedy historic read imports as part of job SDH-698.	31/03/2022	

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

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

CTCT

Application of reads was reviewed as part of the historic estimate checks in **section 12.11** and found to be compliant.

The content of CS and RR files was examined in **sections 4.3**, **4.4**, **4.10** and **4.11**. This found some examples of reads being incorrectly labelled as estimates when they were actuals and vice versa.

I walked through the process for NHH to HHR and HHR to NHH profile changes, including reviewing five examples of each. If the profile change coincides with a meter change, the process achieves accuracy for submission information and ICP days. For upgrades, the process is to "remove" the NHH meter from the registry and SAP on the day before the meter change, and then the ICP becomes HHR all day on the day of the meter change, with the trading periods up until the meter change being populated with zeros. The reverse applies for a downgrade, with the ICP treated as HHR all day on the date of the removal, with zeros populated until the end of the day and the NHH meter installed the following day. No examples were found where the profile change and meter change occurred at the same time, because Contact usually downgrades the submission type before meter changes for category one and two meters. Reports are used to identify ICPs which may require meter changes such as non-communicating AMI meters, meters with open service orders for meter changes, and Arc category two meters. All of the profile changes occurred correctly and accurately, and validated readings were available in all cases.

The previous audit recorded that when a reading is not received for all registers on the meter read order date, SAP retrieves the nearest actual reading within the last three days for AMS, Smartco, Metrix and FCLM and the nearest actual reading within the last two days for all other providers and records it as an actual reading against the meter read order date. This matter is now resolved.

CTCS and CTCX

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

CTCX	No RRs were sent or received during the audit period. Review of the event detail report did not identify any ICPs with profile changes.
CTCS	This found some examples of reads being incorrectly labelled as estimates when they were actuals: • All five transferred ICPs sampled of a possible 11 transferred ICPs and all five switch move ICPs sampled of a possible 147 ICPs where the last actual read date is for a date before the switch event date were sent with the incorrect read type of "E" due to human error. • Two of the five ICPs sampled of a possible 11 transferred ICPs and all five switch move ICPs sampled of a possible nine ICPs where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error. Examination of the RR process found that Simply Energy was not processing accepted read changes due to resource constraints between 1 March 2021 to 30 September 2021. This affected approximately 650 ICPs across both transfer and switch moves. Some of the volumes affected are significant as detailed in **section 4.4**. These are being reviewed and corrected. Corrections will flow through the revision cycle for those within the 14-month period. Those outside of the revision cycle will be evaluated on a case-by-case basis as to how these are best resolved. Going forward these are being processed as part of BAU from 1 October 2021. This is recorded as non-compliance below and in **sections 2.1, 4.4,4.10** and **12.7**. Two downgrades occurred and the readings were correctly applied.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.7 With: Clause 6 Schedule 15.2 From: 01-Mar-21 To: 30-Sep-21	**CTCS** All five transferred ICPs sampled of a possible 11 transferred ICPs and all five switch move ICPs sampled of a possible 147 ICPs where the last actual read date is for a date before the switch event date were sent with the incorrect read type of "E" due to human error. Two of the five ICPs sampled of a possible 11 transferred ICPs and all five switch move ICPs sampled of a possible nine ICPs where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error. Approximately 650 of both transfer and switch move ICPs had readings not reflective of the readings agreed through the RR process resulting in some significant incorrect volumes being reconciled. Potential impact: High 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 rated as moderate overall as CTCT's controls are strong, but CTCS controls were weak but have been improved to moderate as the backlog of unprocessed read changes is being worked through and going forward these are being actioned as part of BAU from 01/10/21. The impact assessed to be medium due to large number of ICPs affected and the indicative impact on submission with one ICP having 30,819 kWh of under submission from the 17 ICPs sampled.

Actions taken to resolve the issue	Completion date	Remedial action status

CTCS 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. Some errors were made during this time. This has now been resolved through an increase in resources and also by adding additional quality checks to the process. A full review of all switch read changes that have not been updated is being conducted. As inaccuracies are identified the appropriate remedial action will be completed. All submission volume changes that fall within the 14-month washup window will be resolved. Outside of the R14 revision cycle, decisions will be made on a case by case basis.	**CTCS** 31/08/2021 30/11/2021 30/11/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCS Automation of the CS, RR & AC file generation process is due 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 June 2021 - October 2021. The team have also 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. The operations team have also been fully trained on the correct process to update AC accepted readings into all systems. The Compliance team will spot check RR's monthly to ensure accepted readings are reflected in all systems.	**CTCS** 30/06/2022	

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.

Contact provided lists of ICPs not read during the period of supply, where the period of supply had ended during the audit period. A sample of ten ICPs unread during the period of supply were reviewed.

Audit commentary

CTCT

Missing AMI data is monitored using the Smart Reads Dashboard by the field services team, and IMDM by the operations team. AMI files are held for seven days, or until 100% of reads are obtained before import and estimation of missing data. If a whole file is missing, the field services team receives an email notification so that it can be followed up.

For non-AMI meters, the Automated Meter Reading Compliance (MRC) process applies. The process begins 130 days after an estimated read is entered, so ICPs supplied for shorter periods do not usually have any action taken, and the best endeavours requirement is unlikely to be achieved. The MRC process has the following steps:

- process initiation occurs on the day an estimated reading is entered,
- letter 1 is sent if the process is still active after 130 days,
- letter 2 is sent if the process is still active 70 days after letter 1 was issued,
- letter 3 is sent to advise that there are charges if a high priority read is requested,
- request a high priority (out of cycle) meter reading if the process is still active 70 days after letter 2 is issued, and
- a BEPM is raised if the process is still active 60 days after the high priority read is requested; the user attempts to gain a read and enter a permanent estimate if an actual reading cannot be obtained.

The MRC process is terminated when the customer switches out, is disconnected, an actual reading is received, or they are added to a meter reader exclusion list (due to a health and safety issue or not being allocated to an active meter reading route). The MRC process continues after customer reads are received.

CTCT provided a list of 147 ICPs not read during the period of supply, where the period of supply ended between 1 March 2021 and 31 July 2021. 80 of the ICPs had periods of supply less than 60 days and 55 had periods of supply less than 30 days. I checked ten ICPs with a period of supply longer than 60 days, and I found that best endeavours were used to get readings for seven ICPs but there were three ICPs

where three attempts, using two different communication methods were not used to get meter readings. Non-compliance is recorded below.

CTCX and CTCS

Simply Energy has reporting to manage meter reading attainment, but there are not currently being used due to resource constraints. The reports are as follows:

- **NRE (no read event) report**
  This report shows ICPs that have received no read event information from Simply Energy's agents.
  Read KPI report
  The read KPI report shows NHH settled AMI meters which have not been read since switch in, for more than 35 days, and meters which have not been read for more than 80 and 120 days.

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 or MRS reading route.

CTCX	No ICPs were unread during the period of supply.
CTCS	CTCS provided a list of 80 ICPs not read during the period of supply, where the period of supply ended between 1 March 2021 and 31 July 2021. 12 of the ICPs had periods of supply less than 60 days and four had periods of supply less than 30 days. I checked ten ICPs with a period of supply longer than 60 days. The best endeavours requirement was not met for any of the ten ICPs.

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: 20-Oct-21	**CTCT** For at least three ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met. **CTCS** For at least ten ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as weak as they are not sufficient to ensure the best endeavours requirement is met where the period of supply is less than 130 days. The audit risk rating is low, as most of the ICPs without a read during the period of supply appear to have been supplied for a short period.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT We recognise that our Metering Compliance Process is very effective with customers that have sequential unread meters for more than 6 months. However, for some customers that switch in on a gain estimate and move to an alt retailer within the first few months of supply are proving hard to control. **CTCS** We are unable to resolve these issues as the ICPs have switched away. If an RR is received within the 14 months revision cycle we will accept.	**CTCT** Ongoing **CTCS** Not Applicable	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT We are looking into reviewing estimates on switching files to trigger a conversation with new customers, so that we can resolve access/meter location issues as soon as possible to obtain an actual read. **CTCS** We will be completely revamping our no-read events processes moving forward.	**CTCT** Ongoing **CTCS** 31/01/2022	

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. Monthly reports were provided and reviewed to determine whether they met the requirements of clauses 8 and 9 of schedule 15.2.

A sample of ICPs not read in the previous 12 months 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 monitor read attainment, and attempt to resolve issues preventing read attainment.

CTCT

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Jan 2021	316	101	2,527	97.67%
Feb 2021	319	92	2,330	98.80%
Mar 2021	318	90	2,169	98.92%
Apr 2021	318	92	2,077	98.95%
May 2021	317	84	1,838	99.06%
Jun 2021	318	80	1,754	99.11%

Read attainment percentages have improved since the last audit.

I reviewed 20 ICPs not read in the previous 12 months to determine whether exceptional circumstances exist, and if CTCT had used their best endeavours to obtain readings. In all cases, appropriate communication had occurred to attempt to get access for meter reading. In many cases, the properties were vacant, but were still being read.

Copies of the meter reading frequency reports to the Electricity Authority for January to June 2021 were provided, and the reports were sent within 20 business days after the end of the month and met the reporting requirements.

CTCX

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Mar 2021	1	-	-	100.00%
Apr 2021	1	-	-	100.00%
May 2021	1	-	-	100.00%
Jun 2021	1	-	-	100.00%

Copies of the meter reading frequency reports to the Electricity Authority for December 2020 to May 2021 were provided, and the reports were sent within 20 business days after the end of the month and met the reporting requirements.

CTCS

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Feb 2021	14	5	6	73.91%
Mar 2021	15	5	5	79.17%
Apr 2021	14	3	3	86.96%
May 2021	65	22	69	86.06%
Jun 2021	65	21	53	88.30%

I reviewed 20 ICPs not read in the previous 12 months determine whether exceptional circumstances exist, and if CTCS had used their best endeavours to obtain readings. No additional attempts had been made for 18 ICPs. Readings had been obtained for two ICPs, but they were lower than the switch event meter readings from CTCT and were not being used. There was an agreement that switch reads between CTCT and CTCS would not be amended, however this could cause a problem if ICPs switch away from CTCS before the actual readings "catch up" to the switch estimates. I recommend Contact reviews this policy and where actual readings are lower than switch estimates, the readings are amended. The two ICPs are 0000093122WW3E3 and 0030306021PC379.

Recommendation	Description	Audited party comment	Remedial action
Amend switch readings	Amend switch readings where CTCS actual readings are lower than CTCT switch estimates.	As of September 2021, where we are getting actual readings below the switch reading we are processing RRs with CTCT	Identified

Copies of the meter reading frequency reports to the Electricity Authority for December 2020 to May 2021 were provided, and the reports were sent within 20 business days after the end of the month and met the reporting requirements. 12-month reports were showing 4-month in the headers. This matter is now resolved.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.9 With: clause 8(1) and (2) Schedule 15.2. From: 01-Mar-21 To: 20-Oct-21	**CTCS** For at least 18 ICPs unread annually, exceptional circumstances did not exist, and the best endeavours requirement was not met. Potential impact: Medium 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 CTCT has processes in place to resolve meter reading issues, but CTCS does not currently have resources to manage meter reading attainment. 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**
CTCS We will work with our clients to obtain a read and/or better information which enables our meter readers to access the metering at site.		**CTCS** 28/02/2022	Identified
Preventative actions taken to ensure no further issues will occur		**Completion date**	
CTCT Ongoing Our No Reads Process is being re-designed to ensure this identifies events and investigation/remediation can commence in a timelier manner. Actions to be implemented include importing and reporting on metering events for AMI meters, importing notes from manual readers, implementation of templated customer communication around no access, special read requests etc. This will be managed by a combination of our Operational and customer-facing teams.		**CTCT** Ongoing 31/01/2022	

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

Code reference

Clause 9(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

The meter reading process was examined. Monthly reports were provided and reviewed.

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

Audit commentary

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

CTCT

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	ICPs unread for 4 months	Overall percentage read
Jan 2021	321	40	5,900	97.36%
Feb 2021	323	43	6,144	97.31%
Mar 2021	323	36	5,312	97.74%
Apr 2021	322	34	5,408	97.66%
May 2021	321	34	5,348	97.70%
Jun 2021	323	35	5,254	97.76%

Read attainment percentages have improved since the last audit.

I reviewed 22 ICPs not read in the previous four months determine whether exceptional circumstances exist, and if CTCT had used their best endeavours to obtain readings. In 19 cases, appropriate communication had occurred to attempt to get access for meter reading. There were three ICPs where the outbound attempts had not been conducted.

CTCX

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	ICPs unread for 4 months	Overall percentage read
Jan 2021	1	-	-	100.00%
Feb 2021	1	-	-	100.00%
Mar 2021	1	-	-	100.00%
Apr 2021	1	1	1	87.00%
May 2021	1	1	1	87.00%
Jun 2021	1	1	1	87.00%

I reviewed the ICP not read in the previous four months determine whether exceptional circumstances exist, and if CTCX had used their best endeavours to obtain readings. The best endeavours requirement was not met for ICP 0000028505EAA46.

CTCS

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	ICPs unread for 4 months	Overall percentage read
Jan 2021	73	33	150	80.26%
Feb 2021	68	33	171	76.61%
Mar 2021	68	29	123	78.72%
Apr 2021	70	27	131	81.21%
May 2021	70	26	122	81.35%
Jun 2021	70	28	103	83.33%

I reviewed ten ICPs not read in the previous four months determine whether exceptional circumstances exist, and if CTCS had used their best endeavours to obtain readings. Three ICPs were unmetered load ICPs and should not be reported. The best endeavours requirement was not met for the other seven ICPs.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.10 With: Clause 9(1) and (2) Schedule 15.2 From: 01-Jun-21 To: 30-Jun-21	**CTCT** For at least three ICPs unread at 4 months, exceptional circumstances did not exist, and the best endeavours requirement was not met. **CTCX** For one ICP unread at 4 months, exceptional circumstances did not exist, and the best endeavours requirement was not met. **CTCS** For at least seven ICPs unread at 4 months, exceptional circumstances did not exist, and the best endeavours requirement was not met. 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 for CTCT they mitigate risk most of the time but there is room for improvement. The no-read process would need to start earlier than 130 days for the controls to be considered strong. For CTCX and CTCS the processes are not currently operating due to resource constraints. 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
CTCT We recognize that our Metering Compliance Process is very effective with customers that have sequential unread meters for more than 6 months. However, for some customers that switch in on a gain estimate and move to an alt retailer within the first few months of supply are proving hard to control. **CTCS/CTCX** We will work with our clients to get a read and/or better information to enable our meter readers to access the meter	**CTCT** **CTCS/CTCX** 28/02/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT We are looking into reviewing estimates on switching files to trigger a conversation with new customers, so that we can resolve access/meter location issues as soon as possible to obtain an actual read. **CTCS/CTCX** Our No Reads Process is being re-designed to ensure this identifies events and investigation/remediation can commence in a timelier manner. Actions to be implemented include importing and reporting on metering events for AMI meters, importing notes from manual readers, implementation of templated customer communication around no access, special read requests etc. This will be managed by a combination of our Operational and customer-facing teams.	**CTCT** Ongoing **CTCS/CTCX** 31/01/2022	

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 data is collected 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 Contact'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

CTCT

HHR data is collected by EDMI, AMS and EMS. HHR data collection was reviewed as part of their agent audits.

Generation data is collected by Contact. Processes to provide HHR generation information were reviewed, including tracing a sample of data from MV90/Oracle through to SAP and confirmed that it was recorded correctly.

CTCS and CTCX

HHR data is collected by EDMI and AMS.

Audit commentary

CTCT

<u>HHR data</u>

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

Generation data

Contact collects generation data via the services access interface. Back-up meters are installed at every generation installation, which eliminates the requirement for manual data interrogation, and processes have therefore not been established for this activity. The backup meters are off the same measuring transformers. There are also backup SCADA installations with separate CTs, VTs and meters.

CTCS and CTCX

Compliance is recorded in the AMS and EDMI agent audit reports.

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

CTCT

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

Generation data is collected by Contact. Interrogation logs for generation station metering were viewed.

CTCS and CTCX

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

Audit commentary

CTCT

HHR data

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

Generation data

The following information is collected during each automated interrogation of HHR generation metering:

- the unique identifier (serial no) of the meter or data logger,
- the connection time, disconnection time and recorder time,
- the half-hour metering information for each trading period, and
- the events log.

Event log information is provided to the appropriate generation station for review. If any actions are required, the instruction will be provided by generation engineers as required.

CTCS and CTCX

Compliance is recorded in the AMS and EDMI agent audit reports.

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

CTCT

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

Generation data is collected by Contact. Interrogation logs for generation station metering were reviewed.

CTCS and CTCX

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

Audit commentary

CTCT

HHR data

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

Generation Data

For generation metering an interrogation log is generated to record details of all interrogations and the audit confirmed that appropriate action is taken where problems are apparent.

The interrogation log contains the following information:

- the date of interrogation,
- the time of commencement of interrogation,
- the operator identification (for non-scheduled data collection),
- the unique identifier of the meter or data logger,
- the clock errors outside the range specified in clause 12, and
- the method of interrogation.

CTCS and CTCX

Compliance is recorded in the AMS and EDMI agent audit reports.

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 audits and agent audits.

Contact's clock synchronisation process ensures that trading period duration for generation meters is normally 30 minutes within ± 2 seconds.

Audit commentary

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

Contact's clock synchronisation process for generation meters is discussed in **section 6.5**.

Audit outcome

Compliant

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

Code reference

Clause 18 Schedule 15.2

Code related audit information

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

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

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

Audit observation

Processes to archive and store raw meter data were reviewed.

Audit commentary

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

CTCT

Contact's IT team confirmed that raw meter read data is retained for more than 48 months, and I viewed reading data that had been retained for over 48 months during the audit.

I viewed audit trails in SAP, IMDM, HDM, and MV90 and confirmed that read and volume data cannot be modified without an audit trail being created. Access to Contact's systems is restricted using logins and passwords.

CTCX and CTCS

Simply Energy intends to retain raw meter data indefinitely.

Access to systems is restricted using logins and passwords and I confirmed that read and volume data 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

Processes to archive and store non-metering data were reviewed.

Audit commentary

CTCT

The main non-metering information is on/off time logs for distributed unmetered load and SCADA records supporting on/off times for NHH profiles. This data is received in a password protected email and loaded into SAP to create interval profiles.

The data is stored securely and retained indefinitely, I viewed data from January 2017 during the audit.

CTCX

CTCX will not deal with any non-metering information.

CTCS

CTCS deals with some non-metering information for DUML ICPs. EMS retains the data logger files, and compliance is recorded in their agent audit report.

Simply Energy will retain DUML information provided by database owners indefinitely.

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 correction of NHH meter readings were reviewed, including checking examples of corrections where available. 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

CTCT

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, then an estimated reading is used and is labelled as an estimate in SAP.

Transposed meters are identified through the implausible read validations. These are typically reviewed by a Bot, which will request a control read. The control read is returned to a user for validation. Once the correct reads are confirmed, a device modification is carried out to ensure that reads are recorded against the correct register.

CTCS and CTCX

Simply Energy manages NHH corrections as an agent.

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 are 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 through the validation process, they are corrected using the read renegotiation process if switch reads are affected, or by moving the readings to the correct registers.

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

Processes for correction of HHR meter readings were reviewed. Three HHR corrections were reviewed, including a check that updated consumption data flowed through to revision reconciliation submissions.

Processes for the correction of generation data were reviewed, including walking through a correction.

Audit commentary

CTCT

<u>HHR meter data</u>

In some circumstances AMS may provide information used to prepare estimates and corrections. There is now only one HHR ICP supplied by CTCT, and correction did not occur for this ICP during the audit period. Previous audits have recorded that the process is compliant.

<u>HHR DUML data</u>

The previous audit recorded that DUML submissions were calculated in SAP based on a monthly snapshot of wattage information provided by the database owner and logger hours (where available). The logger hours were checked for completeness and reasonableness, and the dataset was validated through the HHR validation process.

There are no longer any DUML HHR submissions occurring. Most DUML ICPs have moved to the CTCS code. Seven DUML ICPs are still with CTCT, and they are all submitted using the RPS profile.

<u>Generation data</u>

Where errors are detected during validation of half-hour generation metering information the first course of action is to use data from back-up metering that is installed at all metering installations. In the unlikely event that back-up data is not available, estimation is performed using SCADA data. Corrections are made based on instructions from generation engineers.

There were no corrections during the audit period, but the process was checked, and it remains compliant.

CTCS and CTCX

EDMI and AMS supply HHR data directly to Simply Energy. Simply Energy creates HHR submissions, including temporary estimates, permanent estimates, and corrections.

Corrections are calculated manually and imported into Datahub in an EIEP3 file. A compliant audit trail entry is added into the permanent estimate log.

CTCX	No corrections were required for CTCX during the audit period.
CTCS	I reviewed ten corrections made for CTCS, all were for meter changes, and they all had appropriate calculations and audit trails. I reviewed one phase failure example identified during the audit and it also had a correct calculation and audit trail. The meter changes used the same trading period of the previous day or previous week, the phase failure used the previous week, ensuring the same number of weekends and weekdays.

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 was discussed, and the processes in place reviewed.

Audit commentary

Contact does not deal with any loss and compensation arrangements. If a compensation arrangement was in place, this would be identified through the load check process employed at the time of certification or recertification.

Audit outcome

Compliant

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

Code reference

Clause 19(4) and (5) Schedule 15.2

Code related audit information

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

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

> *19(5)(a)- the date of the correction or alteration*
>
> *19(5)(b)- the time of the correction or alteration*
>
> *19(5)(c)- the operator identifier for the person within the reconciliation participant who made the correction or alteration*
>
> *19(5)(d)- the half-hour metering data or the non-half hour metering data corrected or altered, and the total difference in volume of such corrected or altered data*
>
> *19(5)(e)- the technique used to arrive at the corrected data*
>
> *19(5)(f)- the reason for the correction or alteration.*

Audit observation

Corrections are discussed in **sections 8.1** and **8.2**, which confirmed that raw meter data is not overwritten as part of the correction process. Audit trails are discussed in **section 2.4**.

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

Audit commentary

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

I reviewed journals for NHH, HHR, and generation data corrections for all codes and noted that they were compliant with the requirements of this clause.

Audit outcome

Compliant

9. ESTIMATING AND VALIDATING VOLUME INFORMATION

9.1. Identification of readings (Clause 3(3) Schedule 15.2)

Code reference

Clause 3(3) Schedule 15.2

Code related audit information

All estimated readings and permanent estimates must be clearly identified as an estimate at source and in any exchange of metering data or volume information between participants.

Audit observation

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

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

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

Audit commentary

CTCT

The previous audit recorded that when a reading is not received for all registers on the meter read order date, SAP retrieves the nearest actual reading within the last three days for AMS, Smartco, Metrix and FCLM and the nearest actual reading within the last two days for all other providers and records it as an actual reading against the meter read order date. This matter is now resolved.

Estimated AMI register readings are provided by Intellihub (IHUB) when they cannot obtain a reading. These estimated readings are imported into SAP and labelled as actual readings. "Catchup" register readings are not available from AMI installations, so the estimates are not overwritten by actual readings. If ICPs are on a "smart sequence", where AMI data is expected then billing and submission occurs using estimates labelled as actuals. This also has an impact on switching, where reads will be incorrectly labelled. Contact was already aware of this issue and is working on the ability to have IHUB estimates ignored. Non-compliance is recorded in this section because the Code requires estimates to be clearly identified.

As recorded in **sections 4.3 and 4.10**, 17 transfer CS files and ten switch move CS files had an incorrect switch event read type where "E" was recorded instead of "A".

CTCX and CTCS

As detailed in **section 4.3** and **4.10** for CTCS:

- all five ICPs sampled of a possible 11 transferred ICPs and all five switch move ICPs sampled of a possible 147 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, and
- two of the five ICPs sampled of a possible 11 transferred ICPs and all five ICPs sampled of a possible nine switch moves where the last actual read date is more than one day before the switch event date were sent with the incorrect read type of "A" due to human error.

Estimated AMI register readings are provided by Intellihub (IHUB) when they cannot obtain a reading. These estimated readings are imported and labelled as actual readings. "Catchup" register readings are not available from AMI installations, so the estimates are not overwritten by actual readings. Billing and submission occurs using estimates labelled as actuals. This also has an impact on switching, where reads will be incorrectly labelled. Non-compliance is recorded in this section because the Code requires estimates to be clearly identified.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.1 With: Clause 3(3) Schedule 15.2 From: 01-Mar-21 To: 20-Oct-21	**CTCT** 17 incorrectly labelled switch event meter readings. IHUB estimates labelled as actuals. **CTCS** Seven of ten ICPs sampled of a possible 22 transferred ICPs, and all ten sampled of a possible 156 had incorrectly labelled switch event meter readings. IHUB estimates labelled as 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
CTCT Contacts ICT team is investigating the issue and it has been escalated to find the solution. We anticipate this to be resolved by June 2022. **CTCS** We unfortunately cannot resolve these historic switching issues as they the ICPs have since switched. Regarding IHUB import issue, please see preventative actions.	**CTCT** 30/06/2022 **CTCS** Not Applicable 31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCT Contact ICT team is investigating the issue and working on the possible solutions. **CTCS** We have now implemented a Refreshed Bulk Switch Out process where we can identify during the process of producing the CS, sites where we have had actual reads to determine the correct label to use (A or E). This process is an interim step that is managed by the operations team lead and a member of the team as back up until we can get this process automated in 2022 to remove any manual inputs. We are working with our billing system provider to remediate this issue, we will discuss how to remedy historic read imports as part of job SDH-698.	**CTCT** 30/06/2022 **CTCS** 30/06/2022 31/03/2022	

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

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 3(5) Schedule 15.2

Code related audit information

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

Audit observation

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

NHH data is collected by MEPs and agents, and HHR data is collected by agents. CTCT retrieves HHR data from the generation meters.

EMS reports generation data to the reconciliation manager as CTCT's agent. Their processes for HHR data were reviewed as part of their agent audit.

Audit commentary

The MEPs and agents retain the raw, unrounded data.

EMS' agent audit report records compliance.

The previous report recorded that Contact receives data from AMS and EDMI in EIEP3 format, which 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. AMS intended to work with EDMI to create a three decimal place version of the EIEP3 reports to ensure future compliance. There is only one HHR C&I ICP with CTCT and the data is not in the EIEP3 format.

CTCT

NHH reads and HHR interval data is not rounded or truncated on import. The number of decimal places recorded in SAP matched the source files for the sample of data checked.

For generation data I traced a sample of reads from MV90 to SAP for one day and confirmed that reading data is recorded with eight decimal places in both systems. Generation meter data is not rounded or truncated on import.

CTCX and CTCS

AMS and EDMI's EIEP3 file 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.

All NHH readings are rounded to the nearest whole number when exported to EMS' MADRAS for reconciliation.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.3 With: Clause 3(5) of schedule 15.2 From: 01-Mar-21 To: 20-Oct-21	**CTCS** and **CTCX** AMS and EDMI's EIEP3 file 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. Any NHH data recorded with decimal places in Datahub is rounded to the nearest whole number when exported to EMS' MADRAS for reconciliation. 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	For HHR data, the controls are rated as moderate because data includes all decimal places provided for most ICPs. For NHH data the controls are rated as weak because all NHH meter information is rounded before it is entered into MADRAS where reconciliation submissions are calculated. Overall, the controls are recorded as moderate. The impact is assessed to be low for the EIEP3 format, because a small number of ICPs are expected to be affected and the issue only affects the third decimal place under certain circumstances. For NHH data the audit risk rating is low, because only NHH meter readings provided with decimal places are affected.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCS & CTCX EIEP3 rounding: We are awaiting AMS to provide a response; EDMI have already noted this noncompliance. NHH data recorded with decimal places is sent with full decimal places to MADRAS but was being rounded upon import into MADRAS. The provider of the MADRAS system is in the process of fixing this issue.	**CTCS & CTCX** 31/03/2022 31/03/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCS & CTCX	**CTCS & CTCX**	
EIEP3 rounding: EDMI are looking at making changes in early 2022.	31/03/2022	
NHH data recorded with decimal places is sent with full decimal places to MADRAS but was being rounded upon import into MADRAS. The provider of the MADRAS system is in the process of fixing this issue.	31/03/2022	

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

The HHR estimate processes was examined, and a sample of estimates were reviewed.

Estimates for generation stations are rare due to the high degree of metering accuracy and use of check metering as described in **section 9.6**. No examples of generation data estimates were identified during the audit period.

Audit commentary

CTCT

HHR data

HDM identifies missing HHR data. Estimates can be entered by running HDM's own estimation process for the ICP, or manually calculating an estimate and importing the file. Estimates are based on midnight readings where available, and historic data. There is a peer review of all estimates over 1,000 kWh.

Data is only exported from HDM to SAP when there is full dataset which has been validated and flagged as "good". If data is missing in SAP prior to generation of HHR submissions, SAP's estimation process will fill the missing trading periods.

SAP's replacement value procedures will estimate trading period data where validated data has not been received from HDM. The estimation process is based on historic meter data, or a linear value if no historic data is available.

The HDM and SAP processes are considered compliant with the requirement to use reasonable endeavours to ensure the estimated data is accurate to within 10%. Estimates are replaced with actual data if it becomes available.

There is now only one HHR C&I ICP with CTCT and estimation did not occur during the audit period.

Generation data

Estimates are fairly rare for generation metering. The generation engineers provide compensated data from the secondary metering at the station when estimates are required. No estimates occurred during the audit period.

CTCS and CTCX

EDMI and AMS supply HHR data directly to Simply Energy. Simply Energy creates HHR submissions, including temporary estimates, permanent estimates, and corrections.

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. The estimation methodology sets out how equivalent days are determined, and accounts for working days, non-working days, daylight savings beginning and ending, and public holidays.

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**. Temporary estimates are marked as E (estimated) at trading period level.

When trading period data has been estimated and actual data is received later, the actual data is imported and validated against the estimates.

When actual trading period data has been received and updated actual data is received later, it will be replaced. Where an MEP 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. I found that 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. This is recorded as non-compliance in **section 12.7.**

During the previous audit, I recorded that when estimates are created for longer than one week, for example if an entire month needs to be estimated, the last week of the previous month is used for the first week, then subsequent weeks use the first week. This created a problem when the last week of the previous month had public holidays or was not a typical week. I checked some February 2021 estimates, which were based on the last week in January, which contained a public holiday. Every week in February then had the same day estimates as if it were a public holiday. I recommended using the same month of the previous year, or a month with a consumption pattern similar to the estimated month. Further analysis showed that this issue appears to be a one-off problem and was not repeated. Further examples were provided to show that weekends and public holidays are appropriately considered in the estimation process.

During the previous audit, I recorded that 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**.

Estimates are not created for new ICPs, because there is no history to use as a basis. Given that most new ICPs are switches in from CTCT, I recommend a process is established to enable these estimates to occur.

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.

Recommendation	Description	Audited party comment	Remedial action
HHR estimation for new ICPs	**CTCS** and **CTCX** Improve the HHR estimation process so that Datahub can apply estimates where data for an equivalent day is not available.	We are in the process of reviewing the HHR data import and estimation process with our billing systems provider and will consider this recommendation as part of that review.	Investigating
Replacement of estimates with actual data	**CTCS** and **CTCX** If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data, even if register reads are not available.	We are in the process of reviewing the HHR data import and estimation process with our billing systems provider and will consider this recommendation as part of that review.	Investigating
Replacement of actual data with actual data	**CTCS** and **CTCX** If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.	We are in the process of reviewing the HHR data import and estimation process with our billing systems provider and will consider this recommendation as part of that review.	Investigating

CTCX	No estimates were required for CTCX during the audit period.
CTCS	I reviewed ten estimates for missing data for CTCS. In all cases the reasonable endeavours requirement was met.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 15.2

Code related audit information

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

> *16(2)(a) - confirmation that the meter reading or estimated reading relates to the correct ICP, meter, and register*
>
> *16(2)(b) - checks for invalid dates and times*
>
> *16(2)(c) - confirmation that the meter reading or estimated reading lies within an acceptable range compared with the expected pattern, previous pattern, or trend*

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

Audit observation

I reviewed and observed the NHH data validation process, including checking a sample of data validations. I reviewed system and process documentation, to confirm validation settings and procedures for readings which have failed validation.

Audit commentary

CTCT

Data validation for NHH metering information occurs at multiple levels.

Meter reader validation

For meters manually interrogated by MRS, a validation within their hand-held device identifies readings outside specified high/low parameters and prompts the reader to check the reading. This process is discussed further in the agent audit report.

MRS also check the condition of the meters, to identify issues that could affect meter accuracy or safety. If an issue is identified, the appropriate condition code is entered into the hand-held device and provided to Contact. This process is discussed further in **section 6.6**.

AMI validation

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 **section 9.6**.

Read import and billing validation

Contact's file import process identifies any file errors or corruption and creates an exception.

Once successfully imported, the billing validations identify any consumption outside prescribed limits and creates an exception. There are different limits for AMI and standard meters. A summary of the validations is set out below:

Validation type	Description
Implausible reads	High consumption Extra high consumption
Negative consumption	Negative consumption
Zero consumption	Zero consumption for the previous month
Vacant and disconnected consumption	Vacant consumption >0 units Disconnected consumption >2 units
Billing period	Short or long bill period
Bill value	Billed dollar value outside of tolerance

When exceptions are created, they are assigned to users or robots (Bots) as BPEMs. Bots primarily process implausible read, zero consumption and bill value exceptions, and approve them based on a set of rules or request a control read. For instance, if an implausible read is the first reading after a switch gain read the Bot will issue a request for a control (out of cycle) meter reading.

Exceptions not validated by the Bots and returned control readings are directed to work queues. Users investigate each exception, starting with the oldest and highest priority exceptions. If an exception is not resolved on the first day because it requires further investigation, the BPEM will remain until it is resolved. If a BPEM will require later follow up (such as when a control read is requested), the user can set the BPEM status to pending and specify a number of days, after which time the BPEM will reappear in the user's main queue. This process helps to prevent double handling.

Each type of exception is assigned to four or five primary users, to ensure that several team members are familiar with the process to cover absences. The Operations Team Leader (Billing) monitors overdue service orders and BPEMs and the total number of service orders and requests daily and takes action to follow up and redistribute tasks if required. Summary reporting of open service orders, performance and workloads is reviewed weekly.

Consumption on disconnected ICPs is monitored by the reconciliation and revenue assurance teams. The reconciliation team processes corrections to ensure that any disconnected consumption is included in reconciliation submissions. This process is discussed in **section 8.1**.

Legacy meters with zero consumption for more than 90 days and AMI meters with zero consumption for more than 120 days are monitored by the revenue assurance team. I reviewed the legacy and AMI meter reports and noted that review was underway for the affected ICPs to confirm whether the zero consumption was genuine or there was a possible meter fault which required action.

Contact has phased out its legacy pre-pay meters, therefore the pre-pay no vend reports are not required. There are now eight active ICPs with the prepay flag set to yes. These ICPs are moved to post pay mode and are read manually every two months to monitor for consumption.

CTCS and CTCX

Data validation for NHH metering information occurs at multiple levels and is managed by Simply Energy.

<u>Meter reader validation</u>

As discussed in **section 6.6**, MRS and Wells validate readings and check meter condition when readings are obtained but this information is not consistently reviewed.

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**.

<u>Read import and billing validation</u>

Simply Energy's NHH validation process includes the following 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 check:

- 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; I recommend specific validation of zero consumption to identify faulty meters or tampering.

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.

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

Consumption on inactive ICPs

When an ICP becomes disconnected the data stream used to be end dated in DataHub. If reads were received after the data stream had ended, they became read import errors. These read import errors were reviewed to determine whether the consumption was genuine, and the ICP status and data stream dates were updated if necessary. Data streams are no longer end dated, therefore I recommend consumption on disconnected ICPs is reported on to ensure status changes are made so that submission can occur.

Recommendation	Description	Audited party comment	Remedial action
Zero consumption reporting	Establish specific reporting for zero consumption.	Simply Energy is working towards ingesting all consumption information into a Data Warehouse which can then be used for reporting. Analysis is in progress, and we expect the data warehouse and supporting reporting to be built next year Interim report will be developed to manually identify and review/resolve by 28/2/2022 Data Warehouse Reporting Build: Sep 22	Identified
Disconnected consumption reporting	Establish specific reporting for consumption on disconnected ICPs.	Simply Energy has adjusted their current processes to stop end dating data streams upon switch away or site disconnection. This will allow SEL to record consumption against data streams during an inactive period and have these reported on. To support this, Simply Energy will also be building reporting off the back of this data to accurate report on ICP's which fit this scenario. Interim report to be developed to manually identify and review/resolve by 28/2/2022 Process Change Implementation Date: Oct 21. Data Warehouse Reporting Build: Sep 22	Identified

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 the meter and data storage device event log for any event that could have affected the integrity of metering data must be investigated.*
>
> *17(4)(g) – a review of the relevant metering data where there is an event that could have affected the integrity of the metering data*

If there is an event that could affect the integrity of the metering data (including events reported by MEPs but excluding where the MEP is responsible for investigating and remediating the event) the reconciliation must investigate and remediate any events.

If the event may affect the integrity or operation of the metering installation the reconciliation participant must notify the metering equipment provider.

Audit observation

I reviewed and observed the HHR, generation, and AMI data validation processes, including checking a sample of data validations and validation setting documentation.

Audit commentary

Electronic data used to determine volume information is provided by MEPs, AMS, EDMI and EMS as agents, and by Contact for CTCT generation information.

This function was examined as part of the MEP and agent audits and found to be compliant.

CTCT

<u>HHR</u>

It is unlikely that any further HHR C&I ICPs will switch to CTCT, because the management of this area has been outsourced to Simply Energy. There is only one current ICP, which is due to be decommissioned and submission has not occurred for this ICP, as recorded in **sections 2.1** and **12.7**. The previously reported validation steps are no longer in place or required.

<u>AMI</u>

AMI data is validated using the NHH validation process described in **section 9.5**. Additional validation is also completed in IMDM.

- HHR ICPs with missing trading period data are put "on hold" in IMDM and the data is not transferred to SAP. The exceptions are supressed for seven business days to allow time for the MEPs to provide the data. The exceptions are worked through daily, and estimation of the missing trading period data is completed in IMDM.
  Without intervention, data remains "on hold" and will not be transferred to SAP until 55 days after the latest missing period, then the import will restart. Users can manually adjust the dates for individual ICPs so that the missing records are ignored by the process and data transfer to SAP can resume (e.g., where reads are missing during a disconnected period).
- Check-sum validation identifies ICPs where the sum of the volumes for the trading periods between midnight readings does not match the difference between midnight readings. These exceptions are individually reviewed and corrected by processing an adjustment in IMDM so that the data is consistent.
- Clocked meters are identified, and the readings are corrected by calculating the correct readings and importing the file into SAP. Clocked meters cannot be corrected in IMDM.
- ICPs with data provided before the expected start date are identified. This typically occurs where Arc provides a reading for the day before the switch in date. Each ICP is checked, and the metering start dates are adjusted as necessary.
- Meter changes are identified through the validation process. The service orders are retrieved from ORB and Contact attempts to obtain readings and part day volumes where available. The corrections are entered directly into SAP.

MEPs monitor clock synchronisation, and this is covered as part of their audits. Each of the MEPs advise Contact of clock synchronisation events, but these are not currently being checked or actioned. Emailed events are reviewed and actioned as required, but there are other events that are sent and not actioned. The main events are tamper and voltage on the load side of an electrically disconnected meter, indicating it is bridged. There are often a large number of tamper events, but these can be used in conjunction with zero or low consumption reporting to help identify genuine issues. The voltage on the load side of an electrically disconnected meter event is not available for all meter types, but it is not sent by the MEPs to traders, and therefore not reviewed.

The previous audit report recorded that Contact had begun development of a process to review the full meter and meter event information they receive from MEPs using their COLA database. Queries were developed to identify issues for investigation including max kVA, sum-check and phase failure errors. This project has not progressed, and it is not known if it will.

MEPs monitor clock synchronisation, and this is covered as part of their audits. Each of the MEPs advise Contact of clock synchronisation events, but these are not currently being checked or actioned. Emailed events are reviewed and actioned as required, but there are other events that are sent and not actioned. These two issues are not relevant to this clause because this clause relates to data collection by Contact, not by MEPs. Non-compliance is recorded in **section 9.6**.

AMI readings are also validated using the NHH validation process described in **section 9.5**.

<u>Generation</u>

Each morning, MV90 is checked to ensure that meter data has been collected. Any missing data or issues are highlighted in the front end in blue text. MV90 retries the meters each hour until data is retrieved. If data cannot be retrieved by the system, a user will investigate and then reattempt to retrieve the data.

The installed data loggers have a data storage capacity of at least 30 days, and data is received hourly by the Oracle database and updated in SAP three times daily at 4am, 9.30am and 12.30pm. I saw evidence of these updates during the audit.

MV90 stores all meter event log information, and the logs are checked daily. I sighted event logs during the audit and walked through the process to review them.

Each metering installation contains primary metering and back-up metering, plus SCADA data. The SCADA system generally uses a separate set of CTs and its own VT.

Contact conducts a comparison between the primary data in MV90, the data in MDM, the AV130 file and SAP.

CTCS and CTCX

EDMI and AMS supply HHR data directly to Simply Energy, and Simply Energy validates the data and creates HHR submissions. The HHR validation process includes:

- review of consumption patterns against expected values at aggregate and ICP level using Power Query,
- filtering of ICP, flow direction and trading period consumption to identify unexpected zero values; any unexpected zeros are checked by reviewing the ICP's consumption history or checking historic consumption with Contact Energy,
- review of meter events provided by AMS and EDMI,
- reporting on ICPs with missing trading period data which is followed up with the agents e.g. Simply Energy considers changing the submission type to NHH for HHR ICPs with metering category 1 or 2 and persistent missing data issues, and
- the data stream is used to complete a sum check; 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, and
- there is a query to identify ICP days discrepancies prior to submission occurring to ensure submission information is complete for all relevant ICPs.

<u>AMI</u>

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, but due to resourcing constraints, this information is not reviewed as required by the Code.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.6 With: Clause 17(4)(f)&(g) of schedule 15.2 From: 01-Mar-21 To: 20-Oct-21	**CTCT** Clock synchronisation and event reports not reviewed. Voltage on the load side of a disconnected meter event is not sent by MEPs. **CTCS** and **CTCX** AMI event logs are not routinely reviewed. 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 recorded as weak because event information is only dealt with if the MEP sends additional correspondence. 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
CTCT Contact is reviewing this process to establish adequate steps/reports to ensure efficiency and compliance in this space. We are expecting to have some reporting in place by June 2022. **CTCS/CTCX** Please refer to preventative actions.	**CTCT** 30/06/2022 **CTCS/CTCX** 30/09/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Contact is working to establish adequate steps/reports to ensure efficiency and compliance in this space. This is expected to be implemented by June 2022. **CTCS/CTCX** 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. A process will be created off the back of the solution for users to investigate and resolve flagged events.	**CTCT** 30/06/2022 **CTCS/CTCX** 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

This process is managed by EMS for CTCT and was assessed as part of their agent audit.

Audit commentary

Generation data is sent to EMS directly from SAP, according to a system schedule. EMS monitors to ensure that the data is received on time and Contact staff also complete monitoring to ensure that all data is released prior to leaving for the day. Review of the EMS audit report confirmed that this process is managed in a compliant manner.

Audit outcome

Compliant

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

This process is managed by EMS for CTCT and was assessed as part of their agent audit.

Audit commentary

This process is managed by EMS on behalf of Contact. Review of the EMS audit report confirmed that this process is managed in a compliant manner.

Audit outcome

Compliant

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

This process is managed by EMS for CTCT and was assessed as part of their agent audit.

Audit commentary

This process is managed by EMS on behalf of Contact. Review of the EMS audit report confirmed that this process is managed in a compliant manner.

In most instances, EMS collects the data as an agent for generators. Interrogation begins at midnight and is complete before 0500 on each day. Some data is provided by Contact to EMS and this data was provided by 0430 for a selection of days checked. If actual data is not available, an estimate is automatically generated and sent to EMS, and the users will check for actual data and send an update later that morning.

Any loss adjustment relative to the grid injection point is normally made within the metering installation at the time of installation and commissioning.

Audit outcome

Compliant

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

This process is managed by EMS for CTCT and was assessed as part of their agent audit.

Audit commentary

EMS is the agent to the grid owner and conducts this notification. Compliance is confirmed in the EMS audit report.

Contact receives an email when data sent to EMS has failed or needs to be estimated, and these are acted upon by Contact.

Audit outcome

Compliant

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 reviewed. I checked examples of notifications provided and whether any breach allegations had been made.

Audit commentary

CTCT

If a new combination of network and NSP requires set up in SAP, the reconciliation team is notified by the network, Contact's switching team, or Contact's new connections team, and a trading notification is created as part of the set-up process.

Checks that valid trading notifications are in place are part of the reconciliation report validation checks, discussed in **section 12.3**. I observed this process and noted that it matched the submission data with open trading notifications. All mismatches are reviewed by the reconciliation team, and notifications are provided via the reconciliation portal as needed. The reconciliation portal will not accept any submission where a valid trader notification is not in place, and notifications are created as required if a file fails validation.

No breach allegations were made in relation to trading notifications.

CTCX and CTCS

Simply Energy does not routinely create trading notifications.

Trading notifications are checked and updated when tranches of ICPs switch in for CTCS, or a new non-standard profile (such as DST) will be applied. The reconciliation portal will not accept any submission where a valid trader notification is not in place, and notifications are created as required if a file fails validation.

No breach allegations were made in relation to trading notifications.

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. I reviewed variances for 12 months of GR100 reports.

Alleged breaches were reviewed to determine whether any submissions were made late.

Audit commentary

There were no alleged breaches for late provision of ICP days information.

CTCT

HHR and NHH ICPs are recorded on a single report. The process for the calculation of ICP days was examined by checking 50 NSPs with a small number of HHR ICPs and 50 NSPs with a small number of NHH ICPs on the July 2021 submission. The ICP days calculation was confirmed to be correct.

The following table shows the ICP days difference between CTCT files and the RM return file (GR100) for all available revisions for 12 months. Negative percentage figures indicate that the Contact ICP days figures are higher than those contained on the registry.

The discrepancies are small, apart from a 100% difference for the November 2020 initial submission because the GR100 report invalidly recorded zero registry days.

Month	Initial	R1	R3	R7
Jun 2020	-	-	-	0.62%
Jul 2020	-	-	-	0.16%
Aug 2020	-	-	-	0.62%
Sep 2020	0.54%	0.70%	0.61%	0.61%
Oct 2020	0.58%	0.58%	0.65%	0.63%

Month	Initial	R1	R3	R7
Nov 2020	100.00%	0.21%	0.68%	0.66%
Dec 2020	0.66%	0.67%	0.67%	0.66%
Jan 2021	0.74%	0.75%	0.73%	-
Feb 2021	0.78%	0.77%	0.74%	-
Mar 2021	0.77%	0.75%	0.75%	-
Apr 2021	0.73%	0.74%	0.76%	-
May 2021	0.75%	0.77%	-	-
Jun 2021	0.63%	0.78%	-	-

I checked a sample of 26 differences remaining at revision seven. I found that the differences remained for two key reasons:

1. **Incorrect or duplicate settlement units, as recorded in the last audit report.**

   SAP contains settlement units, which specify the submission parameters (e.g., active HHR, inactive NHH) for each time slice. These settlement units determine which reports the ICP appears on, and whether they are included or excluded.

   Contact has found some intermittent issues with the creation of settlement units. It appears that under certain circumstances creation of settlement units is not triggered as expected. System fixes have been implemented to resolve the issue. The number of ICPs affected has decreased significantly, but some triggers are still being missed. It is believed that this may be because of clashes between the triggers and other scheduled overnight processes. Contact has changed the order that the overnight processes are run in and is completing analysis to determine why some triggers are still being missed. Submission is correct once the settlement units have been updated.

2. **Disconnected ICPs, as recorded in the last audit report**

   ICP days will be different to the registry for disconnected ICPs. ICPs are typically disconnected part way through a day, with some consumption occurring up to the time of disconnection. The code requires status changes to be processed as at the beginning of the day, but to ensure that all consumption is reported Contact treats the disconnection date as active. The impact is minimal, and the process ensures that all consumption is captured.

CTCX

HHR and NHH ICPs are recorded on separate reports. The process for the calculation of ICP days was examined by checking all NSPs on the July 2021 submission. The ICP days calculation was confirmed to be correct.

The following table shows the ICP days difference between CTCX files and the RM return file (GR100) for all available revisions for 12 months. Negative percentage figures indicate that the CTCX ICP days figures are higher than those contained on the registry.

I checked all differences at revision seven and confirmed that they related to SB ICPs where the registry recorded active ICP days, but ICP days are not required to be submitted.

Month	Initial	R1	R3	R7
Jun 2020	-	-	-3.08%	-
Jul 2020	-	-	-2.94%	-
Aug 2020	-	-4.36%	-2.90%	-
Sep 2020	-2.81%	-2.81%	-2.81%	-2.81%
Oct 2020	-2.85%	-2.85%	-2.85%	-2.85%
Nov 2020	-2.86%	-2.86%	-2.86%	-2.86%
Dec 2020	-2.86%	-2.86%	-2.86%	-2.86%
Jan 2021	-2.53%	-2.53%	-	-2.53%
Feb 2021	-2.54%	-2.56%	-	-2.54%
Mar 2021	-2.56%	-2.56%	-	-2.56%
Apr 2021	-2.60%	-3.95%	-	-2.60%
May 2021	-2.60%	-	-	-2.60%
Jun 2021	-3.95%	-	-	-3.95%

CTCS

HHR and NHH ICPs are recorded on separate reports. The process for the calculation of ICP days was examined by checking 40 NSPs with a small number of HHR ICPs and 40 NSPs with a small number of NHH ICPs on the July 2021 submission. The ICP days calculation was confirmed to be correct, apart from NSP WFL0011 where ICP 0005025150WF90A switched away but did not have its record closed in MADRAS, meaning over submission of 31 ICP days for July 2021.

The ICP Days controls are strong. Validation occurs between CTCS information and the registry during the month for NHH at NSP level and between the aggregates information and the registry at ICP level for HHR. During the previous audit, distributed unmetered load ICPs did not have ICP days submitted. ICP days for these ICPs have been submitted since August 2021, including for revisions.

The following table shows the ICP days difference between CTCS files and the RM return file (GR100) for all available revisions for 12 months. Negative percentage figures indicate that the CTCS ICP days figures are higher than those contained on the registry.

Month	Initial	R1	R3	R7
Jun 2020	-	0.07%	-0.03%	-
Jul 2020	-	0.01%	0.00%	-
Aug 2020	-	0.00%	0.00%	-
Sep 2020	-0.26%	-0.16%	-0.13%	-0.26%
Oct 2020	-1.82%	-0.42%	-0.40%	-1.82%
Nov 2020	-0.73%	-0.45%	-0.33%	-0.73%
Dec 2020	-0.35%	-0.31%	-0.29%	-0.35%
Jan 2021	-0.59%	-1.54%	-	-0.59%
Feb 2021	-1.17%	-1.03%	-	-1.17%
Mar 2021	-2.07%	-1.00%	-	-2.07%
Apr 2021	-1.16%	-0.89%	-	-1.16%
May 2021	-1.45%	-	-	-1.45%
Jun 2021	-1.19%	-	-	-1.19%

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 11.2 With: Clause 15.6 From: 01-Mar-21 To: 20-Oct-21	**CTCT** ICP days were not reported correctly where settlement unit information was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. Contact has been working to resolve these issues before revision 14, and the ICP days differences are generally small. **CTCS** Over submission of 31 NHH ICP days for one ICP not closed out in MADRAS Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate overall. For CTCT workarounds are in place to identify and correct ICPs with missing or incorrect settlement units and submission types. For CTCS, only one minor issue was identified. 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
CTCT CTCT is continuing to clean up ICP days errors and we have now cleaned up exceptions older than 3 months. We are also resolving system issues that cause these errors to reduce future errors occurring **CTCS** This will be resolved in R7 washup.	**CTCT** Ongoing **CTCS** 31/01/2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT CTCT has implemented additional reporting to identify potential HHR ICP days mismatches to enable more timely corrections. **CTCS** All ICP Days corrections are now reviewed as part of every revision cycle.	**CTCT** Ongoing **CTCS** Ongoing	

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

There were no alleged breaches for late provision of billed information.

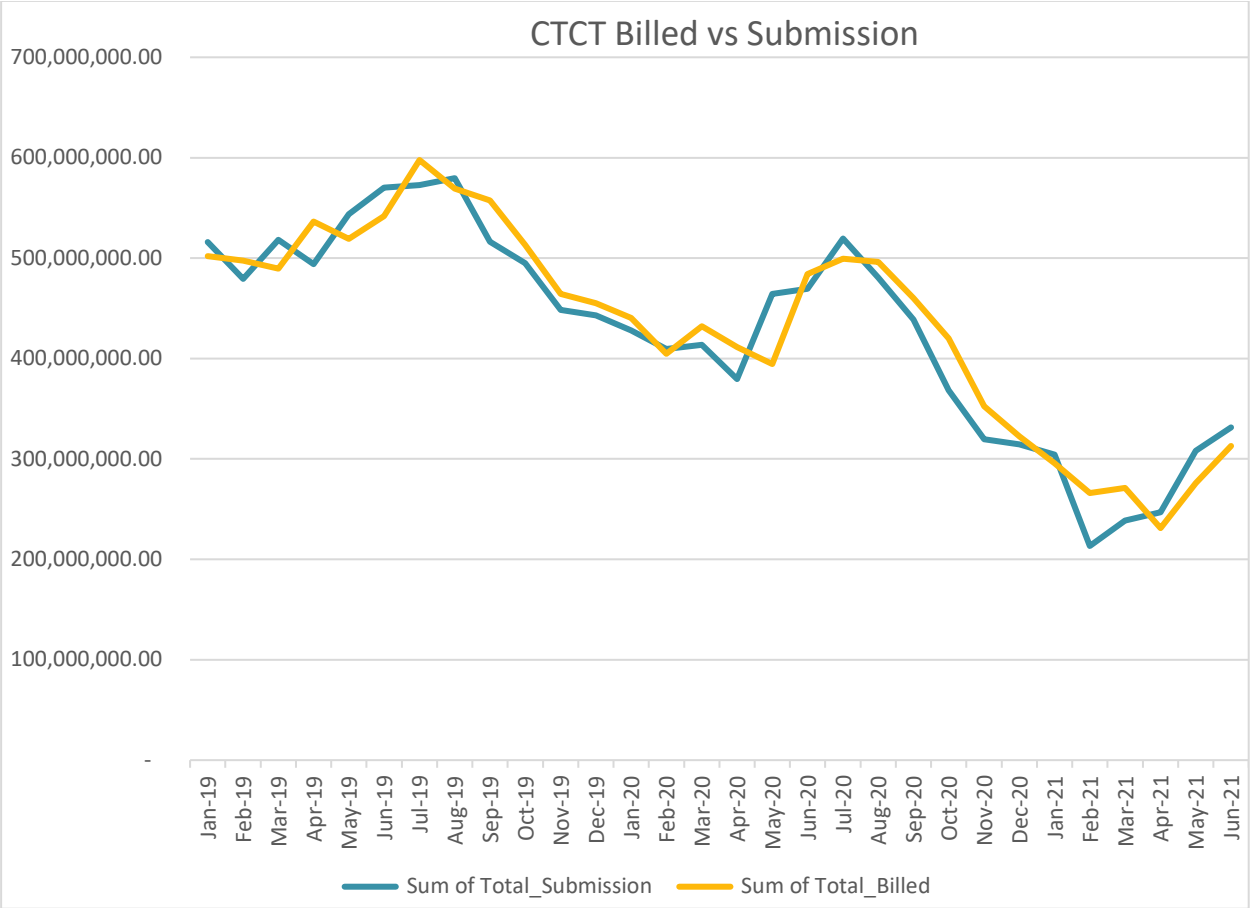
CTCT

The accuracy of the electricity supplied information was checked by examining five NSPs with a small volume and against the invoices. Compliance is confirmed.

Contact monitors billed data against submission data on a rolling 12-month basis. A one-month offset is applied so that the billing and reconciliation periods are aligned. Mass market data is checked at balancing area level and HHR data is checked at ICP level. AV120 data is also compared to previous AV120 submissions when the reports are created.

<u>Comparison between submitted and billed kWh</u>

The chart below shows a comparison between submissions and electricity supplied information. At an aggregate level, submitted data is 2.9% lower than billed data for the 12-month period ending June 2021. Some of the monthly differences are due to large numbers of ICPs switching between the codes, CTCT to CTCS for example.



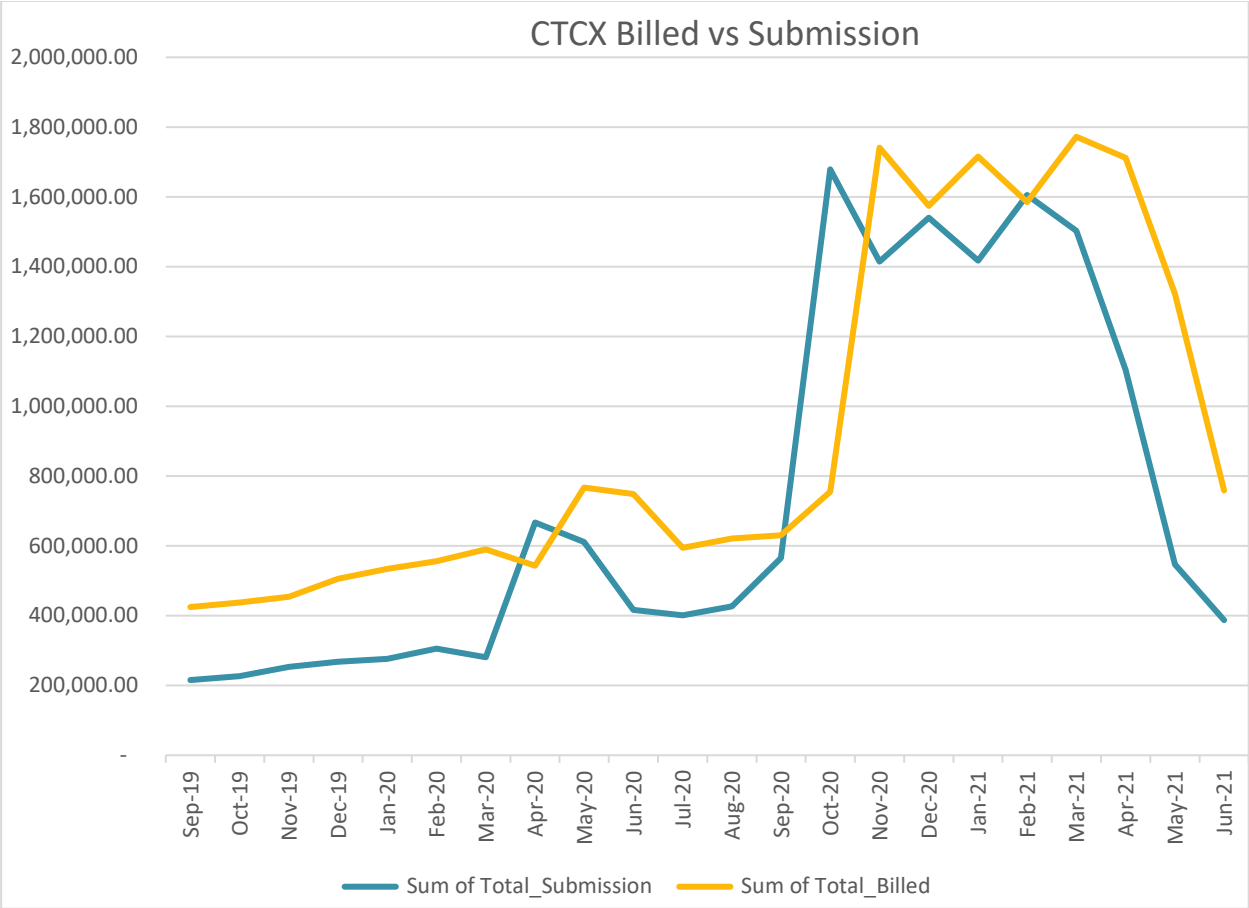
CTCX

The accuracy of the electricity supplied information was checked by examining five NSPs with a small volume and against the invoices. Compliance is confirmed.

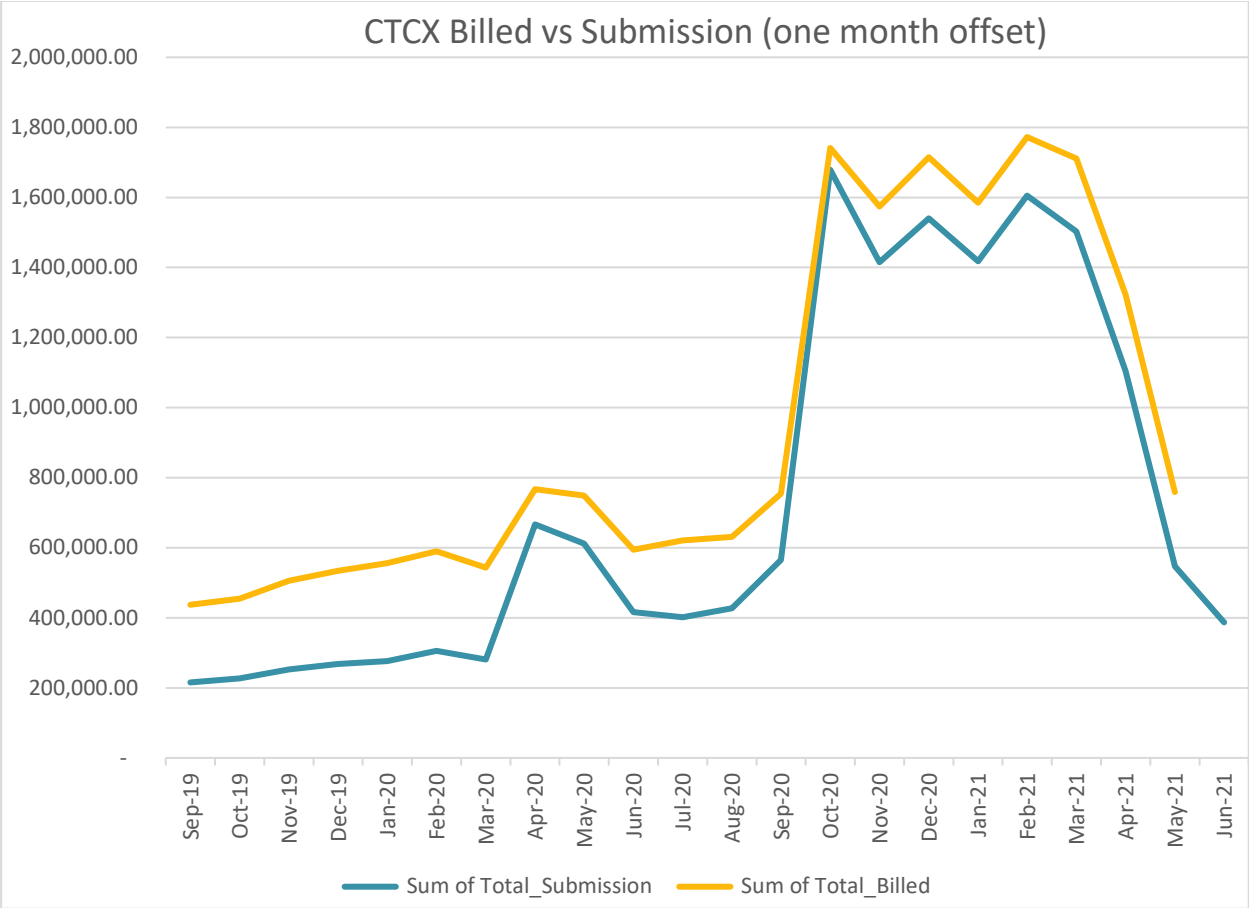
Simply Energy monitors differences between billed and submitted data using its Power Query tool and investigates anomalies.

<u>Comparison between submitted and billed kWh</u>

The chart below shows there is a significant difference between billed and submitted data. Analysis during the audit found CTCX billed volumes were 27.6% greater than submitted volumes over the period September 2019 to June 2021. Two issues were found - one is that the analysis did not consider DFP volumes as submitted when it should have, and the other is that HHR ICPs where the metering configuration is D+N had volumes submitted twice incorrectly as part of HHRVOLS and HHRAGGR. Correcting these two issues has left a remaining variance of only -0.95%. The D+N issue relates to FCLM meter configurations where the first register is the total, the second is Day and the third is Night. CTCX submissions were taking the total and the Day instead of the Day and night. This over submission totalled 720,634 kWh and will be revised through washups. This is recorded as non-compliance in **section 12.7**.



When billed and submitted data is aligned, the SB ICP volumes are clearly visible.



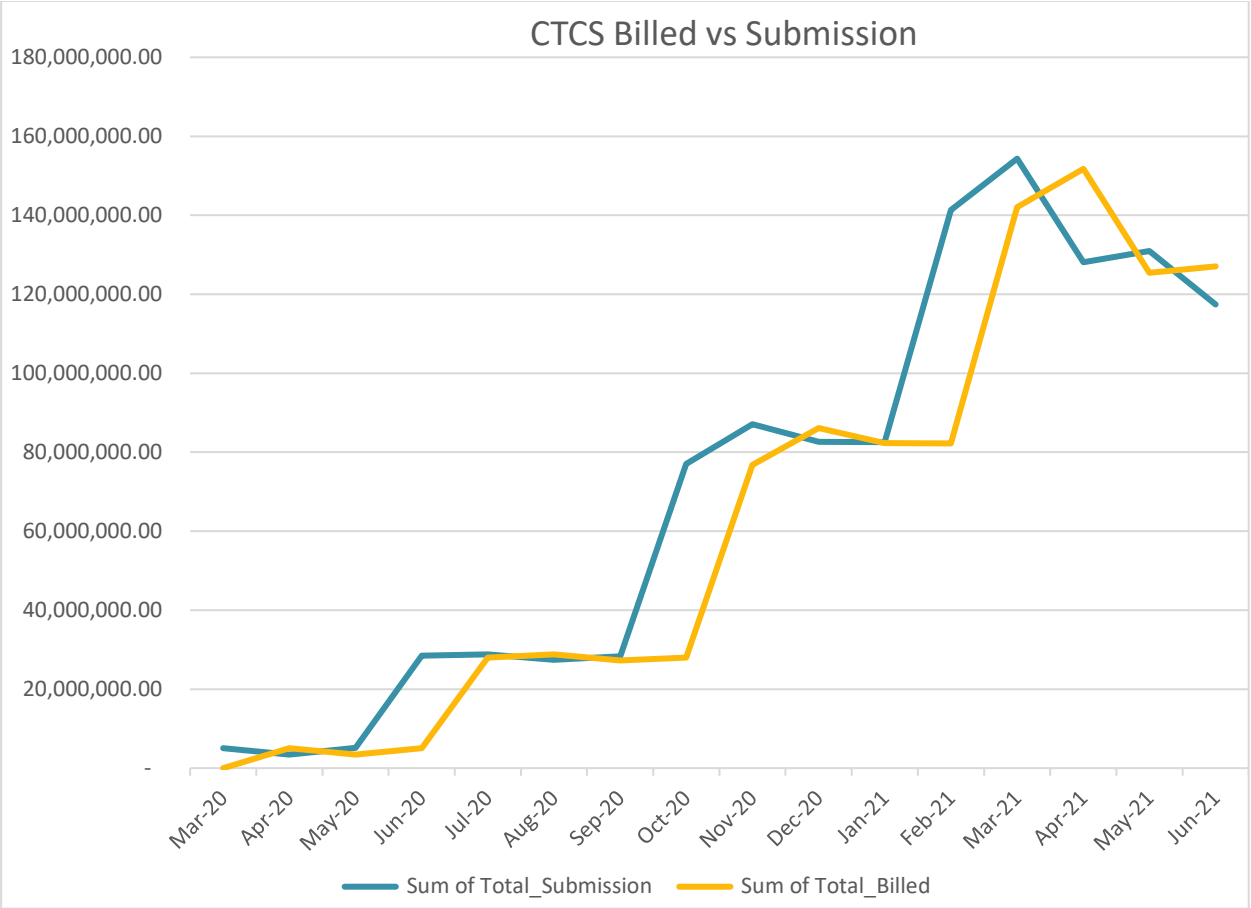
CTCS

The accuracy of the electricity supplied information was checked by examining five NSPs with a small volume and against the invoices. Compliance is confirmed.

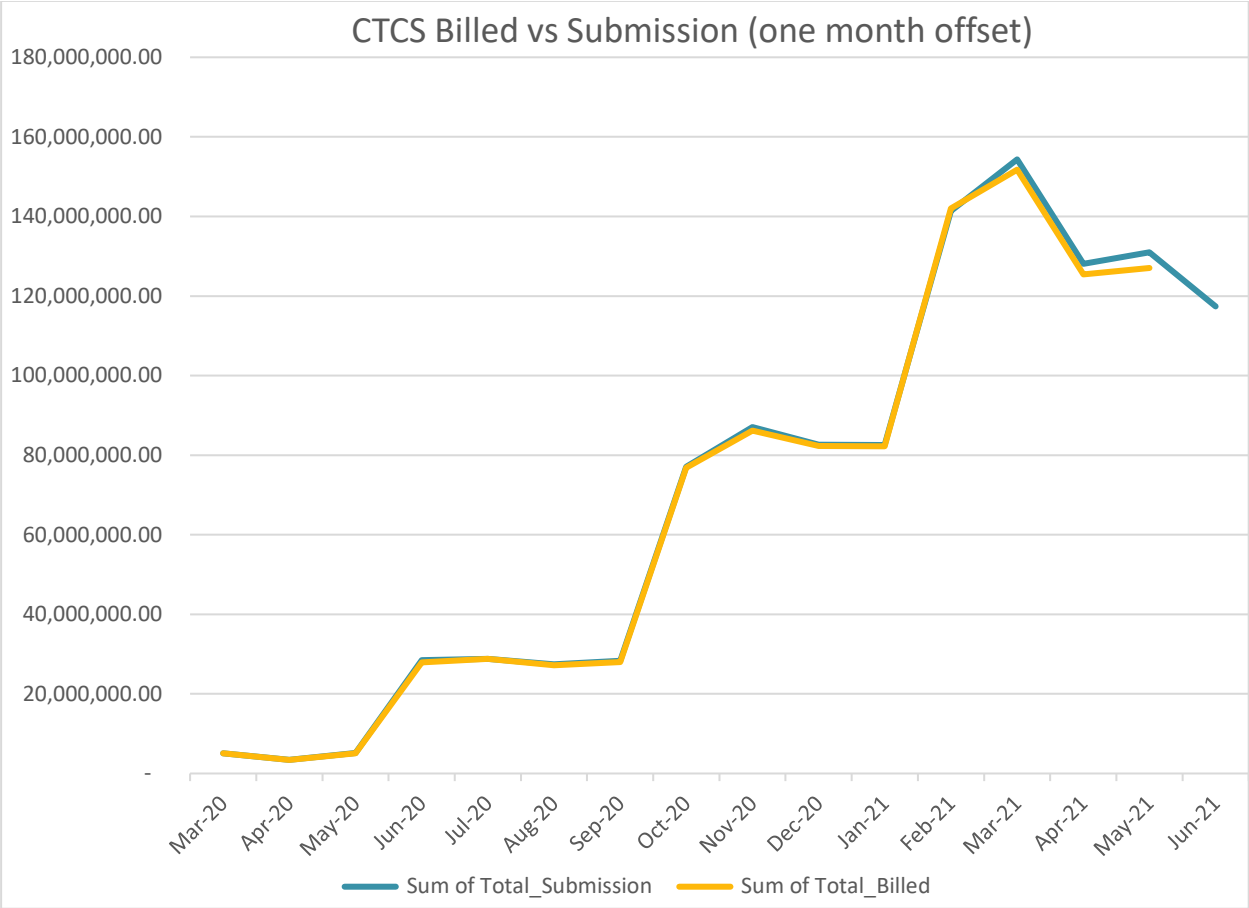
Simply Energy monitors differences between billed and submitted data using its Power Query tool and investigates anomalies.

<u>Comparison between submitted and billed kWh</u>

The chart below shows a comparison between submissions and electricity supplied information.



When billed and submitted data is aligned, there is a very small difference between the billed and submitted data.



Audit outcome

Compliant

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

Code reference

Clause 15.8

Code related audit information

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

> *15.8(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period*
>
> *15.8(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.*

Audit observation

I 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.

The GR090 ICP Missing files were examined. An extreme case sample of ICPs missing were checked.

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

Audit commentary

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

There were no alleged breaches for late provision of billed information.

CTCT

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 16 submissions. There were only small rounding differences between the volumes and aggregates. I traced a sample of data from raw data for two ICPs through to HHR aggregates files and there was a match.

As AMI ICPs move from NHH to HHR settlement, there is an increased volume of ICP missing differences due to timing, which makes it difficult to monitor the ICP missing report. Instead, Contact checks the expected ICP days based on the registry list to their ICP level submission information at month end and on the first business days of the month. The review identifies ICPs with submission type and ICP days discrepancies, and focusses on HHR ICP days differences, and any unmetered load with RPS HHR profiles applied.

GR090 ICP Missing files were examined for all revisions for April 2020 to June 2021. An extreme case sample of the 30 ICPs missing for the most months were reviewed. I found the following issues:

- 16 were inactive with zero consumption reported,
- two were NHH ICPs with RPS profile on the registry, and
- 12 were inactive with non-zero consumption reported; in all cases, the consumption was not genuine, it was estimated and has now been corrected.

An issue was identified in the previous audit where ICP 0000014413HB0E4 was missing from the April 2020 aggregates file until the 3-month revision in July 2020, then it was submitted against the incorrect NSP. This matter is now resolved.

CTCX

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 12 submissions. There were only small rounding differences between the volumes and aggregates, and the totals matched within ± 1 kWh.

ICP missing files are reviewed by Simply Energy, and data corrections are completed as necessary.

GR090 ICP Missing files were examined for all revisions for April 2020 to June 2021. Three ICPs were missing due to backdated withdrawals and submission type changes.

CTCS

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 12 submissions. There were only small rounding differences between the volumes and aggregates, and the totals matched within ± 0.00 kWh for 11 submissions. One issue was identified for September 2020. This wasn't identified during the previous audit because the information request was provided at the beginning of December 2020. The issue was that an ICP had generation volumes, but the distributor had the installation type as "L" only, so the generation volume was manually removed from the HHR vols file while the issue was investigated but the volumes were not removed from the HHR aggregates file. This matter was resolved by R3, and no manual

adjustment has occurred since December 2020. This is now a policy, that no manual adjustment occurs once files are published in Datahub. This is discussed further in **section 12.7.**

ICP missing files are reviewed by Simply Energy, and data corrections are completed as necessary.

GR090 ICP Missing files were examined for all revisions for April 2020 to June 2021. 15 ICPs were missing due to backdated switches, withdrawals and submission type changes.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 11.4 With: Clause 15.8 From: 01-May-21 To: 30-Sep-21	**CTCT** HHR aggregates file does not contain electricity supplied information. **CTCX** HHR aggregates file does not contain electricity supplied information. **CTCS** HHR aggregates file does not contain electricity supplied information. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as strong because the Authority has responsibility to resolve this matter. 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

CTCT We believe that due to conflicts between the Code and the RM functional specification we are not able to comply with both sets of requirements. **CTCS/CTCX** We believe that due to conflicts between the Code and the RM functional specification we are not able to comply with both sets of requirements. We believe that the code is written in such a way that it is not possible to be compliant. This has been noted previously and if we change our processes to comply with this clause, that will result in non-compliances in other areas of the Code.	**CTCT** N/A **CTCS/CTCX** Not Applicable	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCS/CTCX Please refer to comments in Actions taken to resolve.	**CTCS/CTCX** Not Applicable	

12. SUBMISSION COMPUTATION

12.1. Daylight saving adjustment (Clause 15.36)

Code reference

Clause 15.36

Code related audit information

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

Audit observation

Daylight savings processes for MEPs and agents were reviewed as part of their audits.

Daylight savings processes for generation occur automatically. The Windows Server or Domain Controller Upgrade & Replacement Time Synchronisation and time source testing document was reviewed.

Audit commentary

CTCT

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

All HHR data provided to Contact is daylight savings adjusted using the "trading period run on" technique. This was confirmed by checking a sample of four files for the files for the start and end of daylight saving. The correct number of trading periods were recorded in all cases.

Contact Energy's processes for generation data are compliant. I confirmed that daylight savings adjustments were processed correctly for a sample of data for changes to and from NZDT.

CTCX and CTCS

AMS and EDMI provide daylight savings adjusted data and the daylight-saving adjustment process is compliant.

Audit outcome

Compliant

12.2. Creation of submission information (Clause 15.4)

Code reference

Clause 15.4

Code related audit information

By 1600 hours on the 4th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all NSPs for which the reconciliation participant is recorded in the registry as having traded electricity during the consumption period immediately before that reconciliation period (in accordance with Schedule 15.3).

By 1600 hours on the 13th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all points of connection for which the reconciliation participant is recorded in the registry as having traded electricity during any consumption period being reconciled in accordance with clauses 15.27 and 15.28, and in respect of which it has obtained revised submission information (in accordance with Schedule 15.3).

Audit observation

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

No breaches had been recorded for late provision of submission information.

CTCT

HHR

HHR submissions were checked in **section 11.4** and HHR corrections are discussed in **section 8.2**. HHR volumes are reviewed prior to submission according to the process documented in **section 12.3**.

As recorded in **section 6.5**, there is now only one C&I HHR ICP (1001157629CK617), which is read by AMS. A system issue is preventing the data from being loaded into SAP; therefore, submission has not been occurring since 1 February 2021.

NHH

Contact prepares reconciliation submissions using reconciliation consumption generated by SAP. NHH submission scenarios were checked to determine whether they were handled correctly, including:

- ICPs with vacant consumption for August 2021,
- five ICPs with inactive consumption,
- five ICPs with injection/export registers, and
- ten ICPs with unmetered volumes, including standard and shared unmetered load.

The only error found was with ICP 0000553257NR3D0, where incorrect unmetered load consumption was submitted. This section is concerned with completeness of information, so this is discussed further in **section 12.7**.

A sample of corrections were reviewed to ensure that they flowed through to revision submissions in **sections 2.1** and **8.1**. NHH volumes are reviewed prior to submission, these checks are discussed in **section 12.3**.

The following data inaccuracy issues which resulted in missing submission information were identified:

Issue	Description	Report section
Incorrect active status dates	The following ICPs have incorrect active status dates recorded, which could result in consumption being apportioned to incorrect days: • 0000049481HB6D2 registry date 12/03/2021 correct date 10/03/2021 • 0000572629NR17A registry date 02/03/2021 correct date 01/03/2021 • 000060622NT9E0 registry date 21/07/20 correct date 20/07/2020 • 0007203165RN85E registry date 22/07/20 correct date 21/07/2020 • 0007201591RN602 registry date 21/05/2021 correct date 20/05/2021 • 0007202111RNDA9 registry date 25/06/2021 correct date 24/06/2021, and • 0007199964RN126 registry date 09/03/2021 correct date 10/03/2021.	3.5, 3.8
Incorrect inactive status dates	Ohoka Downs DUML ICP 0000366150MP46C is to be decommissioned as the connected lights are metered. The ICP became inactive on 04/06/21, but the registry has recorded inactive status from 07/10/20.	3.9

Issue	Description	Report section
Unmetered load	ICP 0000020052CPB35 has missing unmetered load details on the registry from 18/05/21 until 15/09/21. There is also a gap in SAP's unmetered load between the previous customer moving out on 01/06/21 and new customer moving in on 05/06/21.	3.7
Generating ICPs without I flow metering	ICPs 0000932060TE629, 0418695067LC047, and 0419151060LCC0F are believed to be generating but do not have I flow metering installed and electricity is not quantified according to the code.	6.1

Generation

Generation submissions are completed by Contact, and these are discussed in **section 12.6**.

CTCX and CTCS

HHR

HHR submissions were checked in **section 11.4** and HHR corrections are discussed in **section 8.2**. HHR volumes are reviewed prior to submission according to the process documented in **section 12.3**.

The audit found that one ICP, as recorded in **section 11.4**, was not submitted for the day 4 and day 13 HHR vols file for September 2020. It was manually removed from submission whilst an investigation was conducted into why the distributor had the installation recorded as load only, but generation volume was present.

NHH

EMS prepares NHH submissions as an agent. NHH submission scenarios were reviewed:

CTCX	• No vacant ICPs are supplied, and vacant consumption is expected to be submitted. • No inactive ICPs with consumption were supplied. • No unmetered ICPs requiring NHH submission were identified for CTCX. • The one NHH ICP with distributed generation was checked. Solar generation occurred from 4 June 2021, but the import/export metering was only installed from 17 September 2021, therefore submission has only occurred from 17 September 2021 rather than 4 June 2021.
CTCS	• One vacant ICP is supplied. • One inactive ICP with consumption was supplied. This is the same ICP as the vacant ICP recorded above. The ICP is 0000572490WT5C1 and submission has not occurred because the status was only changed to "active" on 20 October 2021. The inactive consumption is 3,160 kWh since sometime after 1 November 2020. • Five ICPs with standard unmetered load and five ICPs with shared unmetered load were checked and submission occurred. • All five NHH ICPs with NHH distributed generation were checked and the submission was correct.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.2 With: Clause 15.4 From: 07-Oct-20 To: 14-Oct-21	**CTCT** Some ICPs were missing from submissions due to data inaccuracies. HHR submission not occurring for ICP 1001157629CK617 since 01/02/21. **CTCX** Generation volume not submitted for ICP 0000012442EA341 from 04/06/21 to 16/09/21. **CTCS** One ICP missing from HHR vols for September 2020. Under submission was 2,991.4 kWh. Submission of 3,160 kWh did not occur for ICP 0000572490WT5C1 because it was recorded as inactive. Potential impact: Medium Actual impact: Medium Audit history: Twice Controls: Moderate Breach risk rating: 4
Audit risk rating	**Rationale for audit risk rating**
Medium	The controls are rated as moderate overall. Improvements are required to some of the controls. The impact is medium based on the volume differences identified, and corrected data will be provided through the revision process.

Actions taken to resolve the issue	Completion date	Remedial action status

CTCT 1001157629CK617 – SAP has been corrected to enable submissions to occur. ICP 0000366150MP46C – this issue has now been resolved and correct volumes will be submitted via standard wash up cycles Contact is working through the exceptions identified during this audit for incorrect active status dates. We are in process of allocating more resources to AC020Trader21 report to improve the compliance and to pick up the exceptions in more timely manner. Contact continues to work with field contractors and MEPs to address the accuracy issues on returned paperwork. 0000020052CPB35 – ICP has been corrected to ensure correct UML details are loaded. **CTCS/CTCX** 0000012442EA341 -We reconciled generation as soon as we were able to. First we were aware of the generation install was 4/8/21. Once we were made aware metering to measure, I Flow was organised ASAP. It would appear as though the Network approved livening of the Distributed Generation before metering was installed to measure I flow; Metering with an I flow was certified 17/9/2021. This is being reconciled from that date. 1/9/2020 submission will be resolved in R14. 0000572490WT5C1 has been made active retrospectively, volumes will be submitted via usual revision process (consumption period 30/11/2020 onwards)	**CTCT** **CTCS/CTCX** Not Applicable 30/11/2021 31/8/2022 (before all revisions are successfully submitted)	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCT More resource allocation to AC020Trader21 report along with ongoing training for the operators. Continuous discussion with MEPs and field contractors to improve the quality of the paperwork. 0000020052CPB35 – SAP and registry has been corrected to ensure correct UML details are loaded.	Date **CTCT**	
CTCS/CTCX CTCS 202009 - The audit identified an unknown issue with the logic in our software that identifies gaps in our analysis of completeness, which has already been rectified. Management of inactive ICPs is now a monthly check/process.	**CTCS/CTCX** 30/11/2021	

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, NHH, and generation submissions are accurate were reviewed. A sample of GR170 and AV080 files were compared, to confirm zeroing occurs.

Audit commentary

CTCT

NHH submissions

The process for aggregating the AV080 was examined by conducting a walkthrough and checking validations. Compliance is confirmed.

Contact runs the submission through an Access database for review prior to submission. In some cases, consumption errors are found during the high consumption and forward estimate checks that cannot be corrected in time for submission. Contact manually estimates the consumption and creates an exclusion

list. The submission file is generated from the reviewed Access database information and adjusted for the exclusions, then the before and after data is compared to ensure the corrections were processed accurately.

The pre-submission checks are as follows:

- ICPs using over 6,000 kWh per month are checked against a list of known high consuming ICPs, and any high consuming ICPs not on the list are investigated; all ICPs consuming over 2,500 kWh per day are also individually investigated and the number of exceptions identified by this check has been decreasing over time,
- a Forward Estimate Robot process reviews any ICPs with forward estimate over 10,000 kWh and checks whether the reads applied for forward estimate are aligned with the consumption history; if they are aligned, the case is closed, if they are not aligned, the forward estimate is zeroed out, and an exception is generated and logged (any ICPs with forward estimate over 10,000 kWh which appear in the submission data are reviewed to determine whether the forward estimate is correct and occasionally open meter read orders create a zero read for forward estimate, making it appear that the meter has rolled over),
- distributed generation issues, including invalid flow direction, inconsistency between profile and direction, no contract set up, or contract set up and no data in the report are identified and corrected,
- invalid profiles, such as HHR are identified and corrected,
- invalid loss codes, which are either missing or inconsistent with the network are identified and corrected,
- NSPs with no contract set up are identified and trading notifications are issued,
- historic estimate > total estimate is checked and corrected,
- expected profiles which are missing from the submission data are checked and resolved,
- ICPs with potential consumption data defects, transposed reads, or read errors are investigated and their consumption is manually estimated to ensure the issues do not affect submission accuracy thresholds, and
- missing profile shape values are identified and added.

Once reviewed and any data issues have been resolved, a revised AV080 is produced from the database. This is entered into an Excel based AV080 check worksheet for further review. This NSP level check includes:

- initial submission – comparison to the previous month, which flags any variances greater than ±500,000 kWh and ±50%, or
- revision submissions – comparison to the previous submissions for the month, which flags any variances ±50,000 kWh and ±5%.

Anomalies are investigated at a more detailed level to confirm whether there is an issue that requires further investigation or correction. Once all checks are complete, the file is saved as csv, run through the file checker and submitted.

SAP automatically creates a zero line where a trading notification is open, but no aggregation line is present. GR170 and AV080 files for nine revisions were compared. All NSPs in the GR170 were included in the AV080 confirming that zeroing is occurring as required for AV080 submissions.

I checked the process for NHH to HHR upgrades, and HHR to NHH downgrades, and found all consumption was captured and reported for the ten ICPs checked.

There is an issue related to back dated network events for a change of NSP where the SAP system has already billed past the back dated network event. The SAP system applies billing locks to core data that may have been used in the billing process and the NSP field is one such field. The result is that the network event does not get processed and there is a requirement to manually correct the set up in SAP. This manual correction is not always applied if changes occur to an NSP then back again within the same balancing area.

HHR Submissions

As recorded in **section 6.5**, there is now only one C&I HHR ICP (1001157629CK617), which is read by AMS. A system issue is preventing the data from being loaded into SAP; therefore, submission has not been occurring since 1 February 2021. This section is concerned with the aggregation of information, so non-compliance is recorded in **sections 2.1, 12.2** and **12.7**. The comments below relate to AMI HHR submissions.

HHR submissions are generated using SAP data. HHR AMI data is checked for reasonableness.

- ICP days comparison occurs between the registry and SAP prior to month end to ensure the correct ICPs for the correct period are present.
- Database checks are run prior to submission to identify NSPs where a contract is in place, but no volumes are submitted, and NSPs where no contract is in place, but volumes are present on the AV090. Corrections are made as necessary.
- Differences between the AV090 and AV140 submissions are checked, and any differences which do not appear to relate to rounding are investigated.
- For initial AV090 submissions, consumption is graphed at NSP level and checked for reasonableness against the previous six months' submissions. Consumption per NSP and loss factor is checked to identify changes of more than 10% from the previous month, which is then examined, and comments are added to the file. Once this review is complete it is independently checked.

Generation

Generation submissions are reviewed as discussed in **section 9.6**.

CTCX and CTCS NHH submission

Checks to confirm that Simply Energy's data is complete and accurate are discussed in **section 2.1**.

Simply Energy to EMS consistency checks

Updated reads are sent to EMS at least weekly. Each month, Simply Energy asks EMS to clear the reads recorded and resupplies the "published" (validated) readings.

Data consistency checks between EMS' MADRAS records, and Simply Energy's SalesForce and registry list file records are completed prior to business day 4 and business day 13.

- NHH reads sent to EMS for reconciliation are validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Reads rarely fail this validation.
- EMS provides a file with ICP and meter details including start and end dates every month, which is reconciled to a date ranged registry list file. Any differences are investigated and resolved.
- An ICP days comparison occurs between the list file, which is loaded daily, and the data in Datahub, to determine the reasons for any differences and whether data needs to be updated on the registry or in SalesForce, DataHub and MADRAS. The review prioritises the latest revisions available.
- The MADRAS Dashboard in SalesForce is reviewed on business days two to four and business days 11-13 and 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 CTCX or CTCS recorded as the retailer,
- ICPs where the start read is inconsistent with the start date,
- ICPs supplied by an alternate reader with no MADRAS end date,
- missing work flows where status changes have occurred, and the data has not yet been sent to MADRAS; this includes ICPs that are end dated but do not have a final reading, and
- profile GXP checks, which detect unexpected use of the GXP profile.

Review of submission data created by EMS

EMS provides all submission data to Simply Energy for review prior to submission to the reconciliation manager.

I walked through the process to review submission data using the Power Query Validation tool. The tool compares the total submission volume (HHR volumes + NHH volumes + DFP volumes from the GR040) against the billed data and previous submissions for reasonableness.

ICP and meter register level AV080 submission data is provided and reviewed to identify any ICPs with unusually high or low consumption. These outliers are checked to make sure the data is accurate.

Aggregation of submission data

The process for aggregating the AV080 was examined by a walkthrough. Compliance is confirmed.

The zeroing process is conducted manually. The zeroing of submission data was reviewed by comparing GR170 files to AV080 files.

- Data for nine revisions was checked for CTCX and I found the same NSPs appeared in the AV080 and GR170.
- Data for nine revisions was checked for CTCS and I found one anomaly, which had been identified by CTCS and zeroing has now occurred.

I checked previous audit exceptions:

- 1,705 kWh was not zeroed for the July 2020 R1, and
- 17,612 kWh was not zeroed for the October 2020 R3.

Zeroing has now occurred in both cases.

CTCX and CTCS HHR submission

Simply Energy reviews the GR090 ICP missing files, and takes action as required to ensure that ICPs are correctly included or excluded in submission information for its existing codes. The Power Query tool is used to compare aggregated submission information to previous revisions, surrounding months, and billed data.

Audit outcome

Non-compliant

Non-compliance	Description

Audit Ref: 12.3 With: Clause 15.5 From: 01-Mar-21 To: 20-Oct-21	**CTCT** NSP manual corrections are not always applied if changes occur to an NSP then back again within the same balancing area and the same month. Potential impact: Medium Actual impact: Low Audit history: Once 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
CTCT We are currently working with ICT to implement some system changes which will allow NSP corrections via a bulk update. The specifications our ICT team are working towards is specifically designed to target the scenario noted by the auditors.	**CTCT:** Mid 2022	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Please refer to the Action taken to resolve.		

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

Contact is not a grid owner; compliance was not assessed.

Audit outcome

Not applicable

12.5. Provision of NSP submission information (Clause 15.10)

Code reference

Clause 15.10

Code related audit information

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

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

Audit observation

The registry list and NSP table were reviewed.

Processes to provide NSP volumes submissions as an agent were reviewed.

Audit commentary

Contact Energy is not an embedded network owner but acts as an agent for some embedded networks and provides NSP volume submissions on their behalf.

CTCT

NSP gate meter data is submitted for the interconnection point at FND0112. AMS conducts the data collection and if there is consumption, it is submitted. The interconnection point is seldom used and all months in the audit period had zeros submitted. There were no estimations, corrections or revisions for this point of connection.

No late submissions were identified.

CTCS and CTCX

EMS produces the submissions as an agent and the submissions are uploaded to the RM portal by Simply Energy.

EMS confirmed that there have been no corrections, estimates, or issues affecting accuracy.

No late submissions were identified.

Audit outcome

Compliant

12.6. Grid connected generation (Clause 15.11)

Code reference

Clause 15.11

Code related audit information

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

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

Audit observation

Generation submissions are produced by CTCT. Data is no longer required to be sent to the Pricing Manager, only the Grid Owner.

Audit commentary

The NSP volumes submission is produced from SAP, using the same process as is applied for embedded network submissions. Contact validates the NSP volumes submissions by:

- checking for missing trading periods and transferring the missing data from MV90/Oracle to SAP or creating an estimate as required,
- reviewing daily profile data for each NSP meter in SAP to ensure that they have passed validation, and
- completing a comparison between its AV130 submission and the data in Oracle and investigating any exceptions.

I walked through the validation process and compared a sample of data from the NSP volumes submission to the source data in MV90/Oracle. Compliance is confirmed.

There were no clock errors or corrections during the audit period.

Audit outcome

Compliant

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

CTCT

NHH volumes

Corrections are discussed in **sections 2.1, 8.1** and **8.2**. Inactive consumption is well managed, and all ICPs with inactive consumption identified at the time of the audit had been investigated and corrections were either completed or in progress.

Processes are in place to validate submission data, and correct errors prior to submission. Some data has not been corrected at the next available opportunity for submission, as follows:

- two ICPs that were recorded as still bridged have been unbridged, but the corrections are yet to occur (the ICPs are 0007113076RN362 and 0000003949EN1BA),
- incorrect forward estimates were created for 17 ICPs with Influx AMI meters; SAP was not set up to correctly identify the registers required for submission and over submission of approx. 115,000 kWh occurred for February 2021,
- incorrect over submission of 999829 occurred for one ICP in May 2021 because a meter rollover was not identified by validation checks, this was a training issue and is now resolved, and
- ICP 0328863025LC9DE had an incorrect compensation factor of 30, which was corrected to 60 on 10 February 2021; the incorrect compensation factor was present from the time the ICP switched in on 8 August 2017 therefore there will be more than 24 months outside the 14-month revision window where consumption is half what it should be.

ICP 0000553257NR3D0 had incorrect daily kWh corrected from 1.2 kWh per day to 0.05 kWh per day by CTCT in May 2021, but the ICP switched out and back in within a short time period and the other trader had changed the registry back to the incorrect figure of 1.2 kWh per day. I considered whether this was non-compliant and concluded that CTCT is compliant because clause 11.32 states "A participant does not breach this Code just because the participant does something relying on an incorrect record in the registry". CTCT has now corrected the registry.

The following data inaccuracy issues which could impact on submission were identified:

Issue	Description	Report section
Incorrect active status dates	The following ICPs have incorrect active status dates recorded, which could result in consumption being apportioned to incorrect days: • 0000049481HB6D2 registry date 12/03/2021 correct date 10/03/2021 • 0000572629NR17A registry date 02/03/2021 correct date 01/03/2021 • 000060622NT9E0 registry date 21/07/20 correct date 20/07/2020 • 0007203165RN85E registry date 22/07/20 correct date 21/07/2020 • 0007201591RN602 registry date 21/05/2021 correct date 20/05/2021 • 0007202111RNDA9 registry date 25/06/2021 correct date 24/06/2021, and • 0007199964RN126 registry date 09/03/2021 correct date 10/03/2021.	3.5, 3.8
Incorrect inactive status dates	Ohoka Downs DUML ICP 0000366150MP46C is to be decommissioned as the connected lights are metered. The ICP became inactive on 04/06/21, but the registry has recorded inactive status from 07/10/20.	3.9
Unmetered load	Some incorrect unmetered load information in SAP was identified, which could result in incorrect unmetered load submission: • ICP 0000552757HB3CE has a 125 W MV lamp which is expected to have standard ballast wattage of 11 W, giving a total wattage of 136 W, the	3.7

Issue	Description	Report section
	1.656 kWh daily average has been calculated based on 138 W but should have been 1.632 kWh based on 136 W, • 0005000186HBD7A had its unmetered load details corrected from 28/09/21 but should be corrected from the switch in date 14/04/21, and • ICP 0000020052CPB35 has missing unmetered load details on the registry from 18/05/21 until 15/09/21 and there is also a gap in SAP's unmetered load between the previous customer moving out on 01/06/21 and new customer moving in on 05/06/21.	
Generating ICPs without I flow metering	ICPs 0000932060TE629, 0418695067LC047, and 0419151060LCC0F are believed to be generating but do not have I flow metering installed and electricity is not quantified according to the code.	6.1

HHR volumes and aggregates

The previous audit found ICP 0000014413HB0E4 was missing from the April 2020 aggregates file until the 3-month revision in July 2020, then it was submitted against the incorrect NSP. This matter is now resolved.

There is now only one C&I HHR ICP (1001157629CK617), which is read by AMS. A system issue is preventing the data from being loaded into SAP; therefore, submission has not been occurring since 1 February 2021.

ICP days

As described in **section 11.2**, ICP days were not reported correctly where settlement unit information was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. Contact has been working to resolve these issues before revision 14, and the ICP days differences are generally small.

CTCX

One issue was found with CTCX submissions. As recorded in **section 11.3**, a comparison between electricity supplied and submission information identified that HHR over submission had occurred where FCLM was the MEP and where day/night metering was in place. The first register is the total, the second is Day and the third is Night. CTCX submissions were taking the total and the Day instead of the Day and night. This over submission totalled 720,634 kWh and will be revised through washups.

CTCS

NHH volumes

As detailed in **section 3.9**, there were four ICPs of the 26 ICPs sampled recorded as disconnected for the incorrect dates resulting submission being submitted for the wrong period.

Previous audit exceptions were followed up:

- zeroing did not occur for July and October 2020 for 19,317 kWh in total; this is now resolved,
- revision variance thresholds were not met for several revisions due to the large number of estimates during early revisions, and that most estimates were based on 55 kWh per day which it too high for residential and too low for commercial, when the tranches were switched in, there was no history from CTCT to base the estimates on so 55 kWh per day is still the default, but in most cases, there is now consumption history to use for estimates,
- if a start reading is not provided to MADRAS, estimation occurs based on 55 kWh per day; this matter now has much stronger controls with regular checks in place,

- if an ICP switches in and there is a switch event meter reading but also an AMI reading, which may be different to the switch event meter reading, the AMI reading is provided to and used by MADRAS, leading to under submission,
- Datahub was changed to include a new read type of "historic estimate" to be used as a permanent estimate if required, it was intended that this estimate would be calculated as a straight line from two actual readings, but checks showed this was not the case and these estimates were supplied to MADRAS as actual readings, leading to inaccurate HE calculations, and
- Simply Energy have accepted read changes, but they were not processing these due to resource constraints between 1 March 2021 to 30 September 2021 which affected approximately 650 ICPs across both transfer and switch moves; these are being reviewed and corrected and for those within the 14-month revision period the corrections will flow through the revision cycle, but for those outside of the revision cycle will be evaluated on a case-by-case basis as to how these are best resolved (going forward these are being processed as part of BAU from 1 October 2021) but this is recorded as non-compliance below and in **sections 2.1,4.4, 4.10** and **6.7**.

Transfer switches

ICP	Net kWh over +/ under- submission	Event date
2002022000CHDEB	+684	03/05/21
2106001000CHE3D	-5,589	17/06/21
0007112635RNAA1	+1,446	21/06/21
1917013000CHDD2	+1,182	06/03/21
0000571052HBAAE	-30,819	15/04/21

Move switches

ICP	Net kWh over +/ under- submission	Event date
0000709008HBF56	+5,451	01/05/21
1002039107LCC8D	2	01/04/21
1001281792LC839	-25	01/04/21
0041100272PCBA6	-14,367	29/03/21

<u>HHR volumes and aggregates</u>

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.

When actual trading period data has been received and updated actual data is received later, it will be replaced. Where an MEP 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. I found that 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.

One issue was identified for September 2020. This wasn't identified during the previous audit because the information request was provided at the beginning of December 2020. The issue was that an ICP had generation volumes, but the distributor had the installation type as "L" only, so the generation volume was manually removed from the HHR vols file while the issue was investigated but the volumes were not removed from the HHR aggregates file. This matter was resolved by R3, and no manual adjustment has occurred since December 2020. This is now a policy, that no manual adjustment occurs once files are published in Datahub.

ICP days

Over submission occurred of 31 NHH ICP days for one ICP not closed out in MADRAS.

Unmetered load

Unmetered load submissions were checked. The Code requires the calculation to be based on the daily unmetered load figure recorded in the registry multiplied by the number of days in the month. The MADRAS system does not have an unmetered load capability; therefore, Simply Energy creates dummy meters for each ICP and is calculating and sending EMS meter readings for the dummy meters to ensure submission is correct. During the previous audit, I recorded that the step of creating dummy reads was not occurring and that all unmetered load ICPs, except those with the DST profile, had default submission created by MADRAS based on 55 units per day. This had led to over submission of standard unmetered load of 1,300,000 kWh since October 2020, over submission of shared unmetered load of 119,000 kWh since October 2020 and under submission of distributed unmetered load, where the profile is not DST, of 822,000 kWh since October 2020. The dummy meter readings have been created and sent to MADRAS up until the end of 2021. The calculated meter readings are correct and have two decimal places; however MADRAS rounds meter readings to zero decimal places, therefore the submitted kWh differ from the calculated kWh. The table below shows the differences for a sample of ICPs.

ICP	Calculated kWh	kWh submitted from MADRAS
0000016856CPEDE	2.79	2
0000016857CP29B	3.10	3
0000016858CPD45	2.79	2
0000016862CP82C	2.60	3
0000016864CP9A3	2.98	3
0000004593TE40A	12.40	13
0000005114CE771	30.38	31
0000006553TE0A5	55.80	56
0000011103WEE22	111.60	93
0000011105WEFAD	220.10	220

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.7 With: Clause 15.12 From: 07-Oct-20 To: 14-Oct-21	**CTCT, CTCX** and **CTCS** Some submission data was inaccurate and was not corrected at the next available opportunity. Potential impact: High Actual impact: High Audit history: Multiple times Controls: Moderate Breach risk rating: 6
Audit risk rating	**Rationale for audit risk rating**
High	The CTCT controls are strong, but the CTCS controls still require strengthening in some areas. The overall control rating is recorded as moderate. The impact is high based on the volume differences identified, and that corrected data has not yet been prepared in some instances.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT 1001157629CK617 – SAP has been corrected to enable submissions to occur. ICP 0000366150MP46C – this issue has now been resolved and correct volumes will be submitted via standard wash up cycles ICP days: CTCT is continuing to clean up ICP days errors and we have now cleaned up exceptions older than 3 months. We are also resolving system issues that cause these errors to reduce future errors occurring **CTCS/CTCX** Due to the large number of discrepancies following the large switching of ICPs from CTCT to CTCS, the corrections were not done in a timely manner. Since then, additional resource was added to the operational team between June 2021 - October 2021 and additional quality checks have also been added to the switching processes since the period in question.	**CTCT** **CTCS/CTCX** 30/09/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCS/CTCX All discrepancies are identified at each revision cycle, and all are worked on for resolution within that revision cycle.	**CTCS/CTCX** 30/09/2021	

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

Three AV080 14-month revisions were reviewed to identify any forward estimate still existing. A sample of NSPs with forward estimate remaining were checked to determine the reasons for the forward estimate.

Audit commentary

CTCT

Review of three AV080 14-month revisions showed that some forward estimate remained.

Month	Forward estimate in Revision 14 (kWh)
Feb 20	160,832.72
Mar 20	62,033.21
Apr 20	57,981.10
Total	280,847.03

The meter read compliance process described in **section 6.8** is followed to attempt to obtain an actual read within 12 months. Where an actual read is not obtained, an automated process changes an existing estimate read to become a permanent estimate. These estimates are validated against previous actual readings where available.

I checked the ten AV080 aggregation rows with the highest proportion of forward estimate in the April 2020 revision 14 to determine the reasons for the forward estimate. I found that forward estimate remained because of a lack of meter readings in all cases.

The existence of forward estimate at revision 14 is recorded as non-compliance below.

CTCX and CTCS

Simply Energy has a process for creating permanent estimates as part of their correction processes; but does not routinely enter permanent estimates where reads cannot be obtained. 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 historic estimate is incorrectly labelled as forward estimate by MADRAS where seasonal adjusted shape values (SASV) published by the reconciliation manager are not available for part or all of a read-to-read period. This primarily affects ICPs with the PV1, SBL, SFI and UNM profiles. It also affects the day 4 submissions for the RPS profile.

<table>
<tr><td>CTCX</td><td>Review of three AV080 14-month revisions showed that some forward estimate remained.
<table>
<tr><th>Month</th><th>Forward estimate in Revision 14 (kWh)</th></tr>
<tr><td>Feb 20</td><td>83.66</td></tr>
<tr><td>Mar 20</td><td>259.34</td></tr>
<tr><td>Apr 20</td><td>1,200.00</td></tr>
<tr><td>Total</td><td>1,543.00</td></tr>
</table>
I checked all AV080 aggregation rows with forward estimate in the April 2020 revision 14 to determine the reasons for the forward estimate. There were two examples of PV1 HE being labelled as FE, because MADRAS only labels RPS as HE. Two ICPs had missing start or end readings.</td></tr>
<tr><td>CTCS</td><td>Review of four AV080 14-month revisions showed that some forward estimate remained.
<table>
<tr><th>Month</th><th>Forward estimate in Revision 14 (kWh)</th></tr>
<tr><td>Mar 20</td><td>5,439.55</td></tr>
<tr><td>Apr 20</td><td>5,576.50</td></tr>
<tr><td>May 20</td><td>5,838.06</td></tr>
<tr><td>Jun 20</td><td>112,343.21</td></tr>
<tr><td>Total</td><td>129,197.32</td></tr>
</table>
I checked the ten AV080 aggregation rows with the highest proportion of forward estimate in the June 2020 revision 14 to determine the reasons for the forward estimate. I found six examples of ICPs not being read for the 14-month period. Three examples of HE being labelled as FE, because the profile is UML and only the RPS profile has consumption labelled as HE. There was one example where the FE of 55 kWh per day was still present at 14 months.</td></tr>
</table>

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.8 With: Clause 4 Schedule 15.2 From: 01-Mar-21 To: 20-Oct-21	**CTCT, CTCS** and **CTCX** Some estimates were not replaced by revision 14. 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 rated as moderate, because there are processes in place to attain readings by revision 14 and enter permanent estimate readings. 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
CTCT Contact continues to focus on long term no access properties process in order to improve our submission completeness. **CTCS/CTCX** We are unable to resolve the noncompliance to having an estimate beyond 14 months.	Ongoing **CTCT** **CTCS/CTCX** Not Applicable	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT Contact continues to focus on long term no access properties process in order to improve our submission completeness. **CTCS/CTCX** Our No Reads Process is being re-designed to ensure this identifies events and investigation/remediation can commence in a timelier manner. Actions to be implemented include importing and reporting on metering events for AMI meters, importing notes from manual readers, implementation of templated customer communication around no access, special read requests, etc. This will be managed by a combination of our operational and customer-facing teams.	**CTCT** Ongoing **CTCS/CTCX** 31/01/2022	

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

Aggregation and content of reconciliation submissions was reviewed, and the registry lists were reviewed.

Audit commentary

CTCT

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,**
- some profiles requiring a certified control device are used but Contact is aware of the metering requirements of the profiles, and compliance was recorded in **section 6.3**; where the metering is not compliant with the requirements of the profile, Contact applies RPS for submission,
- 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.

ICP 0000366150MP46C is listed as a DUML ICP but is inactive in the registry and therefore submission is not occurring. Investigations have confirmed the ICP was active until 4 June 2021, when metering installations were installed. The metered ICPs are 0000702281MPB0F and 0000702280MP74A. The under submission is approximately 650 kWh per month for the months with the incorrect status.

As recorded in **section 6.5**, there is now only one C&I HHR ICP (1001157629CK617), which is read by AMS. A system issue is preventing the data from being loaded into SAP; therefore, submission has not been occurring since 1 February 2021.

CTCX and CTCS

Compliance with this clause was assessed:

- all active ICPs with meter category 3 or higher have submission type HHR,
- unmetered load submissions were checked and as recorded in **section 12.7**, the unmetered load submissions are based on "dummy" meters with consumption derived from the daily kWh figures in the registry, however, MADRAS rounds all meter readings leading to incorrect submission,
- the AC020 report did not record any ICPs with profiles requiring certified control devices where control devices were not certified,
- no loss or error 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

Non-compliant

Non-compliance	Description
Audit Ref: 12.9 With: Clause 2(1)(c) of schedule 12.3 From: 01-Mar-21 To: 20-Oct-21	**CTCT** Unmetered submission not occurring for ICP 0000366150MP46C. HHR submission not occurring for ICP 1001157629CK617. Potential impact: High Actual impact: Low Audit history: Once 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
CTCT 0000366150MP46C – Registry now corrected to enable submissions to occur up to the decommission date. 1001157629CK617 – SAP now corrected to enable submission		Cleared
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCT 0000366150MP46C – this ICP has now been decommissioned. 1001157629CK617 – we are in the process of decommissioning this ICP.		

12.10.Historical estimates and forward estimates (Clause 3 Schedule 15.3)

Code reference

Clause 3 Schedule 15.3

Code related audit information

For each ICP that has a non-half hour metering installation, volume information derived from validated meter readings, estimated readings, or permanent estimates must be allocated to consumption periods using the following techniques to create historical estimates and forward estimates (clause 3(1)).

Each estimate that is a forward estimate or a historical estimate must clearly be identified as such (clause 3(2)).

If validated meter readings are not available for the purpose of clauses 4 and 5, permanent estimates may be used in place of validated meter readings (clause 3(3)).

Audit observation

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

CTCT

I reviewed nine AV080 submissions for a diverse sample of months and revisions and confirm that forward and historic estimates are included and identified as such.

CTCX and CTCS

In some cases, historic estimate is incorrectly labelled as forward estimate. Where SASV profiles published by the reconciliation manager are not available for part or all of a read-to-read period, historic consumption is labelled as FSE (forward standard estimate) even though it is based on actual readings. For some profiles, shape values are never published, including PV1, SBL, SFI and UNM.

CTCX	I reviewed nine CTCX AV080 submissions for a diverse sample of months and confirm that forward and historic estimates are included and identified as such.
CTCS	I reviewed ten CTCS AV080 submissions for a diverse sample of months and confirm 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-May-20 To: 28-Oct-21	**CTCS** and **CTCX** Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate. Potential impact: None Actual impact: None Audit history: Three times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as moderate because historic and forward estimate is correctly identified most of the time. There is no impact on settlement because the calculation is correct; therefore, the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCS/CTCX There were two issues underlying this problem: first: SASV files published by the RM were being uploaded into our systems, and the second is that we do not receive SASV files for UML or PV1 profiles, therefore some usage on these profiles was being incorrectly marked as FE where they were meant to be 100% HE. To remedy the first issue, we have incorporated a checklist step into our monthly process to ensure all files are uploaded each month before BD13 submissions are generated. This will mean that volumes will be correctly labelled as HE where appropriate as we progress through the wash up revision cycles. To remedy the second issue, we are in the process of testing a new process where a dummy SASV file is created for PV1 and UML based on the RPS file, and uploaded to our systems each month before BD13 submissions.	**CTCS/CTCX** 30/11/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
CTCS/CTCX We will use the profile shapes provided by the RM Portal for RPS - for UML, PV1 so that we have a complete set.	**CTCS/CTCX** Ongoing through the washup cycle	

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 historic estimates of volume information for each ICP when the relevant seasonal adjustment shape is available.

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

Audit observation

To assist with determining compliance of the Historical Estimate (HE) processes, Contact were supplied with a list of scenarios, and for some individual ICPs a manual HE calculation was conducted and compared to the result from Contact's systems.

Audit commentary

CTCT

The table below shows that all scenarios are compliant. The check of calculations included confirming that readings and shape files were applied correctly.

The process for managing shape files was examined. There is an automated process where the RM web server is polled for new files. The new files overwrite the old files, and if a new file is not available, the most recent file remains. Manual intervention is only required where a file has failed to upload, and a BPEM is created to alert the user to the failure. Typically, failures occur only if a data value in one of the fields is not set up in SAP. The user will enter the data value in SAP's maintenance tables, and then move the file back to the source folder, so that it will be picked up for import.

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[3]
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.	Compliant
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

[3] The ICP example became HHR when it was reconnected and was compliant.

Test	Scenario	Test expectation	Result
k	Unmetered load for a part month	Consumption is calculating based on daily unmetered kWh for active days of the month.	Compliant
l	Network/GXP/Connection (POC) alters partway through a month.	Consumption is separated and calculated for the separate portions of where it is to be reconciled to.	Compliant
m	ICP with a customer read during the month	Customer reads are not used to calculate historic estimate, unless they have been validated against actual readings from another source.	Compliant – forward estimate was calculated, and the customer reads were ignored
n	ICP with a photo read during the month	Photo reads are not used to calculate historic estimate, unless they have been validated against actual readings from another source.	Has not occurred
o	ICP has a meter with a multiplier greater than 1	The multiplier is applied correctly	Compliant

CTCS and CTCX

Historic estimate is prepared by EMS using the MADRAS system.

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 confirmed that the correct SASV were applied as part of the historic estimate calculation review.

Customer and photo reads are used to calculate historic estimate if they are recorded as customer actual readings, and this read status is only applied where a reading has been validated against a set of validated readings from another source.

I found that the historic estimate calculation process was operating correctly, but in some cases the reads in MADRAS were incorrect for CTCS, and this incorrect input into the historic estimate calculation led to an incorrect result. These inaccuracies are recorded as non-compliance in **sections 12.7** and **2.1**. The scenarios affected were:

Test	Scenario	CTCS ICP and month	Issue
a	ICP becomes Active part way through a month	0133018377LCCC1 - July 2021	The ICP became active two days after switch in, the agreed switch reading was not applied resulting in under submission of 7 kWh. Refer to further comments below regarding multiple reads for the same day. The calculation methodology is correct.
c	ICP become Inactive then Active again within a month.	0000122591TRC78 - May 2021	The ICP switched in on 05/05/21 and was "active" for that day so there should be consumption for one day, but there was not. Then one day of no consumption because it was "inactive" (06/05/21) then it was "active" again.

Test	Scenario	CTCS ICP and month	Issue
			The calculation will be correct once the correct information is provided to MADRAS.
d	ICP switches in part way through a month on an estimated switch reading	0000179444TR9E5 - July 2021	The agreed switch reading was not applied resulting in under submission of 19 kWh. The end of day reading was applied instead. Refer to further comments below regarding multiple reads for the same day. The calculation methodology is correct.
g	Continuous ICP with a read during the month	0000017330EAEBB - July 2021	The calculation methodology is correct, but MADRAS was supplied with incorrect readings. Datahub was changed to include a new read type of "historic estimate" to be used as a permanent estimate if required. It was intended that this estimate would be calculated as a straight line from two actual readings, but checks showed this was not the case. These estimates were supplied to MADRAS as actual readings, leading to inaccurate HE calculations.
h	Continuous ICP without a read during the month	0000012517UN725 - June 2021	The calculation methodology is correct, but MADRAS was supplied with incorrect readings. Datahub was changed to include a new read type of "historic estimate" to be used as a permanent estimate if required. It was intended that this estimate would be calculated as a straight line from two actual readings, but checks showed this was not the case. These estimates were supplied to MADRAS as actual readings, leading to inaccurate HE calculations.
i	Rollover Reads	0011005295PC73D - June 2021	The calculation is correct, but the shape file was not loaded for June 2021, leading to all consumption being FE rather than HE until the shape file was loaded. There is now a monthly manual check to ensure shape files are loaded.
j	Unmetered load for a full month	0000004593TE40A - July 2021	Readings sent to MADRAS are rounded to zero decimal places so unmetered load was reported as 13 kWh instead of 12.4 kWh.
k	Unmetered load for a part month	0015822332ELDED - June 2020	Readings sent to MADRAS are rounded to zero decimal places so unmetered load was reported as 15 kWh instead of 15.6 kWh.
l	Network/GXP/Connection (POC) alters partway through a month.	0008280155HBA81 - June 2021	Permanent estimates are manually calculated for the day of the change and the calculation was correct.
o	ICP has a meter with a multiplier greater than 1	0000002376CE663 - July 2021	Readings sent to MADRAS are rounded to zero decimal places, but the readings for this ICP

Test	Scenario	CTCS ICP and month	Issue
			should have decimal places after the multiplier is applied.

Multiple reads for the same day

Simply Energy provided the following explanation regarding the issue of two reads for the same day:

Issue found where data sent to MADRAS includes two reads on the switch in date for some ICPs. The first read is the actual CS reading, and the second is an AMI provider supplied reading. Where the value of the AMI provider reading is > switch in reading, this is incorrectly used instead of switch reading as the start read value for NHHVOLS calculations. IT released a change to address this on 17 September 2021 (effective from 18 August 2021) by never sending two readings on the same date and always prioritising switch event reads over other reading types.

Analysis of current LIS file shows that 25% of all Submission NHH = Y ICPs switched into us in October 2020 - then analysis of all StartService files for October, November and December 2020 for CTCS (which represents the majority of ICPs) shows that of all unique StartService ICPs sent to MADRAS, only 3.4% were impacted by this issue. Total volume under-reported was ~ 1,300kWh in total for that period. Given total NHH volumes submitted (excluding DST) for 202010 was ~ 3,800,000; average impact to accuracy of NHH vols is about 0.03% based on this analysis.

Second highest switch-in month for Submission NHH = Y was February 2021 (representing 10% of all switches), analysis for CTCS shows 3.4% of these ICPs were impacted with undersubmission of ~600kWh or 0.01%.

Fix for all historic ICPs underway starting with next M14 period (identify ICPs impacted and revise reading data sent to MADRAS for each).

The calculations were found to be compliant where they had occurred:

Test	Scenario	Test expectation	CTCX result	CTCS result
a	ICP becomes Active part way through a month	Consumption is only calculated for the Active portion of the month.	Has not occurred	Compliant
b	ICP becomes Inactive part way through a month.	Consumption is only calculated for the Active portion of the month.	Has not occurred	Compliant
c	ICP become Inactive then Active again within a month.	Consumption is only calculated for the Active portion of the month.	Has not occurred	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.	Has not occurred	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.	Has not occurred	Compliant
f	ICP switches out then back in within a month	Consumption is calculated for each day of responsibility.	Has not occurred	Has not occurred
g	Continuous ICP with a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant	Compliant

Test	Scenario	Test expectation	CTCX result	CTCS result
h	Continuous ICP without a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Has not occurred	Compliant
i	Rollover Reads	Consumption is calculated correctly in the instance of meter rollovers.	Has not occurred	Has not occurred
j	Unmetered load for a full month	Consumption is calculating based on daily unmetered kWh for full month.	Has not occurred	Compliant
k	Unmetered load for a part month	Consumption is calculating based on daily unmetered kWh for active days of the month.	Has not occurred	Compliant
l	Network/GXP/Connection (POC) alters partway through a month.	Consumption is separated and calculated for the separate portions of where it is to be reconciled to.	Has not occurred	Compliant
m	ICP with a customer read during the month	Customer reads are not used to calculate historic estimate, unless they have been validated against actual readings from another source.	Has not occurred	Compliant
n	ICP with a photo read during the month	Photo reads are not used to calculate historic estimate, unless they have been validated against actual readings from another source.	Has not occurred	Compliant
o	ICP has a meter with a multiplier greater than 1	The multiplier is applied correctly	Compliant	Compliant

Audit outcome

Compliant

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

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

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

Audit observation

The process to create forward estimates was reviewed.

Forward estimates were checked for accuracy by analysing the GR170 file for variances between revisions over the audit period.

Audit commentary

CTCT

Contact's forward estimates are calculated using the following methods, in order of priority:

1. daily average consumption with temperature adjustment from an average at the same time the previous year,
2. daily average consumption from the previous read to read period with temperature adjustment,
3. the daily average kWh received in the incoming CS file apportioned between all the connected meters, and
4. 25 kWh per day for X flow meters and 0 kWh per day for I flow meters.

If an ICP is vacant, daily average consumption of zero is applied for forward estimate.

A Forward Estimate Robot process reviews any ICPs with forward estimate over 10,000 kWh. The Robot checks whether the reads applied for forward estimate are aligned with the consumption history. If they are aligned, the case is closed. If they are not aligned, the forward estimate is zeroed out, and an exception is generated and logged.

Forward estimate is monitored as part of the pre-submission checks, and any anomalies are investigated.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within 15% and within 100,000kWh. The table below shows the number of balancing areas where this target was not met.

CTCT Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Mar 2020	-	-	1	2	269
Apr 2020	2	27	28	33	269
May 2020	-	-	-	-	269
Jun 2020	-	1	1		269
Jul 2020	-	-	-		269
Aug 2020	-	-	-		270
Sep 2020	2	4	4		272
Oct 2020	2	3	3		272
Nov 2020	2	3	2		272
Dec 2020	2	2	2		271

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Jan 2021	3	3			273
Feb 2021	2	3			273
Mar 2021	2	2			274
Apr 2021	2				274
May 2021	2				275
June 2021	2				275

CTCT total variation between revisions at an aggregate level

Month	Revision 1	Revision 3	Revision 7	Revision 14
Mar 2020	0.90%	1.60%	1.63%	1.31%
Apr 2020	5.35%	23.97%	24.61%	24.65%
May 2020	-1.10%	-1.76%	-1.97%	-2.07%
Jun 2020	-1.18%	-2.32%	-2.70%	
Jul 2020	-0.76%	-2.61%	-2.86%	
Aug 2020	2.01%	1.24%	1.30%	
Sep 2020	2.01%	2.66%	2.63%	
Oct 2020	1.88%	2.58%	2.43%	
Nov 2020	1.14%	2.03%	1.76%	
Dec 2020	1.75%	1.66%	1.46%	
Jan 2021	2.38%	2.69%		
Feb 2021	1.12%	0.90%		
Mar 2021	-0.09%	0.31%		

Month	Revision 1	Revision 3	Revision 7	Revision 14
Apr 2021	-2.47%			
May 2021	-1.22%			
Jun 2021	-1.17%			

I checked all differences over the threshold since January 2021, and found the issues were primarily because forward estimate was too high or low in relation to the actual readings when they were received. Some of the differences were due to irrigation ICPs, where it's difficult to estimate the consumption because it's not predictable. There was an issue with incorrect forward estimates for 17 ICPs with Influx AMI meters. SAP was not set up to correctly identify the registers required for submission. Over submission of approx. 115,000 kWh occurred for February 2021.

As recorded in the previous audit report, since September 2020, Contact has been using AMI midnight reads for submission, which are accurate, but still recorded as estimates because they haven't been billed, therefore they haven't been through the complete validation process. The accuracy of forward estimate has improved over time as a result.

CTCX and CTCS

EMS' forward standard estimate process is based on a "straight line" methodology, and where no historical information is available a "forward default" estimate of 55 kWh per day is used. The process for forward standard estimate calculation was checked and confirmed as accurate.

Simply Energy monitors differences between revisions using its Power Query tool.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within 15% and within 100,000kWh. The table below shows the number of balancing areas where this target was met.

CTCX Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Mar 2020	-	-	-	-	2
Apr 2020	-	-	-	-	1
May 2020	-	-	-	-	1
Jun 2020	-	-	-		1
Jul 2020	-	-	-		1
Aug 2020	-	-	-		1
Sep 2020	-	-	-		1

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Oct 2020	-	-	-		1
Nov 2020	-	-	-		1
Dec 2020	-	-	-		1
Jan 2021	-	-			1
Feb 2021	-	-			2
Mar 2021	-	-			2
Apr 2021	-				2
May 2021	-				2
June 2021	-				2

CTCX total variation between revisions at an aggregate level

Month	Revision 1	Revision 3	Revision 7	Revision 14
Mar 2020	0.06%	0.53%	0.54%	0.53%
Apr 2020	1.90%	-38.03%	-38.20%	-37.99%
May 2020	-12.37%	-50.17%	-49.81%	-50.14%
Jun 2020	16.05%	7.62%	7.70%	
Jul 2020	-0.01%	-0.21%	0.64%	
Aug 2020	0.00%	-0.05%	0.73%	
Sep 2020	-29.14%	-36.64%	-36.63%	
Oct 2020	-0.54%	-5.14%	-5.12%	
Nov 2020	-7.32%	-6.78%	-5.44%	
Dec 2020	0.00%	2.22%	1.97%	

Month	Revision 1	Revision 3	Revision 7	Revision 14
Jan 2021	0.39%	2.19%		
Feb 2021	-3.37%	-3.85%		
Mar 2021	0.00%	4.67%		
Apr 2021	0.00%			
May 2021	0.00%			
June 2021	0.00%			

CTCS Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Mar 2020	-	-	-	-	12
Apr 2020	-	-	-	-	14
May 2020	-	-	-	-	14
Jun 2020	-	-	-		19
Jul 2020	2	2	2		56
Aug 2020	1	1	1		56
Sep 2020	-	-	-		56
Oct 2020	-	-	-		56
Nov 2020	2	2	1		73
Dec 2020	-	1	1		83
Jan 2021	-	-			80
Feb 2021	-	2			89
Mar 2021	-	-			90

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Apr 2021	-				92
May 2021	-				93
June 2021	-				93

CTCS total variation between revisions at an aggregate level

Month	Revision 1	Revision 3	Revision 7	Revision 14
Mar 2020	-22.73%	-67.98%	-74.49%	-81.84%
Apr 2020	-59.24%	-55.49%	-75.08%	-72.96%
May 2020	0.00%	-22.36%	-49.27%	-45.85%
Jun 2020	-83.46%	-80.86%	-81.77%	
Jul 2020	77.32%	75.01%	64.83%	
Aug 2020	16.97%	6.02%	11.59%	
Sep 2020	2.23%	3.86%	4.54%	
Oct 2020	41.62%	28.01%	3.31%	
Nov 2020	-1.93%	-19.42%	-19.14%	
Dec 2020	0.65%	-15.80%	-18.25%	
Jan 2021	0.36%	-0.76%		
Feb 2021	0.02%	1.19%		
Mar 2021	0.52%	-0.53%		
Apr 2021	-0.07%			
May 2021	-1.12%			
Jun 2021	-0.04%			

I checked all differences over the threshold for November 2020, December 2020, and February 2021.

The main reason for the differences were because unmetered load was submitted as forward estimates based on 55 kWh per day and was subsequently corrected. There was one meter reading error that was not identified by validation.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.12 With: Clause 6 Schedule 15.3 From: 01-Mar-21 To: 20-Oct-21	**CTCT** Inaccurate FE caused the thresholds not to be met in some instances. **CTCS** Thresholds were not met for some revisions due to unmetered load estimates being based on 55 kWh per day. There was one meter reading error. 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 because they mitigate risk most of the time but there is room for improvement. The impact is low because Initial data is replaced with revised data and washed up.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT The April 2020 FE inaccuracy was due to the first Covid lockdown where our estimation algorithm could not cope this with scenario. The other consumption periods were due to either corrupt estimations (Influx meters) or NSPs where there is a prevalence of irrigation load. We are actively working with our AMI MEPs to increase the number of irrigation ICPs with AMI metering to improve the read performance therefore reducing the risk of inaccurate estimations. **CTCS** The material change audit approved (August 2021) has corrected the 55 kWh per day on UML sites.	**CTCT** **CTCS** 31/08/2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCS Where thresholds are not met, they are reviewed as part of our reconciliation revision analysis to understand issue, however as the issue is primarily caused by having and submitting more accurate data (in place of estimate data), this will not stop the non-compliance but does provide rigour and regular feedback to our data management processes and reconciliation.	**CTCS** Ongoing	

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

CTCT

All profile changes are conducted using an actual meter reading on the day of and/or the day before the profile change. I reviewed a sample of 15 profile changes and confirmed all were changed on an actual or permanent estimate reading.

CTCX and CTCS

Simply Energy's policy is to complete profile changes on actual or permanent estimate readings.

CTCX	Review of the event detail report did not identify any ICPs with profile changes.
CTCS	Two downgrades and one profile change from RPS to RPS PV1 occurred. All changes occurred on actual readings.

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

No report aggregation discrepancies were identified. 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.

The submitted data was also compared to billed data and appeared reasonable.

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 5, the second digit is rounded up, and

If the digit to the right of the second decimal place is less than 5, 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. AV130 submissions were reviewed in **section 12.6**.

Audit commentary

Submission information is appropriately rounded to no more than two decimal places for CTCT, CTCS and CTCX.

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 to confirm that historic estimate requirements were met.

Audit commentary

CTCT

The quantity of historical estimates is contained in the submission file and is not a separate report. The proportion of historic estimate in the revision files was checked for nine reports, and the table below shows that compliance has not been achieved in all instances.

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Feb 2020			354	358
Mar 2020			354	358
Apr 2020			353	357
Sep 2020		345		360
Oct 2020		346		360
Nov 2020		344		360
Jan 2021	333			361
Feb 2021	338			361
Mar 2021	343			362

The table below shows that the percentage HE at a summary level for all NSPs is well above the required targets for 3 and 7-month revisions, but below the required target for the 14-month revision.

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Feb 2020	-	-	99.96%
Mar 2020	-	-	99.96%
Apr 2020	-	-	99.97%
Sep 2020	-	99.32%	-
Oct 2020	-	99.26%	-
Nov 2020	-	99.24%	-
Jan 2021	96.60%	-	-
Feb 2021	96.56%	-	-
Mar 2021	96.67%	-	-

As discussed in **section 6.8**, there are processes in place monitor read attainment, and attempt to resolve issues preventing read attainment. Permanent estimates are only entered where the readings can be validated against a set of actual validated readings, which has affected historic estimate proportions for revision 14.

CTCX

The quantity of historical estimates is contained in the submission file and is not a separate report. The proportion of historic estimate in the revision files was checked for nine reports, and the table below shows that compliance has not been achieved in all instances. The two main reasons are that meter readings are not always obtained and MADRAS labels some HE as FE when shape files are not available.

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Feb 2020			1	2
Mar 2020			1	2
Apr 2020			0	1
Sep 2020		1		1
Oct 2020		1		1

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Nov 2020		1		1
Jan 2021	1			2
Feb 2021	1			2
Mar 2021	1			2

The table below shows that the percentage HE at a summary level for all NSPs is well above the required targets for 3 and 7-month revisions, but below the required target for the 14-month revision.

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Feb 2020	-	-	99.41%
Mar 2020	-	-	98.25%
Apr 2020	-	-	97.58%
Sep 2020	-	92.41%	-
Oct 2020	-	100.00%	-
Nov 2020	-	100.00%	-
Jan 2021	92.71%	-	-
Feb 2021	99.60%	-	-
Mar 2021	97.17%	-	-

CTCS

The quantity of historical estimates is contained in the submission file and is not a separate report. The proportion of historic estimate in the revision files was checked for nine reports, and the table below shows that compliance has not been achieved in all instances. The two main reasons are that meter readings are not always obtained and MADRAS labels some HE as FE when shape files are not available.

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Mar 2020			15	10

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Apr 2020			15	9
May 2020			22	14
Jun 2020			82	50
Sep 2020		49		82
Oct 2020		71		144
Nov 2020		71		153
Jan 2021	57			149
Feb 2021	65			158
Mar 2021	71			158

The table below shows that the percentage HE at a summary level for all NSPs is below the required target for the three and 14-month revisions.

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Mar 2020	-	-	90.94%
Apr 2020	-	-	89.97%
May 2020	-	-	92.15%
Jun 2020	-	-	90.72%
Sep 2020	-	80.25%	-
Oct 2020	-	77.97%	-
Nov 2020	-	76.86%	-
Jan 2021	62.86%	-	-
Feb 2021	67.15%	-	-

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Mar 2021	72.66%	-	-

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 13.3 With: Clause 10 of Schedule 15.3 From: 01-Mar-20 To: 31-Mar-21	**CTCT** Historic estimate thresholds were not met for some revisions. **CTCS** Historic estimate thresholds were not met for some revisions. **CTCX** Historic estimate thresholds were not met for some revisions. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 4
Audit risk rating	**Rationale for audit risk rating**
Medium	The controls are rated as strong for CTCT because in most cases the thresholds were met. The controls for CTCS are weak leading to a large proportion of the submission quantities being estimated. Overall, the controls are recorded as moderate. The audit risk rating is medium, because the lack of actual data for CTCS leads to inaccurate submissions, as recorded in section 12.7.

Actions taken to resolve the issue	Completion date	Remedial action status
CTCT We continue to work with our non-AMI meter reading provider to improve read attainment and to also target the long term no access properties **CTCS/CTCX** We are unable to resolve the noncompliance on historic estimate thresholds.	**CTCT** **CTCS/CTCX** Not Applicable	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	

CTCS/CTCX Our No Reads Process is being re-designed to ensure this identifies events and investigation/remediation can commence in a timelier manner. Actions to be implemented include importing and reporting on metering events for AMI meters, importing notes from manual readers, implementation of templated customer communication around no access, special read requests, etc. This will be managed by a combination of our Operational and customer-facing teams.	**CTCS/CTCX** 31/01/2022	

14. GLOSSARY

AC breach	AC arrival date is more than 5 business days after receipt of replace switch reading (RR) where the switch re-read is rejected.
AN breach for switch move	AN arrival date is more than 5 business days after receipt of the NT, where the AN arrives immediately after the NT
AN breach for transfer switch	AN arrival date is more than 3 business days after the NT arrival date, where the AN arrives immediately after the NT
AW breach	AW arrival date is more than 5 business days after receipt of the NW
CS breach for switch move	CS arrival date is more than 5 business days after receipt of the NT AND, before delivery of the CS and No NW notice has been provided, AND no AN notice has been provided OR an AN notice is provided, and the NT Proposed Transfer Date matches the AN Expected Transfer Date).
CS breach for transfer switch	CS arrival date is more than 3 business days after receipt of the NT where the CS arrives immediately after the NT.
E2 breach for switch move	NT Proposed Transfer Date and CS Actual Transfer date do not match; AND CS Actual Transfer Date is a) earlier than the NT Proposed Transfer Date; OR b) more than 10 business days after receipt of the NT.
E2 breach for transfer switch	CS Actual Transfer Date is more than 10 business days after receipt of the NT.
ET breach for transfer switch	(no breach is generated, included here for completeness)
ET breach for switch move	AN Expected Transfer Date is earlier than the NT Proposed Transfer Date; OR AN Expected Transfer Date is more than 10 business days after NT arrival date
NA breach	NW arrival date is more than 2 calendar months after the CS Actual Transfer Date.
RR breach	RR arrival date is more than 4 calendar months from the CS Actual Transfer Date.
SR breach	NW arrival date is more than 10 business days after the initial NW for the same trader requesting the withdrawal. The trader sending the corresponding AW (either accepting or rejecting the withdrawal) only receives a breach on the AW if it is sent more than 5 days after the latest NW as in the original rule.
T2 breach for switch move	CS arrival date is more than 5 business days after receipt of the NT AND, before delivery of the CS No NW notice has been provided, AND (no AN notice has been provided OR an AN notice is provided, and the NT Proposed Transfer Date matches the AN expected Transfer Date).

T2 breach for transfer switch	CS arrival date is more than 3 business days after receipt of the NT where the CS arrives immediately after the NT
WR breach	An AN or CS arrival date (whichever is applicable, may be one or both) are delivered by the losing Trader more than 2 business days of the arrival date of the AW rejecting the withdrawal; AND a subsequent NW is not provided before delivery of the AN or CS.

CONCLUSION

Contact uses the CTCT, CTCS and CTCX participant codes.

- CTCT is managed directly by Contact and is used for NHH ICPs, HHR ICPs and generation.
- CTCS is managed by **Simply Energy Limited (Simply Energy)** as Contact's agent. CTCS customers are supplied by the Contact Energy brand and may be billed and settled as HHR, NHH or DUML.
- CTCX is managed by Simply Energy as Contact's agent. CTCX customers are supplied by the Simply Energy or Plains Power brands brand but receive Contact Energy pricing and therefore are assigned to a Contact Energy trader code. They are billed as HHR but may be settled as NHH if their metering does not meet HHR certification requirements.

Simply Energy produces HHR submissions for CTCS and CTCX, and EMS produces NHH submissions for CTCS and CTCX.

Unless otherwise specified, the processes and non-compliances described in the report apply to all codes.

CTCT

CTCT has continued to improve processes for registry management and switching.

- The timeliness of updates for new connections has improved, and there were only a small number of late files for switching, which occurred during a period with resourcing issues early in the audit period.
- Registry data and switching data accuracy has generally improved, with increased monitoring and resolution of some switching data accuracy issues found in previous audits. There has been an increase in the number of registry data corrections processed, which has improved data accuracy but resulted in some backdated status and trader updates.
- Progress is being made with confirming historic unmetered loads and investigating long term unmetered BTS ICPs to determine whether they should be metered.

CTCT has also made steady improvements in the reading and reconciliation area during the audit period.

- Progress has continued to be made with investigating and resolving issues affecting submission accuracy, such as settlement unit issues.
- Meter reading attainment figures continue to improve, which has flow on affects to submission accuracy.

The following key areas require some improvement to increase compliance:

- **Delays in resolving data discrepancies and processing BPEMs**
  As recorded in the previous audit, there can be delays in processing some BPEMs (Billing Process Exception Management) or reviewing exception reports where they are considered to be lower priority. In the previous audit, I found the delays were caused by staffing changes, workloads and other work being prioritised above resolving the exceptions. During this audit period, staff have been trained and settled into their new and changed roles and the frequency of exception reviews has generally increased particularly later in the audit period. I found that many of the registry data inaccuracies identified during this audit, such as incorrect status dates and failed registry updates, would have been detected and resolved prior to the audit if exceptions had been more closely managed.
- **Switching AN and CS accuracy and timeliness**
  While some issues identified in previous audits have been resolved, there are still some issues affecting small groups of ICPs including actual switch event readings classified as estimates, invalid zero average daily kWh, and non-compliant switch event dates. These issues are currently being investigated by CTCT's ICT team.
- **Distributed unmetered load**

Some distributed unmetered load issues are still existing, leading to incorrect submission information. Some audit reports are overdue. Most of the databases have now moved to CTCS.

- **Proportion of HE at 14 months**
  Not all estimated reads are replaced by actual reads or permanent estimates by the 14-month revision.

CTCS and CTCX

Management of the registry and switching areas has improved overall since the last audit. Additional resource has been added to the Operations team. Whilst the improvement in timeliness of updates for registry and switching activities isn't evident in this audit as it covers the period where there was a lack of resource and backdated corrections have been made, this is expected to be more evident in the next audit.

Simply Energy have accepted read changes, but they were not processing these due to resource constraints between 1 March 2021 to 30 September 2021. This affected approximately 650 ICPs across both transfer and switch moves. These are being reviewed and corrected. For those within the 14-month revision period the corrections will flow through the revision cycle. Those outside of the revision cycle will be evaluated on a case-by-case basis as to how these are best resolved. Going forward these are being processed as part of BAU from 1 October 2021.

I have recommended the processes for backdated switches and the management of status changes be reviewed and training be given so the level of accuracy in these areas will improve.

Simply Energy have been unable to determine why the average daily consumption is not being calculated correctly so an excel spreadsheet is being used to calculate these manually and until this can be resolved.

Improvements have been made to the high-level controls to ensure reconciliation information is complete and accurate. Further strengthening of controls is in progress. There are still many issues causing inaccurate submissions, mostly for the CTCS code. The main issues are as follows:

- Variances between revisions are large due to the high number of estimates conducted during early revisions. A forward default estimate of 55 kWh per day is used regardless of customer size.
- Readings used for submission do not always reflect readings agreed in the RR process.
- Replacement HHR data does not always get loaded to replace estimates.
- Most DUML databases have switched to CTCS. Four of the audit reports have not been submitted to the Authority and are up to six months overdue. There are a large number of inaccuracies within some databases.
- NHH manual meter reading processes are yet to be developed.
- Meter readings are rounded when imported into MADRAS, leading to inaccurate unmetered load submissions where "dummy" meters are present.
- Datahub was changed to include a new read type of "historic estimate" to be used as a permanent estimate if required. It was intended that this estimate would be calculated as a straight line from two actual readings, but checks showed this was not the case. These estimates were supplied to MADRAS as actual readings, leading to inaccurate HE calculations.
- Incorrect labelling of HE as FE where shape files are not available.

During the previous audit it was recorded that the two most urgent actions, were to increase the level of appropriately trained personnel and to strengthen the controls. As mentioned above, controls have improved, and further improvements are underway. Staffing levels have increased, however there is still a heavy reliance on a small number of experienced personnel, who are required to process transactions, manage controls and pass knowledge to new staff.

It was also indicated during the previous audit that in order to resolve a number of the non-compliances, Simply intended to develop a NHH Data Administration capability within Datahub to eliminate the reliance on the Madras system. The decision has been made that Datahub development will not occur immediately; instead, Simply will continue to implement processes and systems internally to ensure the interface with Madras is more robust with stronger controls. Compliance has already improved as a result of this initiative. Simply has commenced a thorough review of the NHH DA system/provider for the CTCS and CTCX codes. A requirements document has been prepared, and analysis of options is underway including, but not limited to, further development of the existing system, migration to an established, compliant, off-the-shelf system, or a new system build. The selection of a provider is due to be made by the end of January 2022 (following the options analysis), with delivery of the approved option during 2022.

Conclusion

The audit found 39 non-compliance issues and 20 recommendations are made.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of 106, which is an improvement on the previous score of 137, and which results in an indicative audit frequency of three months.

Eight areas have weak controls, and these require urgent attention.

I have considered this in conjunction with Contact's responses and recommend that the next audit is undertaken in nine months, which recognises that improvements have been made and many more are in progress and allows resources to be focussed on development and not audit preparation. Nine months also ensures appropriate audit oversight within a reasonable period of time.

PARTICIPANT RESPONSE