ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT

VERITEK

For

SIMPLY ENERGY LIMITED

Prepared by: Rebecca Elliot

Date audit commenced: 21 May 2020

Date audit report completed: 17 August 2020

Audit report due date: 28 August 2020

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EXECUTIVE SUMMARY

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

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

Simply Energy have procedures in place to ensure compliance, but the manual nature of some of these processes, workloads, and competing priorities have meant that the processes have not always been followed as intended (e.g. some validations have been completed less frequently or as spot checks rather than full checks) or not completed on time (e.g. meters were set up late, or temporary HHR estimates were not created in some cases). Workloads have increased significantly during the audit period with the addition of the CTCX and CTCS codes, and migrations of customers to these new codes.

This resulted in a decrease in compliance particularly in the reconciliation area because there is insufficient time and resource to thoroughly validate data and correct any errors prior to submission.

Some key areas of non-compliance were identified:

- a small number of inaccuracies in switching files and registry updates, largely due to manual data processing errors – in two of the examples checked the expected reads were not used resulting 1,415kWh of under submission,
- it was discovered during the audit that the automatic update from Datahub to SalesForce stopped working in May 2019 and appears to have started working again from April 2020, therefore, the average daily consumption was not reported correctly for manually read ICPs in the CS files,
- the issue identified in the last audit where the Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification when the last two actual validated readings are less than 21 days apart remains,
- NHH and HHR validation processes for actual readings and volumes which are lower than estimates require some improvement, to ensure that valid actual readings and volumes are not ignored in the submission process, and
- validation processes for readings sent to MADRAS are not consistently identifying missing or incorrect readings prior to submission.

Some improvements have been made:

- reconnection updates to registry for SIMP have improved from an average of seven days and 59% compliance to an average of four days and 88% compliance, and
- unmetered load is well managed.

The audit found 35 non-compliance issues and makes ten recommendations.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The future risk rating score is 66, resulting in an indicative audit frequency of three months. 31 of the 35 non-compliances have strong or moderate controls in place, and one non-compliances has already been cleared. I have considered this, along with Simply Energy's comments and proposed actions which confirm they intend to investigate and resolve the remaining issues. I recommend a next audit period of 10 months.

The matters raised are shown in the tables below:

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Relevant information	2.1	11.2 & 15.2	Some inaccurate data is recorded and was not updated as soon as practicable. At least two examples found where the incorrect reads were used in the switching process resulting in under submission of 1,415 kWh. Some submission data was inaccurate and was not corrected at the next available opportunity.	Moderate	Low	2	Identified
Audit trails	2.4	21 Schedule 15.2	SalesForce user IDs are shared, and the audit trails do not record the individual user who made the change.	Strong	Low	1	Investigating
Electrical Connection of Point of Connection	2.11	10.33A	*SIMP* Four new connections were not certified within five business days of the initial electrical connection. Two reconnections were not certified within five business days of the initial electrical connection. *SELS* One new connection was not certified within five business days of the initial electrical connection.	Moderate	Low	2	Identified
Changes to registry information	3.3	10 Schedule 11.1	*SIMP* • 52 late status updates. • 141 late trader updates. • 14 late ANZSIC code updates. *SELS* • Two late status updates. • One late trader update. • One late ANZSIC code update. *SELS* • Four late status updates. • Four late trader updates. • Two late ANZSIC code updates.	Moderate	Low	2	Identified
Provision of information to the registry manager	3.5	9 Schedule 11.1	*SIMP* • 90 late updates for new connections. • One ICP electrically connected but still at "Ready" on the registry.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			• Two incorrect active dates applied. *SELX* • Two late updates for new connections. *SELX* • Five late updates for new connections. • One ICP electrically connected but still at "Ready" on the registry. • One incorrect active date applied.				
ANZSIC codes	3.6	9 (1(k)) of Schedule 11.1	*SIMP* At least three ICPs with the incorrect ANZSIC codes assigned.	Strong	Low	1	Identified
Management of "active" status	3.8	17 Schedule 11.1	*SIMP* • One ICP electrically connected but still at the "Ready" status on the registry. • Two incorrect active dates applied. *SELX* • One ICP electrically connected but still at the "Ready" status on the registry. • One incorrect active date.	Moderate	Low	2	Identified
Losing trader must provide final information - standard switch	4.3	5 Schedule 11.3	*SIMP* • Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing, and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next. • One transfer CS file of those sampled sent as an estimate but was an actual read. • One transfer CS file of those sampled with the incorrect last read date. *SELX & SELS* • Average daily kWh not calculated correctly for manually read ICPs due to the automatic update	Weak	Low	3	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			process failing, and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next.				
Gaining trader informs registry of switch request - switch move	4.7	9 Schedule 11.3	*SELS* All five NTs sampled had an incorrect switch type applied.	Strong	Low	1	Identified
Losing trader provides information - switch move	4.8	10(1) Schedule 11.3	*SELX* Two late CS files.	Strong	Low	1	Identified
Losing trader must provide final information - switch move	4.10	11 Schedule 11.3	*SIMP* • Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next. • One switch move CS file with an incorrect last read date. • One switch move CS file with an incorrect switch event read type. *SELS* • Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next. *SELX* • Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next. • One switch move CS files with an incorrect last actual read date. • Three switch move CS files with incorrect switch event read type.	Weak	Low	3	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Gaining trader changes to switch meter reading - switch move	4.11	6(1) and 6A Schedule 11.3	*SELS* • One switch move RR was not supported by two validated actual readings. *SELX* • For one ICP, the readings in DataHub did not reflect the outcome of the RR process. • For one ICP, the readings in Datahub did not reflect the read received in the CS file and no RR was issued.	Moderate	Low	2	Identified
Gaining trader informs registry of switch request - gaining trader switch	4.14	16 Schedule 11.3	*SIMP* One late CS file.	Strong	Low	1	Identified
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	*SIMP* Two late NW files. *SELX* Two late NW files.	Strong	Low	1	Identified
Electricity conveyed & notification by embedded generators	6.1	10.13	*SELS* Notification of gifting of generation had not been provided for 0001173611PC6E2, and the injection quantities were not quantified in the meantime. Notification of gifting was provided on 24/08/20.	Strong	Low	1	Cleared
Collection of information by certified reconciliation participant	6.5	2 Schedule 15.2	*SIMP* Event log not downloaded for ICP 0000518204NR36D.	Moderate	Low	2	Identified
NHH meter reading application	6.7	6 Schedule 15.2	*SELX* • For one ICP, the readings in DataHub did not reflect the outcome of the RR process. • For one ICP, the readings in Datahub did not reflect the read received in the CS file and no RR was issued.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Interrogate meters once	6.8	7(1) and (2) Schedule 15.2	*SIMP* For three ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELX* For one ICP unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Moderate	Low	2	Identified
NHH meters interrogated annually	6.9	8(1) and (2) Schedule 15.2	The meter reading frequency reports include some ICPs which have been withdrawn or switched away prior to the period being reported. An IT ticket was raised to investigate and resolve this issue following the audit, and revised reports were provided showing that withdrawn, switched, and decommissioned ICPs are now correctly excluded. *SIMP* For at least one ICP unread in the previous 12 months, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Strong	Low	1	Identified
NHH meters 90% read rate	6.10	9(1) and (2) Schedule 15.2	*SIMP* For at least three ICP unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Moderate	Low	2	Identified
HHR interrogation data requirement	6.13	11(2) Schedule 15.2	*SIMP* Event log not downloaded during interrogation of ICP 0000518204NR36D.	Moderate	Low	2	Identified
Identification of readings	9.1	3(3) Schedule 15.2	*SIMP* At least three switch event readings were incorrectly classified as estimated or actual. *SELX* At least three switch event readings were incorrectly classified as estimated or actual.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Meter data used to derive volume information	9.3	3(5) Schedule 15.2	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. Customer readings are not consistently entered into Datahub with decimal places where this information is provided by the customer. Any NHH data recorded with decimal places in Datahub is rounded to the nearest whole number when exported to EMS' MADRAS for reconciliation.	Weak	Low	3	Identified
Half hour estimates	9.4	15 Schedule 15.2	*SELS* HHR estimated data is not replaced with actual data if the actual trading period volumes are lower than the estimated volumes. ICP 0000014504EACAF had actual data for the first four trading periods of 25/06/20 replaced with null values and then estimated, when the MEP provided a partial replacement file. The issue occurred because Datahub imported the whole file including the null periods.	Moderate	Medium	4	Investigating
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	*SIMP* Event log not downloaded during interrogation of ICP 0000518204NR36D.	Moderate	Low	2	Identified
Calculation of ICP days	11.2	15.6	*SIMP* Some ICP days were not reported correctly in April and May 2020 because there were delays in updating ICP end dates. Revised data will be provided before r14. *SELS* Some ICP days were not reported correctly in November	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			2019 because some end dates were incorrectly updated by the MADRAS workflow. Revised data will be provided before r14, and a system fix is being investigated.				
Electricity supplied information provision to the reconciliation manager	11.3	15.7	*SELS* The difference between billed and submission volumes is significant from March 2020 onwards, even when the invoice and reconciliation periods are aligned. Simply Energy intends to investigate the reasons for these differences, and submit revised data as required.	Moderate	Low	2	Investigating
HHR aggregates information provision to the reconciliation manager	11.4	15.8	HHR aggregates file does not contain electricity supplied information. *SIMP* ICPs 0000033673EAA96 and 0158947339LC9D1 were omitted from some HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICPs. EMS has corrected their system and revised data will be submitted through the revision process. ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22/01/20 on 24/01/20. *SELX* ICP 0000033673EAA96 was omitted from some HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICPs. *SELS* ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error. ICP 0000167296TR205 was	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22/01/20 on 24/01/20. HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20/07/20 and will be included in the next revision.				
Creation of submission information	12.2	15.4	*SIMP* NHH ICP 0007165486RN00D switched in effective from 20/04/20 on 22/04/20, but the unmetered load register was not created until June 2020 so the ICP was excluded from the April 2020 r0 and r1 and May 2020 r0. HHR ICPs 0000033673EAA96 and 0158947339LC9D1 were incorrectly excluded from HHR revision submissions produced from June 2020 onwards for SIMP. HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error. *SELS* HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Revisions have not been consistently produced for SELS, which can result in switch timing and data changes taking an extended period to wash out. Simply Energy intends to create all revisions from now on. *SELX*	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			HHR ICP 0000033673EAA96 was incorrectly excluded from HHR revision submissions produced from June 2020 onwards for SIMP.				
Allocation of submission information	12.3	15.5	*SIMP* Zero lines were not inserted for the following AV080 submissions • CSC0012 Jan 19 r14, Feb 19 r14, Jul 19 r7 • PWC0012 Dec 18 r14, Jan 19 r14, Feb 19 r14 • ASB0331 Jul 19 r7, Aug 19 r7 • TDS0011 Jul 19 r7 • NBS0011 Jan 20 r3 *SELS* Notification of gifting of generation had not been provided for 0001173611PC6E2, and the injection quantities were not quantified in the meantime. Notification of gifting was provided on 24/08/20. *SELX* Zero lines were not inserted for the following AV080 submissions • WPR0661 Feb 19 r14 • KMO0331 Jul 19 r7.	Moderate	Low	2	Identified
Accuracy of submission information	12.7	15.12	Some submission data was inaccurate and was not corrected at the next available opportunity.	Moderate	Low	2	Identified
Permanence of meter readings for reconciliation	12.8	4 Schedule 15.2	*SIMP and SELX* Some estimates are not replaced at R14.	Moderate	Low	2	Identified
Historical estimates and forward estimates	12.10	3 Schedule 15.3	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Moderate	Low	2	Identified
Forward estimate process	12.12	6 Schedule 15.3	*SIMP* The accuracy threshold was not met for all revisions for Mar-19 r1, Jul-19 r3, Nov-19 r1 and r3.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Historical estimate reporting to RM	13.3	10 of schedule 15.3	*SIMP* Historic estimate targets were not met for all months and revisions. *SELX* Historic estimate targets were not met for all months and revisions.	Strong	Low	1	Investigating
Future Risk Rating						66	

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

RECOMMENDATIONS

Subject	Section	Description	Recommendation
ICPs at new or ready for 24 months	3.10	Monitoring of ICPs at ready or new	I recommend Simply Energy run a registry list six monthly with: Status: 000 or 999 Proposed trader: SIMP, SELX, SELS End date: the day the report is run and compare the results to the ICPs Simply Energy expects to be at "new" or "ready" status. Any ICPs which appear to have been assigned in error can then be checked with the distributor.
Losing trader response to switch loss	4.2	AN response code hierarchy	Consider adding the MU (unmetered supply) and OC (occupied premises) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.
Electricity conveyed & notification by embedded generators	6.1	Notification of gifting	*SIMP* Provide a notification of gifting of generation to the reconciliation manager for ICP 0000518204NR36D. *SELX* Provide a notification of gifting of generation to the reconciliation manager for ICP 0001173611PC6E2.
Derivation of meter readings	6.6	Meter condition information	Review all meter condition information provided by Wells to identify any meter events which could affect accuracy.
NHH meter reading application	6.7	HHR upgrade process	SIMP, SELS and SELX Develop and test procedures to handle meter upgrades and downgrades which occur part way through a month, for use in the event of changes between meter categories 1-2, and meter categories 3 or higher.

Subject	Section	Description	Recommendation
HHR interrogation data requirement	6.13	Regarding clause 11(2) Schedule 15.2	*SIMP* EMS should keep a schedule of all manual downloads confirming that event logs have been received.
Half hour estimates	9.4	HHR estimation process	*SELS* Take HHR midnight readings into account (if available) when calculating HHR estimates.
Half hour estimates	9.4	HHR estimation for new ICPs	*SELS* Improve the HHR estimation process so that Datahub can apply estimates where data for an equivalent day is not available.
Half hour estimates	9.4	Replacement of estimates with actual data	*SELS* If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data. HHR actual data is not currently loaded if it is lower than previously estimated data for the same period. It is expected that HHR actual data will replace estimated data.
Half hour estimates	9.4	Replacement of actual data with actual data	*SELS* If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.
NHH metering information data validation	9.5	Validation of actual reads lower than previous estimates	Review the validation process for reads that fail validation because they are lower than previous estimates. In these situations, if the actual readings are confirmed to be accurate, they should be applied. Where revision 14 has already been issued, the permanent estimate process should be used to ensure that all consumption is captured.
Electronic meter readings and estimated readings	9.6	HHR validation of consumption patterns	*SELS* Validation of HHR consumption patterns should be completed at ICP level as well as aggregate level. Consider improving the checks for unexpected zeros to enable them to be completed more efficiently.
Electricity supplied information provision to the reconciliation manager	11.3	Billed versus submission differences	Differences between billed and submission data are monitored but should also be investigated to determine the causes and whether corrective action is required.
Allocation of submission information	12.3	Identification of reads missing from MADRAS	Conduct regular checks to ensure that: 1. Start and end dates are aligned in MADRAS and Datahub. 2. Start and end reads are present and consistent with expected values, including CS and accepted RR reads which have received an AMI reading on the same day.
Allocation of submission information	12.3	AV080 zeroing process	The zeroing process is currently completed for the AV110 but also needs to be completed for the AV080. Identify instances where an AV080 aggregation line has been reported in a previous revision, but not the current revision and add a zero line.

Subject	Section	Description	Recommendation
Permanence of meter readings for reconciliation	12.8	Determine reasons for unexpected forward estimate at BPE0331 for Feb 2019 r14	*SELX* Investigate why forward estimate remained for POCO-BPE0331 RPS BPE X N for Feb 2019 r14 and resolve any issues causing invalid forward estimate.
Forward estimate process	12.12	Application of multipliers for default forward estimate	Compare the default forward estimate x multiplier to average daily consumption for ICPs which have multipliers to determine whether the estimation process is impacting on submission accuracy and should be reviewed or revised.

ISSUES

Subject	Section	Description	Issue
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

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

Audit commentary

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

1.2. Structure of Organisation

1.3. Persons involved in this audit

Auditors:

Name	Company	Role
Rebecca Elliot	Veritek Limited	Lead Auditor
Tara Gannon	Veritek Limited	Supporting Auditor

Simply Energy personnel assisting with this audit were:

Name	Title
Heather McPherson	Billing and Operations Analyst
Hiros Bhaskaran	Business Intelligence Developer
Nicholas Stubby	Operations Analyst
Stephen Kemp	Market Operations Manager

EMS personnel assisting with this audit were:

Name	Title
Sunny Feng	Data Analyst

1.4. Use of Agents (Clause 15.34)

Code reference

Clause 15.34

Code related audit information

A reconciliation participant who uses an agent

- *remains responsible for the contractor's fulfilment of the participant's Code obligations*
- *cannot assert that it is not responsible or liable for the obligation due to something the agent has or has not done.*

Audit observation

Use of agents was discussed with Simply Energy.

Audit commentary

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

- EMS, EDMI and AMS gather HHR metering data and EMS completes HHR reconciliation for SIMP and SELX, and NHH reconciliation for all codes.
- Wells provides NHH metering data.
- Northpower periodically provides manual meter readings for their three substations which do not have AMI meters installed, because Simply Energy's other NHH meter readers cannot gain access to read the meters. Simply Energy had intended to upgrade all the meters read by Northpower to AMI, but three ICPs have not been upgraded. The affected meters were last read on 19/09/19. Simply Energy will follow up the upgrades and arrange for Northpower to continue to provide reads as necessary.

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

Datacol no longer supplies NHH meter readings to Simply Energy.

1.5. Hardware and Software

Simply Energy's processes use the following systems:

- meter reading data is imported into AXOS DataHub,
- validated readings are transferred to the AXOS billing engines (old billing for SIMP and SELX, and new billing for SELS) for billing and as billed reporting,
- validated readings are transferred to EMS' MADRAS system for reconciliation for NHH ICPs,
- SELS HHR reconciliation submissions are created using DataHub, and
- SalesForce is used for the management of ICP and customer information.

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

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

1.6. Breaches or Breach Allegations

Simply Energy has not had any breach allegations related to the scope of this audit recorded by the Electricity Authority during the audit period.

1.7. ICP Data

SIMP

The active ICPs from the list file are summarised by meter category in the table below. The 2020 list file was dated 07/06/20. 25 of the 32 ICPs with either a blank or a "9" metering category have unmetered load recorded. Seven active SIMP ICPs have no metering or unmetered load details recorded. Four ICPs had a MEP nomination processed and were awaiting a response or for metering data to be added to the registry. Three had metering removed on 15/04/20 and the ICP decommissioned on 15/06/20 when new LE ICPs were created for the creation of a new embedded network. The volumes associated with these ICPs were reconciled up until their decommission despite the MEP removing the metering from the registry.

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

Status	Number of ICPs (2020)	Number of ICPs (2019)	Number of ICPs (2018)	Number of ICPs (2017)	Number of ICPs (2016)	Number of ICPs (2015)
Active (2,0)	1,696	1,330	1,371	1,081	766	607
Inactive – new connection in progress (1,12)	13	24	3	-	1	4
Inactive – electrically disconnected vacant property (1,4)	22	19	16	14	6	8
Inactive – electrically disconnected remotely by AMI meter (1,7)	12	4	2	-	-	-
Inactive – electrically disconnected at pole fuse (1,8)	4	5	4	1	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	6	3	1	3	1	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	3	3	-	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	6	4	-	12	13	7
Inactive – reconciled elsewhere (1,5)	-	-	1	1	1	1
Decommissioned (3)	450	395	331	272	158	135

SELS

The active ICPs from the list file are summarised by meter category in the table below. The 2020 list file was dated 07/06/20.

Metering Category	2020	2019
1	395	5
2	9	-
3	1	-
4	-	-
5	-	-
9	-	-
Blank	-	-

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

SELX

The active ICPs from the list file are summarised by meter category in the table below. The 2020 list file was dated 07/06/20. The five ICPs with a blank metering category are unmetered SB ICPs.

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

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

1.8. Authorisation Received

Authorisation was received from Simply Energy.

1.9. Scope of Audit

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

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

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

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

Wells, EMS, EDMI and AMS' HHR agent audits will be submitted with this report.

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

1.10. Summary of previous audit

Simply Energy provided a copy of their previous audit report conducted in August 2019 by Tara Gannon of Veritek Limited. The summary tables below show the statuses of the non-compliances and recommendations raised in the previous audit. Further comment is made in the relevant sections of this report.

Subject	Section	Clause	Non-compliance	Status
Relevant information	2.1	15.2	*SIMP* • The profile change for 0000033597EA225 was processed effective from 16/01/19 instead of 15/01/19 and requires correction. • Two ICPs had incorrect inactive status reason codes applied. • Three ICPs temporarily had incorrect ANZSIC codes assigned. *SELX* Two ICPs temporarily had incorrect ANZSIC codes assigned.	Still existing
Audit trails	2.4	21 Schedule 15.2	EDMI's IE2 and DQM audit trails do not record the operator identifier for the person who completed the activity; operator identifiers correspond to a user group not an individual.	Still existing
Retailer responsibility for electricity conveyed - access to metering installations	2.6	10.7(2), (4),(5) and (6)	*SELX* Access was unable to be arranged for the MEP to re-certify the meter for ICP 0089251350PC2BF.	Cleared
Electrical Connection of Point of Connection	2.11	10.33A	*SIMP* One new connection was not certified within five business days of electrical connection. *SELX* Nine reconnections were not certified within five business days of electrical connection.	Still existing
Changes to registry information	3.3	10 Sch 11.1	*SIMP* • 73 late status updates. • 54 late MEP nominations. • 20 late trader updates. *SELX* • Four late status updates. • One late MEP nomination.	Still existing

Subject	Section	Clause	Non-compliance	Status
			17 late trader updates.	
Provision of information to the registry manager	3.5	9 Sch 11.1	*SIMP* • 46 late updates for new connections. • 0009502003LNDB9 had an incorrect status applied and was corrected during the audit. *SELX* One late update for a new connection.	Still existing
ANZSIC codes	3.6	9 (1(k)) of Sch 11.1	*SIMP* Three ICPs temporarily had incorrect ANZSIC codes assigned. *SELX* Two ICPs temporarily had incorrect ANZSIC codes assigned.	Still existing
Management of "active" status	3.8	17 Sch 11.1	*SIMP* 0009502003LNDB9 had an incorrect status applied and was corrected during the audit.	Still existing
Management of "inactive" status	3.9	19 Sch 11.1	*SIMP* Two ICPs had incorrect inactive status reason codes applied.	Cleared
Losing trader response to switch request and event dates - standard switch	4.2	3 and 4 Sch 11.3	*SIMP* Less than 50% of AN proposed event dates were within five business days of the NT receipt date. For all ANs which did not have dates within five business days of NT receipt, the proposed event date matched the gaining trader's requested date.	Cleared
Losing trader must provide final information - standard switch	4.3	5 Sch 11.3	*SIMP* • Three late CS files for transfer switches. • Three transfer CS files with incorrect switch event read types. • Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification. *SELX* • Three transfer CS files with incorrect last actual read dates.	Still existing

Subject	Section	Clause	Non-compliance	Status
			Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification.	
Retailers must use same reading - standard switch	4.4	6(1) and 6A Sch 11.3	*SIMP* One late RR file for a transfer switch.	Cleared
Gaining trader informs registry of switch request - switch move	4.7	9 Sch 11.3	*SELS* Five NTs had an incorrect switch type applied. *SELX* Four NTs had an incorrect switch type applied.	Still existing
Losing trader provides information - switch move	4.8	10(1) Sch 11.3	*SELX* An incorrect AN response code was provided for one ICP. OC was applied instead of AD.	Still existing
Losing trader must provide final information - switch move	4.10	11 Sch 11.3	*SIMP* • Seven late CS files for switch moves. • Three switch move CS files with incorrect last actual read dates. • One switch move CS files with an incorrect switch event read type. • Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification. *SELX* • Three late CS files for switch moves. • Two switch move CS files with incorrect last actual read dates. • One switch move CS files with an incorrect switch event read type. Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification.	Still existing
Gaining trader changes to switch meter reading - switch move	4.11	12 Sch 11.3	*SIMP* • Four late switch move RR files. • One switch move RR was not supported by two validated actual readings. *SELX*	Still existing

Subject	Section	Clause	Non-compliance	Status
			• One late switch move RR file. For one ICP, the readings in DataHub did not reflect the outcome of the RR process.	
Gaining trader informs registry of switch request - gaining trader switch	4.12	14 Sch 11.3	*SIMP* One HH NT was issued 26 business days after pre-conditions were cleared. The initial registry update failed, and the file was resent.	Cleared
Losing trader provision of information - gaining trader switch	4.13	15 Sch 11.3	*SIMP* One HH AN contained the AD (advanced metering) code but should have contained the AA (accept and acknowledge code).	Cleared
Withdrawal of switch requests	4.15	17 and 18 Sch 11.3	*SIMP* Ten late NW files. *SELX* Two late NW files.	Still existing
Collection of information by certified reconciliation participant	6.5	2 Schedule 15.2	FCLM does not usually provide a screen shot confirming time differences for meters which are manually read using MV90. If this information is not provided, EDMI is unable compare the system time to the meter time.	Cleared, but a new issue is present.
Derivation of meter readings	6.6	3(1), 3(2) and 5 Sch 15.2	Two ICPs had customer readings which were not validated against a set of readings from another source but were treated as validated readings by the reconciliation process.	Cleared
Interrogate meters once	6.8	7(1) and (2) Sch 15.2	*SIMP* For at least three ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELX* For four ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Still existing
NHH meters 90% read rate	6.10	9(1) and (2) Sch 15.2	*SELX* For at least one ICP unread in the previous four months, the best endeavours requirements were not	Still existing

Subject	Section	Clause	Non-compliance	Status
			met, and exceptional circumstances did not exist.	
Correction of HHR metering information	8.2	19(2) Sch 15.2	*SELS* Actual HHR data may not be applied for FCLM meters where part of a day of data is provided, and then a replacement file is issued.	Still existing, findings are recorded in **section 9.4**.
Identification of readings	9.1	3(3) Sch 15.2	*SIMP* At least four switch event readings were incorrectly classified as estimated or actual. Two unvalidated customer readings were treated as actual by the historic estimate process. *SELX* At least two actual validated switch event readings were incorrectly classified as estimated.	Still existing
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	For EDMI's manual downloads, the meter event information is not imported into IE2 and is not reviewed and sent to the retailer.	Cleared, but a new issue is present.
Buying and selling notifications	11.1	15.3	*SIMP* Three trading notifications were not provided. *SELX* 17 trading notifications were not provided.	Cleared
HHR aggregates information provision to the reconciliation manager	11.4	15.8	HHR aggregates file does not contain electricity supplied information.	Still existing
Allocation of submission information	12.3	15.5	*SIMP* Zero lines were not inserted for the some AV080 submissions.	Still existing
Accuracy of submission information	12.7	15.12	Historic estimate may be labelled as forward estimate where SASV are not available. *SIMP* • Zero lines were not inserted for some AV080 submissions. • Two customer readings were treated as validated without being validated against a set of reads from another source.	Still existing

Subject	Section	Clause	Non-compliance	Status
Permanence of meter readings for reconciliation	12.8	4 Sch 15.2	Some estimates are not replaced at R14.	Still existing
Historical estimates and forward estimates	12.10	3 Sch 15.3	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Still existing
Forward estimate process	12.12	6 Sch 15.3	*SIMP* The accuracy threshold was not met for all revisions for April 2018, May 2018, June 2018 and October 2018.	Still existing
Historical estimate reporting to RM	13.3	10 Sch 15.3	*SIMP* Historic estimate targets were not met for all months and revisions. *SELX* Historic estimate targets were not met for all months and revisions.	Still existing

Subject	Section	Clause	Recommendation	Status
ICPs at new or ready status for 24 months	3.10	Monitoring of new and ready ICPs	I recommend Simply Energy run a registry list six monthly with: Status: 000 or 999 Proposed trader: SIMP, SELX, SELS End date: the day the report is run and compare the results to the ICPs Simply Energy expects to be at "new" or "ready" status. Any ICPs which appear to have been assigned in error can then be checked with the distributor.	Not implemented, the recommendation is re-raised

Subject	Section	Clause	Recommendation	Status
Losing trader response to switch request and event dates - standard switch	4.2	AN response code hierarchy	Consider adding the MU (unmetered supply) and OC (occupied premises) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.	Not implemented, the recommendation is re-raised
Correction of HHR metering information	8.2	HHR data replacement	Develop a process to ensure that validated actual data is applied for reconciliation where it is available.	Not implemented, the recommendation is re raised in **section 9.4**.
Electronic meter readings and estimated readings	9.6	Checks for unexpected zeros	Develop a check to identify unexpected zero values for SELS.	A manual check has been implemented and a further recommendation for improvement has been raised.

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 10.6, 11.2, 15.2

Code related audit information

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

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

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

Audit observation

The process to find and correct incorrect information was examined, and the registry validation process was examined in detail in relation to the achievement of this requirement.

The registry list files as at 7/06/20 and the audit compliance reports for the period from 1/06/19 to 7/06/20 were examined to identify any registry discrepancies, and to confirm that all information was correct and not misleading.

Audit commentary

Registry and static data accuracy

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

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

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

- **don't know ANZSIC codes**, which are checked and updated,
- **ICPs with estimated switch in reads with an AMI meter**, which are checked to determine whether a read renegotiation is required,
- **ICPs that need to be set up in MADRAS,** which identifies new connections and switch ins needing to be created in MADRAS, which are then checked and updated,
- **unmetered load on metered ICPs**, which are checked to ensure that any unmetered load is recorded and reconciled (as part of this process the unmetered load details are checked on the registry),
- **ICPs with "inactive new connection in progress status"**, are checked daily, the dashboard shows whether the MEP has accepted an MEP nomination,
- **ICPs with "inactive" status**, which are checked periodically to ensure they are genuinely disconnected,
- **ICPs with uncertified meters on reconnected sites,** are monitored and managed on a case by case basis to ensure that certified metering is in place, and

- **ICPs with an initial electrical connection date populated but the status is not active,** are monitored to identify potential new connections that have been electrically connected but not notified to Simply Energy.

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

The SalesForce Operations Registry Update screen alerts users when data maintained by another participant changes on the registry, including distributor and MEP populated data. The user then checks and updates SalesForce and DataHub as necessary and ensures that changes flow through to MADRAS. This process identifies any changes to unmetered load, NSP, or distributed generation details.

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

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

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

SIMP

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

Issue	2020	2019	2018	2017	Comments
Status mismatch between registry and Simply Energy	-	6	-	-	Compliant.
ICP at ready but is active	2	-	-	-	One ICP is electrically connected but was still at the "Ready" status. See **section 3.8**.
Active date variance with Initial Electrical Connection Date	8	-	-	-	See **section 3.5**
Incorrect active date	2	-	-	-	Three ICPs with an incorrect active date. See **sections 2.10** and **3.5**
Active with no MEP and unmetered flag = N	7	4	4	6	Four ICPs are active and metered, with no MEP. The MEP has loaded metering to the registry since the information was provided. The three remaining ICPs were decommissioned and new LE ICPs created for a new embedded network. This is discussed in **Section 2.11**.
Incorrect submission flag or profile	-	2	-	-	Compliant.
Active with blank ANZSIC codes	4	4	-	-	Four active ICPs have a blank ANZSIC code, all are embedded network residual load ICPs, and this is acceptable. Refer to **section 3.6**.

Issue	2020	2019	2018	2017	Comments
Active with ANZSIC "T99" not stated	-	-	6	-	Compliant.
Active with ANZSIC "T994" don't know	-	-	-	-	Compliant.
Active with an incorrect ANZSIC code	3	3	1	-	Three ICPs had incorrect ANZSIC codes assigned. See **section 3.6**.
Category 9 but Active with MEP and UML "N"	-	-	-	-	All category 9 meters have an inactive status, or unmetered load installed.
ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	-	-	All ICPs with distributor unmetered load populated, also have retailer unmetered load populated.
ICPs with unmetered load flag Y but load is recorded as zero	-	-	-	-	All unmetered ICPs have unmetered kWh recorded apart from SB ICPs, which correctly have unmetered kWh of zero recorded.
ICPs with incorrect shared unmetered load	-	-	-	-	Compliant.
ICPs with Distributed Generation indicated but no DG profile	-	-	-	-	ICPs with distributed generation indicated all have HHR or RPS PV1 profiles. Three ICPs with HHR profile have generation indicated by the distributor but no I flow metering. See **section 6.1**.

SELS

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

Issue	2020	2019	Comments
Status mismatch between registry and Simply Energy	-	-	Compliant.
Active with no MEP and unmetered flag = N	-	-	Compliant.
Incorrect submission flag	-	-	Compliant.
Active with blank ANZSIC codes	-	-	Compliant.
Active with ANZSIC "T999" not stated	-	-	Compliant.
Active with ANZSIC "T994" don't know	-	-	Compliant.

Issue	2020	2019	Comments
Active with an incorrect ANZSIC code	-	-	Compliant.
Category 9 but Active with MEP and UML "N"	-	-	Compliant.
ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	Compliant.
ICPs with unmetered load flag Y but load is recorded as zero	-	-	Compliant.
ICPs with incorrect shared unmetered load	-	-	Compliant.
ICPs with Distributed Generation indicated but no DG profile	1	-	One ICP has distributed generation indicated but no generation profile. Refer to **section 6.1**.

SELX

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

Issue	2020	2019	2018	2017	Comments
Status mismatch between registry and Simply Energy	-	-	1	-	Compliant.
ICP at ready but is active	1	-	-	-	One ICP is electrically connected but was still at the "Ready" status. See **section 3.8**.
Active with no MEP and unmetered flag = N	-	-	-	-	Compliant.
Incorrect submission flag			-	-	Compliant.
Active with blank ANZSIC codes	-	-	-	-	Five active ICPs have a blank ANZSIC code, all are embedded network residual load ICPs, and this is acceptable. Refer to **section 3.6**.
Active with ANZSIC "T999" not stated		-	-	-	Compliant.
Active with ANZSIC "T994" don't know		-	-	-	Compliant.
Active with an incorrect ANZSIC code		2	-	-	Compliant.
Category 9 but Active with MEP and UML "N"	-	-	-	-	Compliant.

Issue	2020	2019	2018	2017	Comments
ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	-	-	No ICPs have distributed unmetered load populated.
ICPs with unmetered load flag Y but load is recorded as zero	-	-	-	-	All unmetered ICPs are SB ICPs, which correctly have unmetered kWh of zero recorded.
ICPs with incorrect shared unmetered load	-	-	-	-	No ICPs have shared unmetered load.
ICPs with Distributed Generation indicated but no DG profile	1	1	-	-	One ICP has distributed generation indicated but no generation profile. Refer to **section 6.1**.

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

Switching data accuracy

The content of CS and RR files was examined in **sections 4.3**, **4.4**, **4.10** and **4.11** and the readings used by Simply Energy for submission were found to be incorrect for two SELX switches:

- the reads from the RR process were not used for ICP 0000920729TU6DB resulting in under submission of 380 kWh; this is detailed in **section 4.11**, and
- SELX used their reconnection reads and not the reads provided in the CS file for the start reads for ICP 0000012112WEA2A resulting in under submission of 1,035 kWh; this is detailed in **section 4.11**.

Read and volume data accuracy

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

Defective meters	Where a meter is found to be stopped or faulty it will be replaced. Estimated consumption during the stopped or faulty period will be calculated based on the consumption of the replacement meter, or historic consumption prior to the stopped or faulty period. The consumption is typically added as permanently estimated meter removal read and sent to EMS. No defective meters were identified during the audit period for SIMP, SELS or SELX.
Incorrect multipliers	Multipliers are stored in SalesForce and DataHub based on the metering information held on the registry. I viewed examples of the reading files sent to EMS and historic estimates calculated by MADRAS and confirmed that the meter multiplier accompanies the reading and is applied when historic estimate is calculated. Where a meter multiplier correction is required, the original meter is archived in MADRAS from the date of the change. A new meter is created with the correct multiplier and readings during the affected period are transferred to the new meter. One multiplier correction was identified for SIMP. The meter with the incorrect multiplier was replaced, and all meter readings were moved to a new meter with the correct multiplier listed. I confirmed that the correction flowed through to reconciliation submissions.

	No multiplier corrections were identified for SELS or SELX.
Bridged meters	Bridging of meters is against Simply Energy's policies. A correction process is followed in the unlikely event bridging occurs. Estimated consumption during the bridged period will be calculated based on the consumption on the replacement meter, or historic consumption prior to the stopped or faulty period. • If the meter is replaced as part of the unbridging process, the estimated consumption during the bridged period is added as a permanently estimated meter removal read and sent to EMS. • If the meter is not replaced, a pseudo meter will be created to record the estimated consumption, so that it is included in reconciliation submissions. No bridged meters were identified during the audit period for SIMP, SELS or SELX.
Consumption while inactive	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 reviews any reads received after the end date and takes corrective action if consumption while disconnected is identified. This includes confirming whether the consumption is genuine and updating the ICP status and data stream dates if necessary. Simply Energy do still request that Wells stop manually reading meters once they become disconnected, but do not routinely ask the MEPs to stop reading AMI ICPs. I note that reads are often unable to be obtained by the MEP where the meter is disconnected. No inactive ICPs with consumption were identified during the audit period for SIMP, SELS or SELX, but I saw evidence that readings for inactive sites were checked when they were received.
Unmetered load corrections	Simply Energy records unmetered load by manually calculating and entering meter readings against an unmetered load register. The readings are calculated as previous reading + (daily unmetered kWh x number of days between reading dates). Where a correction is required, the reads are invalidated and recalculated and then resent to EMS using the read replacement process discussed in **section 12.3**. No unmetered load corrections were identified during the audit period for SIMP, SELS or SELX.

Corrections identified as being required during this audit or the previous audit have been processed, except in instances where the ICP had switched out and correction on the registry would affect another trader's period of supply or revision 14 had already been completed.

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

Issue	Description	Section
NHH submission	Truncation of readings for ICPs with multipliers has resulted in some small submission differences. Missing start reads in MADRAS have resulted in forward estimate being calculated when historic estimate should have been calculated. Validation processes are in place but have not been sufficient to consistently identify and add missing reads. Incorrect start reads in MADRAS have resulted in incorrect historic estimate. This most frequently occurs for AMI meters which have a switch event read and AMI read on the switch event date, because MADRAS only applies one of the reads. Late creation of unmetered load meter registers. HHR profile is sometimes applied in the AV080 submissions for SELS and SIMP. Simply Energy investigated this issue following the audit, and corrected data will be supplied through the revision process.	12.7

Issue	Description	Section
	Zero lines are not added to the AV080 where an aggregation line has appeared in the previous revision but not the current revision.	
HHR submission	Some ICPs were temporarily excluded from HHR submissions because they had been invalidly removed from submissions by EMS or Simply Energy administrative errors. One ICP was invalidly included in submissions because it had not been end-dated. One SELS ICP was excluded from HHR submission information because temporary estimates were not created prior to submission. HHR estimates are not always replaced with actual data if it is lower than the estimated data. Actual volumes fail validation because they are lower than estimated volumes. Revisions have not been consistently produced for SELS, which can result in switch timing and data changes taking an extended period to wash out. Simply Energy intends to create all revisions from now on.	12.7
ICP days submission	Some ICPs were invalidly included in submissions because they had not been end-dated, or the end-date had incorrectly been updated. One SELS ICP was excluded from ICP days submission information because temporary estimates were not created prior to submission. Revisions have not been consistently produced for SELS, which can result in switch timing and data changes taking an extended period to wash out. Simply Energy intends to create all revisions from now on.	12.7

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: Clause 11.2 & 15.2 From: 1-Jul-19 To: 24-Jul-20	Some inaccurate data is recorded and was not updated as soon as practicable. At least two examples found where the incorrect reads were used in the switching process resulting in under submission of 1,415 kWh. Some submission data was inaccurate and was not corrected at the next available opportunity. 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 recorded as moderate whilst they will mitigate risk most of the time there is room for improvement. The audit risk rating is assessed to be low, but I note the errors have the potential to have a medium impact if not addressed.

Actions taken to resolve the issue	Completion date	Remedial action status
A further check of current ICPs, this includes an import of the latest Lis file, is done prior to all revisions taking place to enable 100% of ICPs are included in submission	15/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Review of all revision months discrepancies at each washup.	20/10/2020	

2.2. Provision of information (Clause 15.35)

Code reference

Clause 15.35

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

2.3. Data transmission (Clause 20 Schedule 15.2)

Code reference

Clause 20 Schedule 15.2

Code related audit information

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

Audit observation

NHH

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

Northpower periodically provides manual meter readings for their three substations which do not have AMI meters installed, because Simply Energy's other NHH meter readers cannot gain access to read the meters. Northpower's NHH data is emailed as a PDF file, and manually entered directly into Datahub.

NHH AMI data is provided by AMS (AMS and Smartco), Arc, FCLM, Intellihub (Metrix and Counties Power), The Lines Company (FCLM), WEL Networks and BOPE as MEPs. AMI data is received via the registry SFTP for WASN, and SFTP for all other MEPs. WASN reads are loaded directly into Datahub, and BOPE reads are keyed into Datahub manually because the file cannot be imported due to a file format/register content discrepancy which Simply Energy is working to resolve. All other AMI readings are loaded into the Datawarehouse and a daily read file is extracted and imported into Datahub. AMI HHR interval data is imported directly into Datahub.

The process to transfer NHH reads to EMS was discussed with Simply Energy and EMS. 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.

I traced a sample of readings and AMI data received from Simply Energy's agents and MEPs from the source files to Datahub for 15 ICPs. The sample included reads provided by each provider. I also traced a sample of readings for historic estimate calculations to DataHub and switch event readings on the registry, to confirm that the validated readings were received and applied by EMS.

HHR

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

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

Audit commentary

NHH readings

All NHH read and AMI volume data is securely transferred.

Compliance for the data transmission process is confirmed for the sample of NHH and AMI readings checked.

Readings for SIMP ICP 1000515156PC25E were not sent to EMS' MADRAS because they had failed read validation because they were lower than previous estimated reads. A recommendation to improve the validation process where actual reads are lower than previous estimates is recorded in **section 9.5**.

Actual volumes for SELS ICP 0000003315NT66F (category 1) failed validation because they were lower than previous estimated volumes, and so did not replace the estimated data. I confirmed that volumes for other ICPs in the same file had been correctly recorded in Datahub, and any actual data received for periods which had not been estimated or which was higher than the estimated data was loaded. A recommendation to improve the process where actual volume is lower than estimated volume for the same trading period is recorded in **section 9.4**.

HHR readings

SIMP	Compliance is with this clause is recorded in EMS' agent report.
SELX	Compliance is with this clause is recorded in EMS' agent report.
SELS	Compliance is confirmed for the sample of readings and volumes checked for SELS.

Audit outcome

Compliant

2.4. Audit trails (Clause 21 Schedule 15.2)

Code reference

Clause 21 Schedule 15.2

Code related audit information

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

The audit trail must include details of information:

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

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

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

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

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

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

Audit observation

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

Audit commentary

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

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.

SalesForce operators use generic logins, which are shared by three to five operators. This means that the audit trails do not record the individual user who made the change. The impact of this is low, because SalesForce data which is also held in the registry is updated at the same time, and each user has their own SQL server login which is used to access the registry.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.4 With: Clause 21 Schedule 15.2 From: 01-Jul-19 To: 24-Jul-20	SalesForce user IDs are shared, and the audit trails do not record the individual user who made the change. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong and the impact as low. Audit trails are available and contain the required information, but the person who processed the change is not identifiable within the audit trail because there is only one operator identifier. A small number of users have access. For the sample of audit trails reviewed, the person responsible for processing the change was identified through supporting information.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy is currently reviewing the costs of increasing numbers of individual users in accessing Sales Force.	30 September 2020	Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
There is no further action here.	27 August 2020	

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

Code reference

Clause 10.4

Code related audit information

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

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

Audit observation

I reviewed Simply Energy's current terms and conditions.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

The trader must use its best endeavours to provide access:

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

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

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

Audit observation

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

Audit commentary

Simply Energy's contract with their customers includes consent to access for authorised parties for the duration of the contract. Where another party has difficulty arranging access to the metering installation, Simply Energy provides assistance by working with the customer to resolve the issue.

SIMP	There were no instances were access could not be arranged.
SELS	There were no instances were access could not be arranged.
SELX	For ICP 0089251350PC2BF, the MEP required access to the upgrade the meter because it has expired interim certification. Simply Energy used their best endeavours to obtain access, by making several attempts to negotiate access with the customer. The customer consistently refused access to the meter because they had been advised by their electrician that the meter was safe and did not require an upgrade, and they did not wish to pay for the meter to be upgraded. AMS and Simply Energy have now agreed to put the upgrade on hold.

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

The SIMP, SELX and SELS registry list files as at 07/06/20 were examined to confirm compliance. Loss compensation processes were discussed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.15B

Code related audit information

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

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

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

Audit observation

I reviewed Simply Energy's current terms and conditions.

Audit commentary

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

Audit outcome

Compliant

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

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

Audit observation

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

The registry list files as at 7/06/20 and the audit compliance reports for the period for 01/07/19 to 7/06/20 were analysed to confirm process compliance and that controls are functioning as expected for all three codes.

The new connection job template was viewed.

Audit commentary

The new connection contains a step for Simply Energy to accept responsibility. I checked 29 new connections for SIMP, two new connections for SELS and six new connections for SELX, and in all cases, Simply Energy had accepted responsibility. Responsibility is accepted for each individual ICP, and there are no blanket responsibility acceptances in place. I note there are three SIMP ICPs and two SELX ICPs at the "ready" status with the initial electrical connection date populated. These were examined and found:

SIMP

ICP	Initial Electrical Connection date	Comments
0000015772EA3DA	12/12/2019	This is an ICP split – Simply hasn't made this active as the metering is still to be recertified and the volumes are currently being reconciled against the existing ICP until this can be completed.
0003727029WF2D0	11/03/2020	This was electrically connected on 26/02/20. Simply have since claimed this in the registry.
1001271955LC18B	17/11/2014	This ICP has not been electrically connected. The initial electrical connection date is populated in error.

SELX

ICP	Initial Electrical Connection date	Comments
0000017222EAD97	25/02/2020	This was confirmed as electrically connected in the Electricity Ashburton distributor audit.
0000018047EAC4F	10/12/2019	This is an ICP split – Simply hasn't made this active as the metering is still to be recertified and the volumes are currently being reconciled against the existing ICP until this can be completed.

The two ICPs that are electrically connected but not yet active are recorded as non-compliance in **sections 2.1, 3.5** and **3.8**.

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

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

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

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

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

SIMP Seven active SIMP ICPs had no metering or unmetered load details recorded on the registry list. In four cases the ICPs were metered and SIMP's MEP nomination had been accepted, and the MEP has updated the registry with metering details after the information was provided. The remaining three ICPs have been decommissioned and new LE ICPs created for a new embedded network. The MEP removed these from the registry on 15/04/20 but I confirmed they were still on site and the volumes were reconciled up until the ICPs were decommissioned.

SELS All active SELS ICPs are metered.

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

Audit outcome

Compliant

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

Code reference

Clause 10.33(1)

Code related audit information

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

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

Audit observation

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

The registry list files as at 7/06/20 and the audit compliance reports for the period for 01/07/19 to 7/06/20 were analysed to confirm process compliance and that controls are functioning as expected for all three codes.

All ICPs certified prior to their active date were reviewed to determine whether they had been temporarily electrically connected.

Audit commentary

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

SIMP Review of the audit compliance reporting identified five ICPs with meter certification dates prior to the initial electrical connection date. These were checked and found:

- for three ICPs the certification date populated to the registry does not match the certification date provided to Simply, none were temporarily electrically connected, and
- for two ICPs (ICP 1001280334TCC6E and 0003727037WFBE6), the first active date is incorrect and is being corrected.

The two ICPs with an incorrect first active date recorded are recorded as non-compliance in **sections 2.1, 3.5** and **3.8**.

SELS No potential temporary electrical connections were identified.

SELX No potential temporary electrical connections were identified.

Audit outcome

Compliant

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

Code reference

Clause 10.33A(1)

Code related audit information

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

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

Audit observation

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

The registry list files as at 7/06/20 and the audit compliance reports for the period from 01/07/19 to 7/06/20 were analysed to confirm process compliance and that controls are functioning as expected.

Audit commentary

Active ICPs without metering

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

SIMP Seven active SIMP ICPs had no metering or unmetered load details recorded on the registry list. The MEP has accepted and loaded metering to the registry since the information was provided.

In the remaining three cases the metering was removed on the registry by the MEP on 15/04/20 but the meters remained on site. The ICPs decommissioned on 15/06/20 and new LE ICPs created.

SELS All active SELS ICPs are metered.

SELX All active SELX ICPs have metering or unmetered load details recorded, or they are SB ICPs.

New connections

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

SIMP Four new connections were not certified within five business days of the initial electrical connection according to the registry. These were examined and found all were certified late.

SELS ICP 0000007012NZ64F was not certified within five days of the initial electrical connection.

SELX No late certifications were identified therefore all new connections were certified within five business days of the initial electrical connection.

Reconnections

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

SIMP Two reconnections were not certified within five business days of the reconnection date. These were examined and found no certification was requested when these ICPs were reconnected.

SELS There were no reconnections with expired metering found for SELS.

SELX There were no reconnections with expired metering found for SELX

Bridged meters

No bridging occurred during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.11 With: Clause 10.33A From: 20-Feb-19 To: 15-Jan-20	*SIMP* Four new connections were not certified within five business days of the initial electrical connection. Two reconnections were not certified within five business days of the initial electrical connection. *SELS* One new connection was not certified within five business days of the initial electrical connection. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are moderate as the controls will ensure compliance most of the time, but I note that the process to request meter certification or meter replacement for reconnections was not followed as expected in two instances. The audit risk is low as the volume of ICPs affected was small.

Actions taken to resolve the issue	Completion date	Remedial action status
Processes have now been updated to reflect that meter certification is checked when doing all Reconnections.	26/08/2020	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
All processes on Reconnections have been updated.	26/08/2020	

2.12. Arrangements for line function services (Clause 11.16)

Code reference

Clause 11.16

Code related audit information

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

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

Audit observation

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

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

Audit commentary

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

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

Audit outcome

Compliant

2.13. Arrangements for metering equipment provision (Clause 10.36)

Code reference

Clause 10.36

Code related audit information

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

Audit observation

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

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

Audit commentary

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

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

Compliant arrangements are in place for all other MEPs.

Audit outcome

Compliant

3. MAINTAINING REGISTRY INFORMATION

3.1. Obtaining ICP identifiers (Clause 11.3)

Code reference

Clause 11.3

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.7(2)

Code related audit information

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

Audit observation

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

The registry list files as at 7/06/20 and the audit compliance reports for the period for 01/07/19 to 7/06/20 were analysed to confirm process compliance and that controls are functioning as expected for all three codes.

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 11.1

Code related audit information

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

Audit observation

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

The audit compliance report for 1/06/19 to 7/06/20 was reviewed. A sample of late status updates, trader updates and ANZSIC code updates (20 business days to update) were checked as described in the audit commentary.

Audit commentary

Updates to active status

The timeliness of status updates to active (for reconnections) is set out on the table below.

SIMP

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	13	92%	2.6
	2016	65	32%	30.27
	2017	29	59%	7
	2018	14	88%	4

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
	2019	7	68%	8
	2020	16	60%	14.75

SELS

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
Active	2020	1	75%	5.33

SELX

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
Active	2018	2	100%	4
	2019	14	88%	2
	2020	2	86.7%	12

A typical sample of nine (six ICPs for SIMP, one ICP for SELS and two ICPs for SELX) late updates were reviewed to determine why they were late:

- six were late due to late notification from the field,
- ICP 0000003001RJ675 (*SELS*) was a backdated switch in and was updated to active as soon as the switch completed,
- ICP 0000012112WEA2A (*SELX)* was a correction to the active date based on consumption data, and
- ICP 0000031140CP158 (*SIMP)* was updated to active within five business days but the event was reversed and resubmitted to get it to flow correctly through Salesforce, hence it appeared to be backdated.

<u>Updates to inactive status</u>

The timeliness of status updates to inactive is set out on the table below.

SIMP

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
Inactive	2019	67	52.7%	9.57
	2020	36	68.14%	29.84

SELS

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
Inactive	2019	-	-	-
	2020	1	0%	51

SELX

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
Inactive	2019	21	16%	34
	2020	2	86.67%	12

A typical sample of 11 late updates (eight ICPs for SIMP, one ICP for SELS and two ICPs for SELX) were reviewed to determine why they were late:

- five were due to corrections to the status to align with consumption data,
- four were due to late notifications, and
- two related to backdated "inactive- new connection in progress" - both of these were updated prior to electrical connection and are compliant.

Trader updates

SIMP

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
2020	141	91.03%	2.47

SELS

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
2020	1	90%	2

SELX

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
2020	4	96.26%	2.28

The trader updates have a high level of compliance. A typical sample of eight late updates (five ICPs for SIMP, one ICP for SELS and two ICPs for SELX) were reviewed to determine why they were late:

- three were MEP nominations that were sent late due to late notification from the MEP,

- two were late distributed generation profile updates due to late notification,
- two were corrections to either the settlement flag or the profile, and
- one was a backdated switch.

ANZSIC code updates

The code requires the trader to update the ANZSIC code within 20 business days of trading at the ICP commencing.

The audit compliance report was examined and found:

Review period end	Participant code:	Volume of late ANZSIC code updates:
2020	SIMP	14
	SELS	1
	SELX	2

A typical sample of five ICPs (three *SIMP* ICPs, and one ICP each for the *SELS* and *SELX* code) and found they were late due to:

- three were due to backdated switches,
- ICP 0003730382WFB99 was a backdated new connection, and
- one was a correction to an incorrect ANZSIC code.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.3 With: Clause 10 Schedule 11.1 From: 01-Nov-18 To: 07-June-20	*SIMP* • 52 late status updates. • 141 late trader updates. • 14 late ANZSIC code updates. *SELS* • Two late status updates. • One late trader update. • One late ANZSIC code update. *SELX* • Four late status updates. • Four late trader updates. • Two late ANZSIC code updates. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as moderate, the processes are manual and as volume increases the risk of errors being made increases. The audit risk rating is assessed to be low as the overall volume of backdated events was small.

Actions taken to resolve the issue	Completion date	Remedial action status
Focus has been on status updates and we will continue to put our attention here to reduce the numbers over 5 business days.	26/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Ensuring that updates are more frequent from Metering Contractors for new meter installs.	26/08/2020	

3.4. Trader responsibility for an ICP (Clause 11.18)

Code reference

Clause 11.18

Code related audit information

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

A trader ceases to be responsible for an ICP if:

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

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

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

Audit observation

Retailers responsibility to nominate and record the MEP in the registry

The new connection process was discussed and registry list files as at 7/06/20 were examined to confirm whether all active ICPs have an MEP recorded.

The event detail reports for 01/06/19 to 7/06/20 were reviewed to identify any rejected MEP nominations. The timeliness of MEP nominations is discussed in **section 3.3**.

ICP decommissioning

The process for the decommissioning of ICPs was examined. The event detail reports for 01/06/19 to 7/06/20 were reviewed to identify all ICPs that were decommissioned during the period, and a diverse sample of seven decommissioned ICPs were checked to prove the process and confirm the controls in place.

Audit commentary

Retailers responsibility to nominate and record the MEP in the registry

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

SIMP Seven active SIMP ICPs had no metering or unmetered load details recorded on the registry list. In four cases the ICPs were metered and SIMP's MEP nomination had been accepted, and the MEP has updated the registry with metering details after the information was provided. The remaining three ICPs have been decommissioned and new LE ICPs created for a new embedded network. The MEP removed these from the registry on 15/04/20 but I confirmed they were still on site and the volumes were reconciled up until the ICPs were decommissioned.

No MEP nominations were rejected.

SELS All active SELS ICPs are metered and there were no MEP nominations rejected.

SELX All active SELX ICPs have metering or unmetered load details recorded, or they are SB ICPs. There were no MEP nominations rejected

ICP decommissioning

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

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

SIMP A sample of five decommissioned ICPs were checked. If the ICP had been metered, the MEP was notified, and Simply Energy attempted to obtain a final reading. A final read was gained for all examples checked.

SELS Three ICPs were decommissioned. One example was checked, and a final read was gained.

SELX Three ICPs were decommissioned. One example was checked. The MEP was notified, and Simply Energy attempted to obtain a final reading. In this case the meter was removed before Simply Energy became aware of the decommissioning, it was not possible to obtain an actual reading.

Audit outcome

Compliant

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

Code reference

Clause 9 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The new connection process was examined in detail.

The registry list files as at 7/06/20 and the audit compliance reports for the period for 01/07/19 to 7/06/20 were analysed to confirm process compliance and that controls are functioning as expected for all three codes.

Audit commentary

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

ICPs at Ready with an initial electrical date populated

Simply Energy's new connection process uses the "inactive- new connection in progress" status. The audit compliance reporting identified three SIMP ICPs and two SELX ICPs that are at the "Ready" status with an initial electrical connection date recorded. These are discussed in **section 2.9** and found one SIMP ICP and one SELX ICP are electrically connected but had not been claimed by Simply Energy. This is recorded as non-compliance below and in **section 3.8**.

Timeliness of status updates

SIMP

The table below shows that the registry was updated within five business days for 74.06% of new connections. This is an improvement from the previous year.

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
2015	26	75%	6.9
2016	22	41%	30.8
2017	25	83%	5
2018	21	86%	4
2019	46	73%	5
2020	90	74.06%	4.91

Performance has improved slightly during the audit period with 74.06% of all NHH new connections updated within five business days and an average of 4.91 days to update the registry. An extreme sample of the ten latest updates (with an average of 29 days to update the registry) were examined and I found:

- eight of these were found to be caused by delays in receiving metering information or processing the information once it was received,
- ICP 0140110051PNC0B was electrically connected on 17/03/20 and an email was received on that day but the ICP was not updated to active until 11/05/20, and
- ICP 0140110050PN04E was updated late due to investigation to confirm what metering was connected on site.

SELS

The table below shows that the registry was updated within five business days for 33.33% of new connections. There were only three new connections completed during the audit period and there were none completed during the last audit period.

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
2015	2	33.33%	16.67

Both late ICPs were examined and found both were claimed under the incorrect participant code of SIMP in the first instance and was then corrected causing the updates to be late.

SELX

The table below shows that the registry was updated within five business days for 54.55% of new connections.

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
2017	-	100%	-
2018	1	50%	9

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
2019	1	50%	7.5
2020	5	54.55%	15.45

An extreme sample of the five latest updates (with an average of 29.8 days to update the registry) were examined and I found:

- three were late due to be being claimed under the incorrect participant code of SIMP in the first instance and was then corrected causing the updates to be late, and
- two were late due to late notification from the field.

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

Accuracy of status updates

The AC020 report was examined for each code and found:

SIMP Eight ICPs with active date discrepancies. There were examined and found:

- seven ICPs were confirmed to have the correct active date, and
- ICP 1002064408LCF02 never had any load or metering recorded and was active from 7/08/19-14/03/20 until it was decommissioned. It appears that the ICP should have been "decommissioned set up in error".

SELS No status updates occurred during the period.

SELX ICP 0000034019EA591 had an active date discrepancy. Examination of the paperwork confirmed that the correct active date is 2/12/19 but the return date of the paperwork of 9/12/19 was applied incorrectly. This is being corrected. The one incorrect active date is recorded as non-compliance below and in **sections 2.1** and **3.8**.

As detailed in **section 2.10**, two SIMP ICPs have the incorrect first active date. This is recorded as non-compliance below and in **sections 2.1** and **3.8**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.5 With: Clause 9 Schedule 11.1 From: 01-Jun-19 To: 07-Jun-20	*SIMP* • 90 late updates for new connections. • One ICP electrically connected but still at "Ready" on the registry. • Two incorrect active dates applied. *SELS* • Two late updates for new connections. *SELX* • Five late updates for new connections. • One ICP electrically connected but still at "Ready" on the registry. • One incorrect active date applied. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as moderate, the processes are manual and as volume increases the risk of errors being made increases. The audit risk rating is low as the bulk of new connection updates are being made within five business days and the volume of incorrect active statuses/dates was small.

Actions taken to resolve the issue	Completion date	Remedial action status
The review of ICPs at New or Ready is now a monthly process and will help resolve the time delays on the Ready status.	01/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Further focus on new connections to obtain better timings here.	26/08/2020	

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 files as at 7/06/20 and the audit compliance reports for the period from 1/07/19 to 7/06/20 were reviewed to check the accuracy of the ANZSIC codes including:

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

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

Audit commentary

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

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

Apartment building ICP 0000508585CEF21 has meter category 3 and therefore should be recorded as "L671100"- Residential Property Operators.

ANZSIC codes for a diverse sample of 25 ICPs were checked, and 23 were confirmed to be correct. ICPs 0002222902WF412 and 0007147181RN24F had incorrect ANZSIC codes applied. Both have been updated.

SELS No ICPs have T99 series ANZSIC codes.

ANZSIC codes for a diverse sample of 15 ICPs were checked and found all were correct.

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

ANZSIC codes for a diverse sample of 15 ICPs were checked and found all were correct.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.6 With: Clause 9 (1(k)) of Schedule 11.1 From: 07-May-19 To: 08-Jun-20	*SIMP* At least three ICPs with the incorrect ANZSIC codes assigned. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as strong, because they are sufficient to ensure that most ANZSIC codes are recorded correctly. The audit risk rating is low as this has no direct impact on reconciliation.

Actions taken to resolve the issue	Completion date	Remedial action status
Enhancement to customer systems to add ANZSIC codes as a required field on sign up.	28 February 2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
The enhancement will ensure correct ANZSIC codes are applied at switch request as opposed to receiving incorrect codes from other Traders.	26/08/2020	

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

Code reference

Clause 9(1)(f) of Schedule 11.1

Code related audit information

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

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

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

Audit observation

The process to manage unmetered load was examined.

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

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

Audit commentary

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

SIMP SIMP supplies 64 active ICPs with unmetered load recorded. All unmetered ICPs have unmetered flag set to Y and daily unmetered kWh recorded apart from SB ICPs, which correctly have unmetered kWh of zero recorded.

The distributor and trader unmetered load details were compared using the audit compliance report and no discrepancies were identified.

SELS SELS supplies two active ICPs with unmetered load recorded. Both unmetered ICPs have unmetered flag set to Y and daily unmetered kWh recorded.

The distributor and trader unmetered load details were compared using the audit compliance report and no discrepancies were identified.

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

Audit outcome

Compliant

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

Code reference

Clause 17 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

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

The registry list files as at 7/06/20 and audit compliance reports for 1/07/19 to 7/06/20 were analysed to confirm process compliance and that controls are functioning as expected.

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

Audit commentary

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

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

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

SIMP As discussed in **section 2.9,** three ICPs were identified on the audit compliance reporting with an initial electrical connection date populated but were still at the "ready" status. These were examined and found one was electrically connected and should be updated to "active". This is recorded as non-compliance below.

As discussed in **section 2.10**, two ICPs appeared to have been temporarily electrically connected but the first active date has been applied incorrectly. This is recorded as non-compliance below.

As discussed in **section 3.5**, the new connection status updates were correct.

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

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

SELX As discussed in **section 2.9**, two ICPs were identified on the audit compliance reporting with an initial electrical connection date populated but were still at the "ready" status. These were examined and found one is electrically connected and should be updated to "active". This is recorded as non-compliance below and in **sections 2.1**and **3.5**.

As discussed in **section 3.5**, the new connection status updates were correct with the exception of ICP 0000034019EA591. This is being corrected.

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

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.8 With: Clause 17 Schedule 11.1 From: 09-Dec-19 To: 07-Jun-20	*SIMP* • One ICP electrically connected but still at the "Ready" status on the registry. • Two incorrect active dates applied. *SELX* • One ICP electrically connected but still at the "Ready" status on the registry. • One incorrect active date. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate, the processes are manual and as volume increases the risk of errors being made increases. The audit risk rating is low as the volume of ICPs with incorrect active statuses/dates is small.

Actions taken to resolve the issue	Completion date	Remedial action status
Monthly reporting of all ICPs at New or Ready has been implemented to identify those ICPs in this status.	01/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
This reporting should resolve these issues.	26/08/2020	

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

Code reference

Clause 19 Schedule 11.1

Code related audit information

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

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

Audit observation

The process to manage ICPs at "inactive" status was examined. The registry list files as at 7/06/20 and the audit compliance reports for the period from 1/07/19 to 7/06/20 were analysed to confirm process compliance and that controls are functioning as expected.

A diverse sample of eight ICPs (or all if less than this has occurred) of these status updates to inactive were checked for accuracy.

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

Audit commentary

Management of inactive status

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

SIMP The audit compliance report identified two ICPs that have been recorded as AMI-remote disconnection, but AMI is not indicated. In both instances the ICP had a communicating AMI meter at the time of disconnection. Compliance is confirmed.

The sample checked of updates to inactive confirmed that the correct statuses and dates were applied.

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

SELS The sample checked of updates to inactive confirmed that the correct statuses and dates were applied.

SELX The audit compliance report identified one ICP that that had been recorded as AMI-remote disconnection, but AMI is not indicated. The ICP had a communicating AMI meter at the time of disconnection. Compliance is confirmed.

The sample checked of updates to inactive confirmed that the correct statuses and dates were applied.

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

ICPs with inactive consumption

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 reviews any reads received after the end date and takes corrective action if consumption while disconnected is identified. This includes confirming whether the consumption is genuine and updating the ICP status and data stream dates if necessary.

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

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

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

Audit observation

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

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

Audit commentary

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

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

ICPs at new or ready status were reviewed:

SIMP Analysis of the registry list found eight ICPs at the "new" and "ready" statuses for two years or more. These were examined and found:

- seven are associated with The Embedded Network Company and it is expected that these are managed by them, and
- ICP 0000015772EA3DA is part of an ICP split and is discussed in **section 2.9**.

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

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

In the last audit it was recommended that Simply Energy periodically runs a registry list to identify ICPs that have been assigned to their codes in error and advises the distributor. This has yet to be adopted and I have repeated it maintain visibility:

Description	Recommendation	Audited party comment	Remedial action
Monitoring of new and ready ICPs	I recommend Simply Energy run a registry list six monthly with: Status: 000 or 999 Proposed trader: SIMP, SELX, SELS End date: the day the report is run and compare the results to the ICPs Simply Energy expects to be at "new" or "ready" status. Any ICPs which appear to have been assigned in error can then be checked with the distributor.	The Report is run on BD14 each month for review.	Identified

Audit outcome

Compliant

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

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

Code reference

Clause 2 Schedule 11.3

Code related audit information

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

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

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

Audit observation

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

Audit commentary

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

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

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

I checked the metering category for the 319 transfer switch ICPs where this information was available on the registry list or PR255 report, and found none had metering categories of three or above.

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

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

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

None of the SELX transfer switch ICPs had a metering category of three or above.

Audit outcome

Compliant

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

Code reference

Clauses 3 and 4 Schedule 11.3

Code related audit information

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

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

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

Audit observation

Event detail reports for 01/07/19 to 07/06/20 were reviewed to identify AN files issued by Simply Energy during the audit period, and:

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

The switch breach report was examined for the audit period.

Audit commentary

AN timeliness

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

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

AN Content

The process to determine AN codes is automated. Only two codes are applied. AD (advanced metering) is applied if an AMI meter is present, and AA (accept and acknowledge) is applied if AMI metering is not present. The CO (contracted customer) and MP (metering is pre-paid) codes do not apply for Simply Energy. It was recommended in the last audit that Simply Energy review the hierarchy and add the MU (unmetered supply) and OC (occupied premises) codes, so that they are applied in preference to AA to ensure future compliance. This is in progress. I have repeated the recommendation to maintain visibility.

Description	Recommendation	Audited party comment	Remedial action
AN response code hierarchy	Consider adding the MU (unmetered supply) and OC (occupied premises) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.	The change to incorporate MU has been developed and will be tested and hopefully deployed by 31 August 2020.	Identified

The accuracy of AN content was checked for each code:

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

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

- None had a proposed event date within five business days of the NT receipt date.
- All had proposed event dates within ten business days of the NT receipt date.

In all cases, Simply Energy's proposed AN date matched the gaining trader's requested date.

SELS No AN files were issued for transfer switches.

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

The event detail report was reviewed for all 16 transfer ANs to assess compliance with the setting of event dates requirements.

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

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

Audit outcome

Compliant

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

Code reference

Clause 5 Schedule 11.3

Code related audit information

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

- *providing event date to the registry manager (clause 5(a)); and*
- *provide to the gaining trader a switch event meter reading as at the event date, for each meter or data storage device that is recorded in the registry with accumulator of C and a settlement indicator of Y (clause 5(b)); and*

- *if a switch event meter reading is not a validated reading, provide the date of the last meter reading (clause 5(c)).*

Audit observation

Event detail reports for 01/07/19 to 07/06/20 were reviewed to identify CS files issued by Simply Energy during the audit period.

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

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

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

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

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

Audit commentary

CS timeliness

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

SIMP The switch breach report recorded one late CS files for a transfer switch, which was not genuinely late.

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

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

CS content

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

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

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

The content of CS files was checked for each code:

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

Estimated daily kWh	Count of transfer CS files	Comment
Negative	-	
Zero	7	Values were incorrect for all examples checked.
More than 200 kWh	5	Values were incorrect for all examples checked.

Examination of the CS files identified found that the automatic update from Datahub to SalesForce stopped working in May 2019 and appears to have started working again from April 2020. Therefore, the average daily consumption was not reported correctly for manually read ICPs in the CS files. In the cases where there was no data available zero will be reported.

The accuracy of the content of CS files was confirmed by checking a sample of five transfer switches. In addition to the estimated daily consumption being calculated incorrectly for all examples checked, the following discrepancies were identified:

- **0110121116AP8C3 (event date 01/09/19) -** the switch event reading was sent as an estimate but should have been recorded as an actual in the CS file. This was due to human error as this switch was manually updated on the registry, and
- **0001438373UN752 (event date 18/07/19) -** the last read date was entered incorrectly in SalesForce. An actual read was sent for the midnight read 17/07/19 but the last read date was recorded as 17/04/19.

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

Estimated daily kWh	Count of transfer CS files	Comment
Negative	-	
Zero	-	
More than 200 kWh	1	Value was incorrect.

The one ICP with an average daily consumption of more than 200 kWh was examined and was incorrect due to the error described for SIMP above.

The accuracy of the content of CS files was confirmed by checking a sample of three transfer switches and found all information was correct with the exception of the average daily consumption values due to the error described for SIMP above.

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

Estimated daily kWh	Count of transfer CS files	Comment
Negative	-	
Zero	4	Values were incorrect.
More than 200 kWh	-	

The four ICPs with an average daily consumption of zero were examined and all were incorrect due to the error described for SIMP above.

The accuracy of the content of CS files was confirmed by checking a sample of three transfer switches and found all information was correct with the exception of the average daily consumption values due to the error described for SIMP above.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.3 With: Clause 5 Schedule 11.3 From: 01-May-19 To: 07-Jun-20	*SIMP* • Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing, and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next. • One transfer CS file of those sampled sent as an estimate but was an actual read. • One transfer CS file of those sampled with the incorrect last read date. *SELX & SELS* • Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing, and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next. Potential impact: Medium Actual impact: Low Audit history: Twice previously Controls: Weak Breach risk rating: 3
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as weak, as the automated update process stopped working in May 2019 and there were no checks in place to identify this. The audit risk rating is assessed to be low but has the potential to be medium given all CS files are affected with an incorrect average daily value sent to the gaining trader which has the potential to incorrectly estimate sites until an actual read can be gained.

Actions taken to resolve the issue	Completion date	Remedial action status
A new process will be deployed by 31 August 2020 that ensures that all AMI Metered ICPs has correct average daily kWh prior to switch out. This has been developed and just needs to be tested before deployed. All other switches are as per current process.	31/08/2020	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Monthly check is in place to confirm the average daily kWh is updating.	26/08/2020	

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

Code reference

Clause 6(1) and 6A Schedule 11.3

Code related audit information

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

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

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

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

Audit observation

The process for the management of read requests was examined.

Event detail reports for 01/07/19 to 07/06/20 were reviewed to identify all read change requests and acknowledgements during the audit period. The content of a diverse sample of ten RR files and 11 AC files were examined.

I also checked a sample of 15 estimated CS readings provided by other traders where no RR was issued to determine whether the correct readings were recorded in DataHub.

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

Audit commentary

Timeliness of RR and AC files

Read changes are tracked using the SalesForce dashboard.

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

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

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

Content of RR and AC files

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

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

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

SIMP 10 RR files were issued for transfer switches; seven were accepted and three were rejected. A sample of five files were checked, including the rejected requests. There was a genuine reason for the RRs, and they were supported by at least two validated readings. DataHub reflected the outcome of the read renegotiation process for all ICPs.

Two AC files were issued relating to ICP 0000007433NT337. This was examined and found that the first RR request was rejected in error and the subsequent RR request sent with the same reads was accepted.

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

SELS No RR or AC files were issued for transfer switches during the audit period.

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

SELX Six RR files were issued for transfer switches; five were accepted and one was rejected. A sample of five files were checked, including the rejected request. I found there was a genuine reason for the RRs, they were supported by at least two validated readings, and the reads recorded in Simply Energy's system reflected the outcome of the RR process. The rejected RR was accepted by the losing trader for the same reads when a subsequent RR was sent.

Four AC files were issued relating to two different ICPs. Three files were rejections, and one was an acceptance. Two RR files were received with estimated reads for less than 200kWh for ICP 0000033597EA225. These were correctly rejected. The first RR request was rejected in error and the subsequent RR request sent with the same reads was accepted for ICP 0000942545TU12A.

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

Audit outcome

Compliant

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

Code reference

Clause 6(2) and (3) Schedule 11.3

Code related audit information

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

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

Audit observation

The process for the management of read requests was examined.

Event detail reports for 01/07/19 to 07/06/20 were reviewed to identify all read change requests and acknowledgements during the audit period where Clause 6(2) and (3) of Schedule 11.3 applied.

Audit commentary

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

SIMP	Clause 6(2) and (3) of schedule 11.3 did not apply for any of the read change requests issued or received.
SELS	Clause 6(2) and (3) of schedule 11.3 did not apply for any of the read change requests issued or received.
SELX	Clause 6(2) and (3) of schedule 11.3 did not apply for any of the read change requests issued.

Audit outcome

Compliant

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

Code reference

Clause 7 Schedule 11.3

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 9 Schedule 11.3

Code related audit information

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

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

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

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

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

Audit observation

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

Audit commentary

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

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

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

I checked the metering category for the 256 switch move ICPs where this information was available on the registry list, and found none had metering categories of three or above.

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

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

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

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

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.7 With: Clause 9 Schedule 11.3 From: 01-Jul-19 To: 30-Jun-20	*SELS* All five NTs sampled had an incorrect switch type applied. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong and the impact as low. The audit risk rating is low as these were all internal switches which for ease of processing are sent as MI switches so the event date can be requested.

Actions taken to resolve the issue	Completion date	Remedial action status
We have updated our processes to ensure the correct switch types are used in future for bulk switching to other Simply codes.	27/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
No further action here.	31/08/2020	

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

Code reference

Clause 10(1) Schedule 11.3

Code related audit information

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

- *10(1)(a) If the losing trader accepts the event date proposed by the gaining trader, the losing trader must complete the switch by providing to the registry manager:*
  - *confirmation of the switch event date; and*
  - *a valid switch response code; and*
  - *final information as required under clause 11; or*

- *10(1)(b) If the losing trader does not accept the event date proposed by the gaining trader, the losing trader must acknowledge the switch request to the registry manager and determine a different event date that—*
    - *is not earlier than the gaining trader's proposed event date, and*
    - *is no later than 10 business days after the date the losing trader receives notice; or*
- *10(1)(c) request that the switch be withdrawn in accordance with clause 17.*

Audit observation

Event detail reports for 01/07/19 to 07/06/20 were reviewed to identify AN files issued by Simply Energy during the audit period, and:

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

The switch breach report was examined for the audit period.

Audit commentary

AN timeliness

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

SIMP The switch breach report did not record any late AN files, and recorded eight late CS files for switch moves. None were genuinely late.

SELS The switch breach report did not record any late AN files or CS files for switch moves.

SELX The switch breach report did not record any late AN files, and recorded 13 late CS files. Two of the files were genuinely late. Both were examined and found one was due to getting final reads to send, and the reason for the other was unable to be determined.

AN Content

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

The accuracy of AN content was checked for each code:

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

The event detail report was reviewed for all 14 switch move ANs to assess compliance with the setting of event dates requirements.

- All ANs had proposed event dates within ten business days of the NT receipt date.
- No ANs had a proposed event date before the gaining trader's requested date, in all cases the AN date matched the requested date.

SELS No AN files were issued for switch moves.

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

The event detail report was reviewed for all 22 switch move ANs to assess compliance with the setting of event dates requirements.

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

- No ANs has a proposed event date before the gaining trader's requested date, in all cases the AN date matched the requested date.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.8 With: Clause 10(1) Schedule 11.3 From: 15-Aug-19 To: 18-Mar-20	*SELX* Two late CS files. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong and the impact as low. The audit risk rating is low there were only two late CS files across all switches conducted by Simply.

Actions taken to resolve the issue	Completion date	Remedial action status
Due to the small number of late CS files no additional checks will be added to the process.	27/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
No further action being considered	27/08/2020	

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

Code reference

Clause 10(2) Schedule 11.3

Code related audit information

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

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

Audit observation

Event detail reports for 01/07/19 to 07/06/20 were reviewed to assess compliance.

Audit commentary

Event dates and switch completion were reviewed for each code:

SIMP	Analysis found all switch move ANs had a valid switch response code, and event dates were compliant. Switches were completed as required by this clause.
SELS	No AN or CS files were issued for switch moves.
SELX	Analysis found all switch move ANs had a valid switch response code, and event dates were compliant. Switches were completed as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 11 Schedule 11.3

Code related audit information

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

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

Audit observation

Event detail reports for 01/07/19 to 07/06/20 were reviewed to identify CS files issued by Simply Energy during the audit period.

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

The accuracy of the content of CS files was confirmed by checking a sample of five files per participant 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 an average daily kWh that was negative, zero, or over 200 kWh were identified. A sample of ten of these CS files were checked to determine whether the average daily consumption was correct.

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

Audit commentary

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

As discussed in **section 4.3**, the average daily consumption is calculated in DataHub as the consumption between the most recent validated read and the previous validated read, where the previous validated

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

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

The content of CS files was checked for each code:

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

Estimated daily kWh	Count of transfer CS files	Comment
Negative	-	
Zero	94	Values were incorrect for all examples checked.
More than 200 kWh	38	Values were incorrect for all examples checked.

Examination of the CS files identified found that the automatic update from Datahub to SalesForce stopped working in May 2019 and appears to have started working again from April 2020. Therefore, the average daily consumption was not reported correctly for manually read ICPs in the CS files. In the cases where there was no data available zero will be reported.

The accuracy of the content of CS files was confirmed by checking a sample of five switch moves. In addition to the estimated daily consumption being calculated incorrectly for all examples checked, the following discrepancies were identified:

- **0004557763TC08A (event date 06/09/19) -** the last actual read date was recorded as 05/06/19 but should have been 05/09/19), and
- **0003727087WF954 (event date 08/11/19) -** the switch event read is recorded as an actual reading of zero, but this is the install read from 30/10/19, a read was not obtained so consumption for the ICP was unknown, and the read type should have been recorded as an estimate.

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

Estimated daily kWh	Count of transfer CS files	Comment
Negative	-	
Zero	1	Was confirmed to be correct
More than 200 kWh	-	

The accuracy of the content of CS files was confirmed by checking a sample of five transfer switches and found to be correct with the exception of the calculation of the average daily consumption due to the same issue of the values not being updated from Datahub to SalesForce.

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

Estimated daily kWh	Count of transfer CS files	Comment
Negative	-	
Zero	20	Values were incorrect for all examples checked.
More than 200 kWh	-	

Examination of the CS files identified found that the automatic update from Datahub to SalesForce stopped working in May 2019 and appears to have started working again from April 2020. Therefore, the average daily consumption was not reported correctly for manually read ICPs in the CS files. In the cases where there was no data available zero will be reported.

The accuracy of the content of CS files was confirmed by checking a sample of five switch moves. In addition to the estimated daily consumption being calculated incorrectly for all examples checked, the following discrepancies were identified:

- **0000025805EA56E (event date 29/07/19) -** the switch event reading was a validated customer read sent as an actual for 29/07/19 but the last meter read date of 22/07/19 was sent as the last read date, and
- three switches sent with last read dates prior to the event date sent as actual reads but should have been estimates.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.10 With: Clause 11 Schedule 11.3	*SIMP* • Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next. • One switch move CS file with an incorrect last read date. • One switch move CS file with an incorrect switch event read type. *SELS* • Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next. *SELX* • Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next. • One switch move CS files with an incorrect last actual read date. • Three switch move CS files with incorrect switch event read type. Potential impact: Medium Actual impact: Medium

From: 01-May-19 To: 01-Apr-20	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 the automated update process to stopped working in May 2019 and there were no checks in place to identify this. The audit risk rating is assessed to be low but has the potential to be medium given all CS files are affected, with an incorrect average daily value sent to the gaining trader which has the potential to incorrectly estimate sites until an actual read can be gained.

Actions taken to resolve the issue	Completion date	Remedial action status
A new process will be deployed by 31 August 2020 that ensures that all AMI Metered ICPs has correct average daily kWh prior to switch out. This has been developed and just needs to be tested before deployed. All other switches are as per current process.	31/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Monthly check to ensure that the system is updating for average daily kWh.	28/08/2020	

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

Code reference

Clause 12 Schedule 11.3

Code related audit information

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

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

- *if the losing trader notifies its acceptance or does not provide any response, the losing trader must use the switch event meter reading supplied by the gaining trader. (clause 12(3)(b)).*

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

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

Audit observation

The process for the management of read requests was examined.

Event detail reports for 01/07/19 to 07/06/20 were reviewed to identify all read change requests and acknowledgements during the audit period. The content of a diverse sample of 12 RR files and ten AC files were examined.

I also checked a sample of 15 estimated CS readings provided by other traders where no RR was issued to determine whether the correct readings were recorded in DataHub.

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

Audit commentary

Timeliness of RR and AC files

Read changes are tracked using the SalesForce dashboard.

SIMP	The switch breach report recorded one late RR file and no late AC files for switch moves. The RR was not genuinely late.
SELS	The switch breach report did not record any late RR or AC files for switch moves.
SELX	The switch breach report recorded one late RR file and no late AC files for switch moves. The RR was not genuinely late.

Content of RR and AC files

As discussed in **section 4.4**, in cases where Simply Energy is the gaining trader and they dispute the switch meter reading because the validated meter reading or permanent estimate provided by the losing trader differs by 200 kWh or more, they attempt to negotiate a changed switch meter reading which is supported by validated meter readings.

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

SIMP	13 RR files were issued for switch moves; 12 were accepted and one was rejected. A sample of five files were checked and found there was a genuine reason for the RRs, and the reads recorded in DataHub reflected the outcome of the RR process. 11 AC files were issued for switch moves; seven were acceptances and four were rejections. A sample of five files were checked including the rejected files, and I confirmed that DataHub reflected the correct outcome of the RR process. Review of five switch move CS files with estimated reads where no RR was issued confirmed that the correct readings were recorded in Simply Energy's systems.

SELS Three RR files were issued for switch moves; all were accepted. In all cases there was a genuine reason for the RRs, and the reads recorded in DataHub reflected the outcome of the RR process. One RR was not supported by two actual readings. ICP 0008802417ML010 (event date 01/02/20) was supported by a one actual meter read. This was a switch between Simply codes so did not impact any other participant but is technically non-compliant.

No AC files were issued by SELS.

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

SELX Five RR files were issued for switch moves; all were accepted. All five files were checked and found there was a genuine reason for the RRs, they were supported by at least two validated readings, and the reads recorded in DataHub reflected the outcome of the RR process with the exception of ICP 0000920729TU6DB (event date 22/05/19). The RR was accepted but the reads have not been updated in Salesforce for two of three registers resulting in under submission of 380 kWh. This is recorded as non-compliance below and in **sections 2.1, 6.7** and **12.7.**

Five AC files were issued relating to four different ICPs. One was a rejection and four were acceptances. The first RR was rejected as it was part of a double RR process, so the original gain reads needed to be corrected. The second RR was accepted.

Review of five transfer CS files with estimated reads where no RR was issued, confirmed that the correct readings were recorded in DataHub with the exception of ICP 0000012112WEA2A. SELX used their reconnection reads and not the reads provided in the CS file and no RR was issued resulting in under submission of 1,035 kWh. This is recorded as non-compliance below and in **sections 2.1, 6.7** and **12.7.**

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.11 With: Clause 6(1) and 6A Schedule 11.3 From: 22-May-19 To: 06-Jun-20	*SELS* • One switch move RR was not supported by two validated actual readings. *SELX* • For one ICP, the readings in DataHub did not reflect the outcome of the RR process. • For one ICP, the readings in Datahub did not reflect the read received in the CS file and no RR was issued. 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 as the process is manual and the controls in place did not identify this discrepancy. The impact is assessed to be low but has the potential to be medium if controls are not strengthened.

Actions taken to resolve the issue	Completion date	Remedial action status
0000920729TU6DB switch read issue has been resolved and correct values will be submitted in R14 months until they completely wash through. The ICP 0000012112WEA2A, we believe the under submission is with the previous trader as they under estimated the disconnection read and our customer was a new customer to this ICP.	27/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Actioning any discrepancies on disconnected sites with switch read variances when ICPs are reconnected.	27/08/2020	

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

Code reference

Clause 14 Schedule 11.3

Code related audit information

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

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

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

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

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

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

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

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

> *14(4)(a) – the proposed event date is in the same month as the date on which the gaining trader advised the registry manager; or*
>
> *14(4)(b) – the proposed event date is no more than 90 days before the date on which the gaining trader advises the registry manager and this date is agreed between the losing and gaining traders.*

Audit observation

The switch gain process was examined to determine when Simply Energy deem all conditions to be met. The event detail report for 01/07/19 to 07/06/20 was examined to identify all HH NTs.

All HH NTs were checked to confirm that these were notified to the registry within three business days, and that the correct switch type was selected.

Audit commentary

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

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

I did not identify any ICPs with metering category 3 or above which had transfer switches or switch moves requested.

SELS One HH NT file was sent. The file was issued within three business days of pre-conditions being cleared, and the correct switch type was selected.

I did not identify any ICPs with metering category 3 or above which had transfer switches or switch moves requested.

SELX Three HH NT files were issued. All were sent within three business days of pre-conditions being cleared, all five files had the correct switch type selected.

I did not identify any ICPs with metering category 3 or above which had transfer switches or switch moves requested.

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

Event detail reports for 01/07/19 to 07/06/20 were reviewed to identify AN files issued by Simply Energy during the audit period. All AN codes were reviewed to determine whether the codes had been correctly applied.

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

Audit commentary

AN timeliness

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

AN Content

SIMP	20 AN files were issued for a HH switches, and the response codes were as expected.
SELS	No AN files were issued for HH switches.
SELX	One AN file was issued for a HH switch, and the response code was as expected.

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 event detail report for 01/07/19 to 07/06/20 was examined to identify all HH CS files.

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

Audit commentary

CS timeliness

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

SIMP The switch breach report recorded two late CS files for HH switches. One was not genuine and was a duplicate, the other switch was sent late due to human error.

SELS The switch breach report did not record any late CS files for HH switches.

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

CS Content

SIMP Three HH CS files were issued, and the content was correct.

SELS One HH CS file was issued, and the content was correct.

SELX Three HH CS files were issued, and the content was correct.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.14 With: Clause 16 Schedule 11.3 From: 17-Apr-20 To: 30-Apr-20	*SIMP* • One late CS file. Potential impact: None Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as strong as the SalesForce dashboard is used to manage these and this was missed in this one instance. The audit risk rating is assessed to be none but only low is available as an option

Actions taken to resolve the issue	Completion date	Remedial action status
The controls are strong so we find no further action required.	27/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
No further action.	27/08/2020	

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

Code reference

Clauses 17 and 18 Schedule 11.3

Code related audit information

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

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

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

Audit observation

The switch withdrawal process was examined.

Event detail reports for 01/07/19 to 07/06/20 were reviewed to:

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

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

Audit commentary

NW and AW timeliness

SIMP Two of the 117 NWs were issued more than two calendar months after the event date. I found that the files were delayed due to investigations required.

The switch breach report recorded one NA breach for a late NW, which was not genuine.

SELS Two NWs were issued by SELS, and both were on time.

The switch breach report did not record any breaches relating to NW or AW files.

SELX Two of the 36 NWs were issued more than two calendar months after the event date. I found that both were actioned as soon as it was discovered that the incorrect ICPs had been switched but this took more than two months to be discovered.

The switch breach report recorded three NA breaches for late NWs, which were not genuine.

NW and AW content

The switch withdrawal process is managed using the registry interface on a case by case basis.

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

18 of the 100 AW files issued were rejections. I reviewed a sample of five rejections and found they were validly rejected.

SELS No NWs were issued by SELS.

All seven AW files issued were acceptances.

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

17 of the 72 AW files issued were rejections. I reviewed a sample of five rejections and found they were validly rejected.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.15 With: Clauses 17 and 18 Schedule 11.3 From: 01-Aug-18 To: 02-Jul-19	*SIMP* Two late NW files. *SELX* Two late NW files. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as strong. The sample of late NWs checked found that in all cases the delay was due to an investigation being completed prior to issuing the withdrawal request. The impact is assessed to be low because a small proportion of NWs were issued late.

Actions taken to resolve the issue	Completion date	Remedial action status
No actions have been taken to resolve these issues.	27/08/2020	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Our process documentation has been updated to second check any late withdrawals.	27/08/2020	

4.16. Metering information (Clause 21 Schedule 11.3)

Code reference

Clause 21 Schedule 11.3

Code related audit information

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

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

Audit observation

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

Audit commentary

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

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

Audit outcome

Compliant

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

Code reference

Clause 11.15AA to 11.15AC

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

The Electricity Registry switch save protected retailer list was examined for the period in which this applied of 30/03/20.

Win-back activity was discussed. The event detail reports were analysed to identify all withdrawn switches with a CX code applied prior to the switch event date for any switch save protected retailer up to 31/03/20, or within 180 days of switch completion after 31/03/20.

Audit commentary

Simply Energy do not contact customers who are switching out.

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

One NW had a CX withdrawal reason code applied and was issued before switch completion after 31/03/20. In this instance the customer requested the switch be cancelled.

SELS No NWs were issued with a CX withdrawal reason code.

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

Two NWs had CX withdrawal reason codes applied and were issued before switch completion or within 180 days of switch completion after 31/03/20. Both were SELX gains where the customer advised they did not want to proceed.

Audit outcome

Compliant

5. MAINTENANCE OF UNMETERED LOAD

5.1. Maintaining shared unmetered load (Clause 11.14)

Code reference

Clause 11.14

Code related audit information

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

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

Audit observation

The process to identify and monitor unmetered load was discussed.

The registry list files as at 7/06/20 and the audit compliance reports for the period for 01/07/19 to 7/06/20 were analysed to confirm process compliance and that controls are functioning as expected for all three codes.

Audit commentary

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

SIMP One ICP with shared unmetered load is supplied, and I confirmed that the daily unmetered kWh was consistent with the distributor's unmetered load details.

SELS One ICP with shared unmetered load is supplied, and I confirmed that the daily unmetered kWh was consistent with the distributor's unmetered load details.

SELX	No ICPs with shared unmetered load are currently supplied.

Audit outcome

Compliant

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

Code reference

Clause 10.14 (2)(b)

Code related audit information

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

Audit observation

The registry list files as at 7/06/20 and the audit compliance reports for the period for 01/07/19 to 7/06/20 were analysed to identify all active ICPs with unmetered load over 3,000 kWh per annum.

Audit commentary

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

SIMP	SIMP supplies 29 active ICPs with unmetered load recorded. None have an unmetered load over 3,000 kWh per annum.
SELS	SELS supplies two active ICPs with unmetered load recorded. Neither have an unmetered load over 3,000 kWh per annum.
SELX	SELX supplies five unmetered SB ICPs. No ICPs have an unmetered load over 3,000 kWh per annum.

Audit outcome

Compliant

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

Code reference

Clause 10.14 (5)

Code related audit information

If the unmetered load limit is exceeded the retailer must:

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

- *the details of the corrective measures that the retailer proposes to take or is taking to reduce the unmetered load.*

Audit observation

The registry list files as at 7/06/20 and the audit compliance reports for the period for 01/07/19 to 7/06/20 were analysed to identify all active ICPs with unmetered load over 6,000 kWh per annum.

Audit commentary

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

SIMP	SIMP supplies 29 active ICPs with unmetered load recorded. None have an unmetered load over 3,000 kWh per annum.
SELS	SELS supplies two active ICPs with unmetered load recorded. Neither have an unmetered load over 3,000 kWh per annum.
SELX	SELX supplies five unmetered SB ICPs. No ICPs have an unmetered load over 3,000 kWh per annum.

Audit outcome

Compliant

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

Code reference

Clause 11 Schedule 15.3, Clause 15.37B

Code related audit information

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

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

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

Audit observation

Processes for distributed unmetered load were discussed.

Audit commentary

Simply Energy does not supply any distributed unmetered load.

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

Audit outcome

Compliant

6. GATHERING RAW METER DATA

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

Code reference

Clause 10.13, Clause 10.24 and Clause 15.13

Code related audit information

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

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

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

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

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

Audit observation

Processes for metering, submission, and distributed generation were reviewed. The registry list files as at 07/06/20, AC020 reports for 01/07/19 to 07/06/20, and meter event details reports were reviewed to determine compliance.

Audit commentary

Metering installations installed

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

SIMP Seven active SIMP ICPs have no metering or unmetered load details recorded. Four ICPs had a MEP nomination processed and were awaiting a response or for metering data to be added to the registry. Three had metering removed from the registry on 15/04/20. They were decommissioned on 15/06/20 and new LE ICPs created for a new embedded network. I confirmed that the volumes had been reconciled.

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

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

Generation

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

SIMP Review of the registry list identified 26 active ICPs which had generation capacity recorded.

The AC020 report did not identify any ICPs with generation connected where the trader had not recorded a generation profile. The registry list recorded three ICPs with generation indicated by the distributor, a HHR profile and no I flow register:

- As found in the 2018 and 2019 audit, ICP 0000518204NR36D does not have generation metering recorded on the registry but the distributor had recorded generation. Northpower confirmed that because the load taken from the grid exceeds the generation it is not expected that any excess generation would be injected into the network, and an injection register will not be installed. Simply Energy has not provided notification of gifting to the reconciliation manager. The delay in providing notification to the reconciliation manager is not recorded as non-compliance, because to the best of our knowledge, no generation has been gifted to date.
- ICP 1001280320LC7AF has generation only, and AMS has recorded the flow direction for both meter registers as X. Simply Energy has sent a service request for AMS to reprogram the meter and update their records.
- ICP 1099568476CN11D has been confirmed to be generating, and I flow register information is being received but the meters are not recorded on the registry. Simply Energy has nominated Accucal as the MEP because they provided the meter certificates; and is waiting for the nomination to be accepted.

All other ICPs with generation indicated have compliant metering installed, and compliant profiles consistent with their generation fuel type recorded.

SELS Review of the registry list identified four active ICPs which had generation capacity recorded.

The AC020 report did not identify any ICPs with generation connected where the trader had not recorded a generation profile. The registry list recorded one ICP with generation recorded by the distributor, an RPS profile and no EG register. The metering and profile were updated prior to the audit.

All ICPs with generation indicated have compliant metering installed, and profiles consistent with the generation fuel type.

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

The AC020 report did not identify any ICPs with generation connected where the trader had not recorded a generation profile.

As found in the 2019 audit, ICP 0001173611PC6E2 has generation recorded on the registry by the distributor but does not have generation metering or a generation profile recorded. Simply Energy has confirmed that the customer does has solar generation and wishes to gift it. The reconciliation manager has not been notified of the gifting. All other ICPs with generation indicated have compliant metering installed, and profiles consistent with the generation fuel type.

Recommendation	Description	Audited party comment	Remedial action
Notification of gifting	*SIMP* Provide a notification of gifting of generation to the reconciliation manager for ICP 0000518204NR36D. *SELX* Provide a notification of gifting of generation to the reconciliation manager for ICP 0001173611PC6E2.	Both ICPs have been noted to the Reconciliation Manager that they are gifting any generation.	Cleared. Notification of gifting has been provided for both ICPs.

Bridged meters

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

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.1 With: Clause 10.13 From: 05-Nov-18 To: 24-Jul-20	*SELS* Notification of gifting of generation had not been provided for 0001173611PC6E2, and the injection quantities were not quantified in the meantime. Notification of gifting was provided on 24/08/20. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as strong, because processes are in place for distributed generation and very few exceptions were identified. The audit risk rating is low. A small amount of energy is generated and is intended to be gifted.

Actions taken to resolve the issue	Completion date	Remedial action status
Both ICPs noted above have been notified to the Reconciliation Manager as gifted generation.	27/08/2020	Cleared
Preventative actions taken to ensure no further issues will occur	**Completion date**	
There are no further actions here.	27/08/2020	

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

Code reference

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

Code related audit information

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

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

The participant responsible for the metering installation must:

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

Audit observation

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

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

Audit observation

The registry list files as at 07/06/20 and AC020 reports for 01/07/19 to 07/06/20 were reviewed to confirm the profiles used.

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

Audit commentary

SIMP SIMP uses Authority profiles DFP, HHR, RPS, UML and PV1, and non-standard profiles T07 and T23.

ICPs with the T07 and T23 profiles require HHR or AMI metering, or a certified control device. Review of the AC020 report confirmed that all ICPs on profiles requiring a certified control device had AMI or HHR metering, or a certified control device.

SELS SELS uses Authority profiles HHR, RPS, UML and PV1. None of the profiles require a certified control device.

SELX SELX uses Authority profiles DFP, HHR, RPS, and PV1, and non-standard profiles SBL and SFI. None of the profiles require a certified control device.

Audit outcome

Compliant

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

Code reference

Clause 10.43(2) and (3)

Code related audit information

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

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

Audit observation

Processes relating to defective metering were examined.

Audit commentary

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

No examples of stopped or faulty meters were identified during the audit period. I reviewed Simply Energy's validation processes in **sections 9.5** and **9.6**, and found they are sufficient to detect potential stopped and faulty meters. Corrections for defective meters are discussed in **section 2.1**.

Audit outcome

Compliant

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

Code reference

Clause 2 Schedule 15.2

Code related audit information

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

> *2(2) - The reconciliation participant must collect raw meter data used to determine volume information from the services interface or the metering installation or from the MEP.*
>
> *2(3) - The reconciliation participant must ensure the interrogation cycle is such that is does not exceed the maximum interrogation cycle in the registry.*
>
> *2(4) - The reconciliation participant must interrogate the meter at least once every maximum interrogation cycle.*
>
> *2(5) - When electronically interrogating the meter the participant must:*
>
> *a) ensure the system is to within +/- 5 seconds of NZST or NZDST*
> *b) compare the meter time to the system time*
> *c) determine the time error of the metering installation*
> *d) if the error is less than the maximum permitted error, correct the meter's clock*
> *e) if the time error is greater than the maximum permitted error then:*
> *i) correct the metering installation's clock*
> *ii) compare the metering installation's time with the system time*
> *iii) correct any affected raw meter data.*
> *f) download the event log.*
>
> *2(6) – The interrogation systems must record:*
>
> - *the time*
> - *the date*
> - *the extent of any change made to the meter clock.*

Audit observation

The data collection and clock synchronisation processes were examined.

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

Audit commentary

HHR

Agents monitor clock synchronisation, and this is covered as part of their audits. EMS and Simply Energy review the clock synchronisation events for the meters they complete HHR submission for, and take corrective action as required.

- AMS' agent audit report records compliance.
- EMS' agent audit recorded that ICP 0000518204NR36D is read manually by Northpower. Clock synchronisation is conducted but the event log is not supplied. I have recommended in **section 6.13** that EMS keeps a record of all manual downloads and whether the event log has been supplied and checked.
- The 2019 audit recorded that EDMI did not usually receive time difference information for FCLM meters manually read using MV90. I confirmed that this issue has been resolved and event information (including time differences) is received for manual downloads for FCLM meters.

No clock synchronisation events requiring corrective action were identified during the audit period.

AMI

Information used to determine volume information is provided to Simply Energy by MEPs and agents and is manually reviewed by Simply Energy. There were no examples of clock synchronisation events requiring action during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.5 With: Clause 2 Schedule 15.2 From: 01-Feb-20 To: 29-Feb-20	*SIMP* Event log not downloaded for ICP 0000518204NR36D. Potential impact: Low 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
EMS is now receiving event logs for this ICP and have updated their processes.	25/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
There is no further action here.	27/08/2020	

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

Code reference

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

Code related audit information

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

All validated meter readings must be derived from meter readings.

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

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

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

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

Audit observation

The data collection process was examined.

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

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

Audit commentary

Derivation of volume and labelling of readings

Review of a diverse sample of meter readings in **section 2.3** confirmed they are appropriately labelled, and validated readings are derived from meter readings.

Wells readings

Wells' data collection processes were reviewed as part of their agent audit and found to be compliant. Wells provides information on meter condition along with the daily reads, and a monthly summary of ICPs with missing and broken seals.

Wells also provides a notes file with its readings which are imported into SalesForce. These are only reviewed where an issue is identified through the read attainment or validation processes. I recommend that events which could affect accuracy are routinely reviewed. Any phone calls or emails from Wells are actioned as they are received. I recommend that events which could affect accuracy are routinely reviewed. Compliance is recorded because no meter condition events were identified during Wells or Simply Energy's audits.

Description	Recommendation	Audited party comment	Remedial action
Meter condition information	Review all meter condition information provided by Wells to identify any meter events which could affect accuracy.	Monthly reports from Wells are monitored for any inaccuracies.	Identified

Northpower readings

Northpower periodically provides manual meter readings for their three substations which do not have AMI meters installed, because Simply Energy's other NHH meter readers cannot gain access to read the meters.

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

Customer and photo readings

Simply Energy accepts customer readings and photo readings.

If Wells obtains a customer reading, a no read is recorded, and the customer reading is provided as a note in the reading file. No examples of customer readings provided by Wells were identified during Wells or Simply Energy's audits.

During Covid-19 lockdown, Wells developed a process to conduct outbound calling to customers to obtain customer readings. These readings were entered into the handheld and were validated in the same way as meter reader readings. Wells confirmed that none of these customer readings were provided to Simply Energy.

Customers may provide customer and photo readings directly to Simply Energy. Customer supplied readings are entered into DataHub as customer actual readings if they have been validated against a set of readings from another source, and customer estimate readings 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 a sample of six customer supplied readings and found that they had been entered with the correct read type, and customer estimate readings were not recorded in MADRAS or used to calculate historic estimate.

During the 2019 audit, I found two examples where a customer estimate reading in DataHub had been sent to EMS and was used in the historic estimate process. I confirmed that the issue is cleared, and those readings are no longer recorded in MADRAS.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 15.2

Code related audit information

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

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

Audit observation

The process of the application of meter readings was examined.

Audit commentary

NHH readings apply from 0000hrs on the day after the last meter interrogation up to and including 2400hrs on the day of the meter interrogation except in the case of a switch event meter reading which applies to the end of the day prior to the event date for the losing trader and the start of the event date for the gaining trader as required by this clause.

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

The content of CS and RR files was examined in **sections 4.3**, **4.4**, **4.10** and **4.11** and the readings provided by Simply Energy were found to be correct with the exception of:

- ICP 0000920729TU6DB (event date 22/05/19). The RR was accepted but the reads have not been updated in Salesforce for two of three registers resulting in under submission of 380 kWh.

- ICP 0000012112WEA2A. SELX used their reconnection reads and not the reads provided in the CS file and no RR was issued resulting in under submission of 1,035 kWh.

Application of reads was reviewed as part of the historic estimate checks in **section 12.11** and found to be compliant as long as the correct reads are sent to MADRAS. Non-compliance is recorded in **section 12.7** for ICP 000001142KP8D6, which applied the end of day reading on the switch in date as the switch event reading because MADRAS can only apply one reading per day, and six other ICPs which were missing meter installation reads or switch in reads in MADRAS. A recommendation to improve validation of start and end reads in MADRAS is made in **section 12.3**.

I checked the process for NHH to HHR meter changes in relation to this clause. These changes normally only occur for category 1 and 2 HHR meters, and the changes are applied effective from 12am on the first day of the month. The movement between NHH and HHR aligns with the actual volume data.

In the event that an ICP's metering is upgraded from NHH category 1 or 2 to HHR category 3 or higher, or downgraded from HHR category 3 or higher to NHH category 1 or 2, the change of submission type must occur when the meter is changed, rather than on the first day of the month. I recommend that procedures are developed and tested for changes part way through the month.

Recommendation	Description	Audited party comment	Remedial action
HHR upgrade process	*SIMP, SELS and SELX* Develop and test procedures to handle meter upgrades and downgrades which occur part way through a month, for use in the event of changes between meter categories 1-2, and meter categories 3 or higher.	Simply Energy will review its processes for this scenario.	Investigating

Review of the event detail reports did not identify any ICP upgrades or downgrades for SIMP, SELX, or SELS.

Audit outcome

Compliant

Non-compliance	Description
Audit Ref: 6.7 With: Clause 6 Schedule 15.2 From: 22-May-19 To: 06-Jun-20	*SELX* • For one ICP, the readings in DataHub did not reflect the outcome of the RR process. • For one ICP, the readings in Datahub did not reflect the read received in the CS file and no RR was issued. Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as moderate as the process is manual and the controls in place did not identify this discrepancy. The impact is assessed to be low but has the potential to be medium if controls are not strengthened.

Actions taken to resolve the issue	Completion date	Remedial action status
0000920729TU6DB switch read issue has been resolved and correct values will be submitted in R14 months until they completely wash through. The ICP 0000012112WEA2A, we believe the under submission is with the previous trader as they under estimated the removal read on disconnection.	27/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Tighter processes around switching in disconnected ICPs where the switch in read has been estimated. This would then be used to identify differences between switch read and reconnection reads.	27/08/2020	

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

Code reference

Clause 7(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

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

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

Audit commentary

When a customer is switching out, staff check whether the ICP has an actual read and if possible, try to obtain one. Daily AMI reads are received and recorded in Datahub.

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

- **NRE (no read event) report**

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

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

If AMI readings cannot be obtained, and the MEP has advised that the communication issues will be difficult to resolve, Simply Energy will move the ICP to a manual Wells reading route. Read attainment was checked for each code:

SIMP Simply Energy provided a list of three ICPs unread during the period of supply, where the period of supply ended after 01/07/19. The ICPs were supplied for 10-30 days and had non-AMI meters. The best endeavours requirement was not met.

SELS No ICPs were unread during the period of supply.

SELX Two ICPs were unread during the period of supply, where the period of supply ended after 01/07/19:

- ICP 0000019749EA176 was supplied for 29 days, and a read was attempted but unable to be obtained because a key was not provided. The best endeavours requirement was not met.
- ICP 0000012283EAEED was supplied for 319 days. Three actual reads were received but were not validated because they were lower than the estimated switch in read. Because the second read was not obtained until more than four months after the switch, Simply Energy decided not to issue an RR and to wait for the actual readings to exceed the estimated switch in reading. The ICP switched out before the estimated switch reading was exceeded. A recommendation to improve the validation process where actual reads are lower than previous estimates is recorded in **section 9.5**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.8 With: Clause 7(1) and (2) Schedule 15.2 From: 14-Sep-19 To: 31-Mar-20	*SIMP* For three ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. *SELX* For one ICP unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate. There is a process in place, but compliance is not consistently achieved if the period of supply is short, or actual reads fail validation because they are lower than previous estimates. The impact on settlement from an estimate for a short period is minor, therefore the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
Continued monitoring of ICPs with no reads for some time.	27/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Updating processes to ensure ICPs with no reads for some time have the correct focus. The NHH 12 month read report to be referenced for this.	31/08/2020	

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. The meter reading frequency reports for December 2019 to March 2020 for SELS and October 2019 to March 2020 for SIMP and SELX were reviewed to determine

whether they met the requirements of clauses 8 and 9 of schedule 15.2. A sample of submissions were reviewed to ensure that they were made on time.

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

Audit commentary

Meter reading frequency report timeliness and content

The meter reading frequency reports contained the required information. I found that some ICPs were incorrectly included in the reports for periods after their period of supply had ended. Simply Energy raised an IT ticket to investigate and resolve this issue following the audit, and revised reports were provided showing that withdrawn, switched, and decommissioned ICPs are now correctly excluded.

I viewed submission emails for six months of reports (including all codes) and confirmed the reports were sent on time.

Meter reading attainment

As discussed in **section 6.8**, there are processes in place to monitor read attainment, and attempt to resolve issues preventing read attainment. The monthly meter reading reports provided were reviewed for each participant code.

SIMP

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Oct 19	127	2	2	99.72%
Nov 19	127	2	2	99.72%
Dec 19	129	2	2	99.73%
Jan 20	129	3	3	99.54%
Feb 20	128	3	3	99.54%
Mar 20	129	3	3	99.56

I reviewed all three SIMP ICPs not read in the previous 12 months as at March 2020 and found:

- ICP 0000603070WE47D had switched out in January 2019 but was still included in the report; inclusion of ICPs in the meter reading frequency reports after their period of supply has ended is recorded as non-compliance below,
- ICP 0110200059AP865 had a non-communicating AMI meter and no action was taken to resolve the communications issue, replace the meter, or contact the customer; the best endeavours requirements were not met, and
- the best endeavours requirement was met for the other ICP.

SELS

No SELS NHH ICPs were supplied as NHH for 12 months or more.

SELX

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Oct 19	29	-	-	100.00%
Nov 19	28	-	-	100.00%
Dec 19	29	-	-	100.00%
Jan 20	29	-	-	100.00%
Feb 20	38	-	-	100.00%
Mar 20	42	1	1	99.75%

I reviewed the SELX ICP not read in the previous 12 months as at March 2020 and confirmed that Simply Energy had used their best endeavours to obtain readings.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.9 With: Clause 9(1) and (2) Schedule 15.2 From: 01-Apr-19 To: 31-Mar-20	The meter reading frequency reports include some ICPs which have been withdrawn or switched away prior to the period being reported. An IT ticket was raised to investigate and resolve this issue following the audit, and revised reports were provided showing that withdrawn, switched, and decommissioned ICPs are now correctly excluded. *SIMP* For at least one ICP unread in the previous 12 months, the best endeavours requirements were not met, and exceptional circumstances did not exist. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are assessed to be strong, now that the meter read frequency reporting issues are resolved. There is a read attainment process in place, but compliance is not always achieved. The impact is assessed to be low. The use of estimates may have a minor impact on settlement. Only NSPs with very small numbers of customers do not achieve 100% read attainment, and overall read attainment is high.

Actions taken to resolve the issue	Completion date	Remedial action status
The incorrect reporting of ICPs in the NHH Read Reports has been resolved.	27/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Using the 12 month NHH Read Reports to correctly identify those ICPs without reads for some time.	27/08/2020	

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. The meter reading frequency reports for December 2019 to March 2020 for SELS and October 2019 to March 2020 for SIMP and SELX were 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 Simply Energy had used their best endeavours to obtain readings.

Audit commentary

As discussed in **section 6.8**, there are processes in place to monitor read attainment, and attempt to resolve issues preventing read attainment. The monthly meter reading reports provided were reviewed for each participant code.

SIMP

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Oct 19	157	7	18	98.30%
Nov 19	160	12	30	97.27%
Dec 19	167	15	44	96.32%
Jan 20	163	16	46	95.86%

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Feb 20	169	12	54	95.39%
Mar 20	169	12	60	94.95%

I reviewed five unread ICPs at NSPs which did not have at least 90% of ICPs read in the previous four months as at March 2020 and found:

- for three ICPs the best endeavours requirement was not met, and exceptional circumstances did not exist,
- for one ICP the best endeavours requirement was met, and
- for one ICP the switch was later withdrawn, and Simply Energy's period of supply was removed; inclusion of ICPs in the meter reading frequency reports after their period of supply has ended is recorded as non-compliance in **section 6.9**.

SELS

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Dec 19	1	-	-	100.00%
Jan 20	1	-	-	100.00%
Feb 20	1	-	-	100.00%
Mar 20	2	-	-	100.00%

All SELS ICPs were read within four months.

SELX

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Oct 19	56	2	15	98.03%
Nov 19	60	2	15	98.08%
Dec 19	60	3	18	97.78%
Jan 20	61	3	20	97.62%
Feb 20	63	4	21	97.55%
Mar 20	61	5	27	95.95%

I reviewed five unread ICPs at NSPs which did not have at least 90% of ICPs read in the previous four months as at March 2020 and found:

- for three ICPs the switch was later withdrawn, and Simply Energy's period of supply was removed, and
- fwo ICPs had switched out prior to November 2019 but were still included in the report; inclusion of ICPs in the meter reading frequency reports after their period of supply has ended is recorded as non-compliance in **section 6.9**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.10 With: Clause 9(1) and (2) Schedule 15.2 From: 01-Dec-19 To: 31-Mar-20	*SIMP* For at least three ICP unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are assessed to be moderate. There is a process in place, but compliance is not consistently achieved within four months. The impact is assessed to be low. The use of estimates may have a minor impact on settlement. Only NSPs with very small numbers of customers do not achieve 90% read attainment, and overall read attainment is high.

Actions taken to resolve the issue	Completion date	Remedial action status
Continued monitoring of no read events.	27 August 2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
The process to obtain no read information assistance from customers is to be more automated in the next few months. This should assist in reducing the numbers of ICPs without reads.	31 October 2020	

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

Code reference

Clause 10 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11(1) Schedule 15.2

Code related audit information

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

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

Audit observation

HHR data is collected by EMS, AMS and EDMI as agents.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11(2) Schedule 15.2

Code related audit information

The following information is collected during each interrogation:

11(2)(a) - the unique identifier of the data storage device

11(2)(b) - the time from the data storage device at the commencement of the download unless the time is within specification and the interrogation log automatically records the time of interrogation

11(2)(c) - the metering information, which represents the quantity of electricity conveyed at the point of connection, including the date and time stamp or index marker for each half hour period. This may be limited to the metering information accumulated since the last interrogation

11(2)(d) - the event log, which may be limited to the events information accumulated since the last interrogation

11(2)(e) - an interrogation log generated by the interrogation software to record details of all interrogations.

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

Audit observation

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

Audit commentary

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

EMS' agent audit recorded that SIMP ICP 0000518204NR36D is read manually by Northpower. Clock synchronisation is conducted but the event log is not supplied. I recommend EMS keeps a record of all manual downloads and whether the event log has been supplied and checked.

Recommendation	Description	Audited party comment	Remedial action
Regarding clause 11(2) Schedule 15.2	*SIMP* EMS should keep a schedule of all manual downloads confirming that event logs have been received.	This has been resolved. EMS have confirmed that they now do keep a schedule of all manual downloads.	Identified

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.13 With: Clause 11(2) Schedule 15.2 From: 01-Feb-20 To: 29-Feb-20	*SIMP* Event log not downloaded during interrogation of ICP 0000518204NR36D. 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 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
EMS have updated their process and now keep a schedule of all manual downloads.	26/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
There is no further action here.	27/08/2020	

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

Code reference

Clause 11(3) Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

7.2. Archiving and storage of raw meter data (Clause 18 Schedule 15.2)

Code reference

Clause 18 Schedule 15.2

Code related audit information

A reconciliation participant who is responsible for interrogating a metering installation must archive all raw meter data and any changes to the raw meter data for at least 48 months, in accordance with clause 8(6) of Schedule 10.6.

Procedures must be in place to ensure that raw meter data cannot be accessed by unauthorised personnel.

Meter readings cannot be modified without an audit trail being created.

Audit observation

Processes to archive and store raw meter data were reviewed during the agent and MEP audits. I checked that meter readings cannot be modified without an audit trail and viewed archived meter reading data.

Audit commentary

The agents and MEPs are compliant with these clauses.

When this data reaches Simply Energy's systems, the level of security is also robust and unauthorised personnel cannot access raw meter data. I checked that data is retained by Simply Energy for at least 48 months, by viewing raw meter data from 2015.

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

Audit outcome

Compliant

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

Code reference

Clause 21(5) Schedule 15.2

Code related audit information

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

Audit observation

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

Audit commentary

Simply Energy does not deal with any non-metering information for SIMP, SELS and SELX, but has processes in place for the other participant codes it acts as an agent for.

EMS will retain the data logger files, and compliance is recorded in their agent audit report. Simply Energy will retain DUML information provided by database owners indefinitely.

Audit outcome

Compliant

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

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

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

Processes for the correction of NHH meter readings were reviewed. Corrections to volumes where meter readings match the value recorded by the meter, such as where a multiplier is incorrect, a meter is defective or bridged, or inactive consumption is identified were reviewed in **section 2.1**.

Audit commentary

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

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

If transposed meters are identified, they will be corrected using the read renegotiation process if switch reads are affected, or by moving the readings to the correct registers. No examples of transposed meter readings were identified during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

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

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

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

(i) The total of all substituted intervals matches the total consumption recorded on a meter, if available; and

(ii) The reconciliation participant considers the pattern of consumption to be materially similar to the period in error

Audit observation

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

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

HHR estimates, including replacement of estimated data, are discussed in **section 9.4**.

Audit commentary

SIMP & SELX	Compliance with this clause has been demonstrated by EMS as part of their agent audit. EMS and Simply Energy confirmed that no error corrections or permanent estimates have been required for SIMP or SELX HHR data during the audit period.
SELS	EMS collects and validates HHR data and creates any permanent estimates and corrections required; and supplies the validated HHR data including estimates and corrections to Simply Energy in EIEP3 format. This data is used to create HHR submissions. EMS and Simply Energy confirmed that no error corrections or permanent estimates have been required for SELS HHR data during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 19(3) Schedule 15.2

Code related audit information

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

Audit observation

Error and loss compensation arrangements were discussed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 19(4) and (5) Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

Corrections are discussed in **sections 2.1, 8.1,** and **8.2**, which confirmed that raw meter data is not overwritten as part of the correction process. Audit trails are discussed in **section 2.4**.

Raw meter data retention for MEPs and agents was reviewed as part of their own audits.

Audit commentary

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

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

Audit outcome

Compliant

9. ESTIMATING AND VALIDATING VOLUME INFORMATION

9.1. Identification of readings (Clause 3(3) Schedule 15.2)

Code reference

Clause 3(3) Schedule 15.2

Code related audit information

All estimated readings and permanent estimates must be clearly identified as an estimate at source and in any exchange of metering data or volume information between participants.

Audit observation

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

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

Correct identification of estimated reads, and review of the estimation process was completed in **sections 8.1, 8.2** and **9.4**.

Audit commentary

All estimated readings, permanent estimates and actual readings are clearly identified as required by this clause. NHH readings reviewed during the audit were correctly classified apart from:

SIMP

- one transfer switch with the incorrect switch event read type; this is detailed in **section 4.3**, and
- one switch move switch with the incorrect switch event read type; this is detailed in **section 4.10**.

SELX

- three switch move switches with the incorrect switch event read type, these are detailed in **section 4.10**.

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

2019 exceptions

The read labelling exceptions identified during the 2019 audit were rechecked:

- the two ICPs had unvalidated customer readings recorded as actual readings in MADRAS have been corrected, and the readings have been cleared from MADRAS; and
- the two SELX and four SIMP CS files with incorrect read dates and/or types have not been updated through the read renegotiation or withdrawal processes.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.1 With: Clause 3(3) Schedule 15.2 From: 01-Jun-19 To: 07-Jun-20	*SIMP* At least two switch event readings were incorrectly classified as estimated or actual. *SELX* At least three switch event readings were incorrectly classified as estimated or actual. 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 assessed to be moderate and the impact is assessed to be low. Most readings were correctly classified.

Actions taken to resolve the issue	Completion date	Remedial action status
The process around how we determine estimates and actuals on all switch losses has been updated to ensure correct going forward.	22/07/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
No further action is required.	27/08/2020	

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

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 3(5) Schedule 15.2

Code related audit information

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

Audit observation

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

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

Audit commentary

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

Automatically entered NHH and AMI reads are truncated on import into Datahub, except readings provided by FCLM and WASN. All NHH and AMI reads are truncated on export to EMS' MADRAS.

Manually entered readings including those received from customers, BOPE (which are entered manually due to a file format issue) and Northpower can be entered with decimal places. For the sample of readings reviewed I found most were truncated on import where decimal places were provided.

AMI and HHR interval data is not rounded or truncated on import. The number of decimal places recorded in Datahub matched the source files for the sample of data checked.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.3 With: Clause 3(5) of schedule 15.2 From: 01-Jul-19 To: 24-Jul-20	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. Customer readings are not consistently entered into Datahub with decimal places where this information is provided by the customer. 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: None Controls: Weak Breach risk rating: 3

Audit risk rating	Rationale for audit risk rating
Low	The controls are considered weak, because all NHH meter information is rounded before it is entered into MADRAS where reconciliation submissions are calculated. The impact is assessed to be low. Only NHH meter readings provided with decimal places are affected. According to the PR255 reports, the highest multiplier for any NHH settled ICP is 100, which could result in a maximum difference of 99 kWh if a read with a multiplier of 100 is truncated.

Actions taken to resolve the issue	Completion date	Remedial action status
Changes to the three read files have been developed and is currently being tested to be deployed. This will mean all read files are treated the same. Decimal reads will also go through to Madras for NHH Reconciliation.	31 August 2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
No further action is required.	28 August 2020	

9.4. Half hour estimates (Clause 15 Schedule 15.2)

Code reference

Clause 15 Schedule 15.2

Code related audit information

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

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

Audit observation

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

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

Audit commentary

SIMP & SELX Compliance with this clause has been demonstrated by EMS as part of their agent audit. Estimates are based on historic data and meet the reasonable endeavours requirements. Estimated data is replaced with actual data if it becomes available at a later date.

SELS EMS collects and validates HHR data and creates any permanent estimates and corrections required; and supplies the validated HHR data including estimates and corrections to Simply Energy in EIEP3 format. This data is used to create HHR submissions.

Temporary estimates are created by Datahub and the process is triggered manually for each ICP with missing data. ICPs with missing data are identified using Datahub exception reports. Estimates are based on historic information for an equivalent day and trading period, unless other data such as check metering is available to confirm the correct values. 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. Some improvements to the estimation process are recommended.

- HHR midnight readings are not considered as part of the estimation process. Some MEPs routinely provide HHR midnight readings, and it is recommended that these readings should be considered by the estimation process where they are available.
- Where there is insufficient history to determine an equivalent day (e.g. for a new ICP switching in) an estimate must be manually created. Use of a default value is recommended, to ensure that estimates are completed on time where there may be large numbers of new ICPs requiring estimates.

I reviewed a sample of three HHR estimates and confirmed that the estimates were reasonable and consistent with the ICPs' consumption patterns, and reasonable endeavours were used.

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**.

When trading period data has been estimated and actual data is received later, the actual data is imported and validated against the estimates. If the actual data is higher than the estimated data, it will pass validation and replace the estimates. If the actual data is lower than the estimated data, it is not validated and does not replace the estimates. Actual volumes for SELS ICP 0000003315NT66F (category 1) failed validation because they were lower than previous estimated volumes and did not replace the estimated data. A recommendation to improve this process is made below. I confirmed that volumes for other ICPs in the same file had been correctly recorded in Datahub, and any actual data received for periods which had not been estimated or that was higher than the estimated data was loaded.

When actual trading period data has been received and updated actual data is received later, it will be replaced. Where FCLM has provided a part day of data, they may later provide a replacement file which contains nulls for the trading periods already provided and HHR volumes for the part of the day that was originally missing. 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. I found that ICP 0000014504EACAF was missing data for the first four trading periods of 25/06/20 when originally provided. The following day a file was provided with the first four trading periods for 25/06/20 and nulls for the remaining periods. This file was imported and replaced the actual trading period data, and Datahub estimated the missing values based on the ICP's consumption history. FCLM have confirmed that they will not provide full days of replacement data when part of a day was originally missing.

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

When data is replaced, compliant audit trails are created within Datahub's job log. When a permanent estimate is created, the permanent estimate log is manually updated to record

all details of the change, including the dates and trading periods affected and the correction method.

Recommendation	Description	Audited party comment	Remedial action
HHR estimation process	*SELS* Take HHR midnight readings into account (if available) when calculating HHR estimates.	The Datahub system will take this into account if they are provided.	Investigating
HHR estimation for new ICPs	*SELS* Improve the HHR estimation process so that Datahub can apply estimates where data for an equivalent day is not available.	We will talk to Axos for this development.	Investigating
Replacement of estimates with actual data	*SELS* If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data. HHR actual data is not currently loaded if it is lower than previously estimated data for the same period. It is expected that HHR actual data will replace estimated data.	A ticket has been raised for this to be investigated.	Investigating
Replacement of actual data with actual data	*SELS* If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.	A ticket will be raised to further investigate this issue.	Investigating

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.4 With: Clause 3(5) of schedule 15.2 From: 05-Apr-20 To: 05-Apr-20	*SELS* HHR estimated data is not replaced with actual data if the actual trading period volumes are lower than the estimated volumes. ICP 0000014504EACAF had actual data for the first four trading periods of 25/06/20 replaced with null values and then estimated, when the MEP provided a partial replacement file. The issue occurred because Datahub imported the whole file including the null periods. Potential impact: High Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 4

Audit risk rating	Rationale for audit risk rating
Medium	The controls are rated as moderate because there is a process in place but some improvement is required to ensure compliance. The audit risk rating is low. According to the registry list as at 07/06/20 343 active ICPs are settled as HHR. 335 have meter category 1, seven have meter category 2, and one has meter category 3.

Actions taken to resolve the issue	Completion date	Remedial action status
All items of non compliance are currently being investigated.	28 August 2020	Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
As per above.	28 August 2020	

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 processes.

Audit commentary

Data validation for NHH metering information occurs at multiple levels.

Meter reader validation

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

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

Read import and billing validation

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

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

The meter reading validations checks:

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

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

I found that in some cases, the validation process would fail actual readings because they are lower than previous estimates. In these cases, it is more likely that the estimated readings will be incorrect than the subsequent actual readings. For example:

- ICP 1000515156PC25E had estimated consumption between switching in on 01/08/16 and receiving the first actual reading after switch in during May 2019. All the actual readings have been put on hold and not used, because they were lower than previous estimated reads, and some r14s had already been completed using these higher values.
- ICP 0000012283EAEED received three actual reads which were not validated because they were lower than the estimated switch in read. Because the second read was not obtained until more than four months after the switch, Simply Energy decided not to issue an RR and to wait for the actual readings to exceed the estimated switch in reading. The ICP switched out before the estimated switch reading was exceeded.

Description	Recommendation	Audited party comment	Remedial action
Validation of actual reads lower than previous estimates	Review the validation process for reads that fail validation because they are lower than previous estimates. In these situations, if the actual readings are confirmed to be accurate, they should be applied. Where revision 14 has already been issued, the permanent estimate process should be used to ensure that all consumption is captured.	Increased focus on obtaining reads for all sites will ensure this issue does not repeat.	Identified

For SIMP and SELX, a billing volume check is completed prior to each day's billing run for end of month billing. The report is used to identify the following exceptions:

- ICPs which are missing removal reads,
- ICPs with large consumption differences, negative consumption, or missing reads over the last three months, and
- new ICPs with only a switch in read, which are checked to confirm that their estimated consumption is reasonable based on information obtained on switch in.

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

Consumption on inactive ICPs

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

Audit outcome

Compliant

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

Code reference

Clause 17 Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

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

HHR data validation is completed by Simply Energy for SELS, using volumes which have initially been validated by EMS. I walked through the processes, including checking a sample of data validations and meter event logs.

AMI data validation is completed by Simply Energy for SIMP, SELX and SELS. I walked through the processes, including checking a sample of data validations and meter event logs. Process documentation was reviewed.

Audit commentary

Electronic data used to determine volume information is provided by MEPs and agents. This function was examined as part of the MEP and agent audits.

EDMI's 2019 audit recorded that they did not usually receive time difference information for FCLM meters manually read using MV90. I confirmed that this issue has been resolved and event information (including time differences) is received for manual downloads for FCLM meters.

AMI

For HHR AMI ICPs Simply Energy carries out the same billing validation as used for NHH ICPs. This includes high and low consumption to achieve compliance with 17(4)(d). Reporting is in place for missing data. Files with incorrect dates or times will be identified at the time of loading and two identical files cannot be loaded.

Meter event log information is received via SFTP, then moved to a folder on Simply Energy's network and manually reviewed.

Simply Energy is investigating automation of the review processes and is refining their review procedures. Events that could affect meter accuracy occur rarely, and if found are followed up with the MEP. There were no examples of meter events requiring action during the audit period.

HHR

SIMP EMS completes HHR validation and the process was reviewed as part of their agent audit.

EMS' agent audit recorded that SIMP ICP 0000518204NR36D is read manually by Northpower. Clock synchronisation is conducted but the event log is not supplied. I have recommended in **section 6.13** that EMS keeps a record of all manual downloads and whether the event log has been supplied and checked. Compliance is recorded for other processes relating to electronic meter data.

SELX EMS completes HHR validation and the process was reviewed as part of their agent audit and found to be compliant for SELX.

SELS SELS supplies some meter category 1, 2 and 3 ICPs which are billed and reconciled as HHR. EMS' HHR validation process is compliant for SELS. Once the data is received by Simply Energy the following validations occur:

- Automated validation of new trading period data against existing trading period data for the same period. I found that actual volumes for SELS ICP 0000003315NT66F (category 1) failed validation because they were lower than previous estimated volumes, and so did not replace the estimated data. A recommendation to ensure that estimates are replaced with actual data is raised in **section 9.4**, and non-compliance is recorded in **section 12.7**.
- Reporting on ICPs with missing trading period data, which is followed up with the agents and MEPs. Simply Energy considers changing the submission type to NHH for HHR ICPs with metering category 1 or 2 and persistent missing data issues. Missing data is estimated as described in **section 9.4**.
- The ANH data stream is used to complete a sum check if midnight readings are available. Any differences greater than ± 1 kWh fail validation and are investigated. In some cases, the sum check may fail because a switch read has failed validation (e.g. because it is higher than a subsequent AMI read) and this can take time to resolve.
- Comparison to expected flow patterns is checked by comparing billed and submitted data, differences between revisions, and monthly consumption before submission using a Power Query. The data is aggregated by participant code, and not checked at ICP level. No ICP level billing volume check (described in **section 9.5**) is completed for SELS.
- Unexpected zeros are checked by filtering the ICP, flow direction and trading period data, and then checking to determine whether the zeros are consistent with the consumption history for the ICP.
- Meter events are manually reviewed according to the AMI process below.

Recommendation	Description	Audited party comment	Remedial action
HHR validation of consumption patterns	*SELS* Validation of HHR consumption patterns should be completed at ICP level as well as aggregate level. Consider improving the checks for unexpected zeros to enable them to be completed more efficiently.	ICP Level Validation is in place over all reconciliation periods and Trader codes for HHR consumption. Development is planned to make this more scalable to the end user and for the zero checks.	Investigating

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.6 With: Clause 17 Schedule 15.2 From: 01-Feb-20 To: 24-Jul-20	*SIMP* Event log not downloaded during interrogation of ICP 0000518204NR36D. Potential impact: Low 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
EMS is now keeping a record of the events for this ICP when they are received.	26 August 2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
No further action is required	26 August 2020	

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

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

Code reference

Clause 13.136

Code related audit information

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

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

Audit observation

The NSP table on the registry was reviewed.

Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

Audit outcome

Not applicable

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

Code reference

Clause 13.137

Code related audit information

Each generator must provide the relevant grid owner half-hour metering information for:

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

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

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

Audit observation

The NSP table on the registry was reviewed.

Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

Audit outcome

Not applicable

10.3. Loss adjustment of HHR metering information (Clause 13.138)

Code reference

Clause 13.138

Code related audit information

The generator must provide the information required by clauses 13.136 and 13.137,

13.138(1)(a)- adjusted for losses (if any) relative to the grid injection point or, for embedded generators the grid exit point, at which it offered the electricity

13.138(1)(b)- in the manner and form that the pricing manager stipulates

13.138(1)(c)- by 0500 hours on a trading day for each trading period of the previous trading day.

The generator must provide the half-hour metering information required under this clause in accordance with the requirements of Part 15 for the collection of the generator's volume information.

Audit observation

The NSP table on the registry was reviewed.

Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

Audit outcome

Not applicable

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

Code reference

Clause 13.140

Code related audit information

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

Audit observation

The NSP table on the registry was reviewed.

Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

Audit outcome

Not applicable

11. PROVISION OF SUBMISSION INFORMATION FOR RECONCILIATION

11.1. Buying and selling notifications (Clause 15.3)

Code reference

Clause 15.3

Code related audit information

Unless an embedded generator has given a notification in respect of the point of connection under clause 15.3, a trader must give notice to the reconciliation manager if it is to commence or cease trading electricity at a point of connection using a profile with a profile code other than HHR, RPS, UML, EG1, or PV1 at least five business days before commencing or ceasing trader.

The notification must comply with any procedures or requirements specified by the reconciliation manager.

Audit observation

Processes to create buying and selling notifications were discussed.

I checked whether any breach allegations had been made in relation to buying and selling notifications.

Audit commentary

Simply Energy do not routinely create trading notifications. They are normally created where EMS advises they are required because file has failed the reconciliation manager's file checker process.

Notifications are only created where Simply Energy begins or ceases trading for all ICPs on an NSP, not where they begin or cease trading using a profile other than HHR, RPS, UML, EG1, or PV1 at an NSP. This is because there is no facility to enter a profile into a trading notification on the reconciliation manager portal.

There have not been any breach allegations in relation to this clause during the audit period.

Audit outcome

Compliant

11.2. Calculation of ICP days (Clause 15.6)

Code reference

Clause 15.6

Code related audit information

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

> *15.6(1)(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period*
>
> *15.6(1)(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.*

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

Audit observation

The process for the calculation of ICP days was examined by checking NSPs with a small number of ICPs to confirm the AV110 ICP days calculation was correct.

I reviewed GR100 report variances for 13 months for SIMP, 14 months for SELX and 12 months for SELS.

Audit commentary

ICP days calculation

ICP days calculations are conducted by EMS for SIMP and SELX, and by Simply Energy for SELS. There is validation in place to ensure MADRAS has correct start and end dates as discussed in **section 12.3**.

SIMP ICP days are calculated by EMS and compliance is recorded in their agent audit report. Review of 26 NHH NSPs and all HHR NSPs for May 2020 confirmed that AV110 submission data was calculated correctly.

An ICP days difference was present for BPE0331 NHH for April and May 2020 because ICP 0000031140CP158 switched out effective 01/02/20 on 06/04/20, and there was a delay in end dating the ICP due to workloads. The end date was entered on 18/06/20 and corrected data will be provided through the revision process.

SELS ICP days calculations were checked for all NHH NSPs November 2019 and 11 NSPs for May 2020 and found to be correct.

An ICP days difference was present for SELS for WIL0331 NHH for November 2019 because an incorrect end date was applied in MADRAS for ICP 0000167296TR205, 30 days were reported but zero days were expected. The issue occurred because of an issue with the MADRAS workflow for the ICP. A new switching event caused the NHH end date to be updated in SalesForce and re-sent to MADRAS. Simply Energy is investigating any other ICPs affected and a fix to prevent recurrence.

ICP days calculations were checked for all 21 HHR NSPs for May 2020 and found to be correct.

SELX ICP days are calculated by EMS and compliance is recorded in their agent audit report. Review of 25 NHH NSPs and all HHR NSPs for May 2020 confirmed that AV110 submission data was calculated correctly.

An ICP days difference of 10 was present for LTN0331 NHH for May 2020 r0 because ICPs 0000001039CP27C and 0000022841CPE15 were not set up prior to submission due to workloads. The issue was cleared by revision 1.

ICP days comparison

The tables below show the difference between the AV110 ICP days submissions and the RM return file (GR100) for all available revisions for 12 months for SELS, 15 months for SELX, and 14 months for SIMP. Negative percentage figures indicate that the Simply Energy AV110 ICP days figures are higher than those contained on the registry, and positive figures indicate that the registry's figures are higher than those contained in the AV110.

SIMP

Month	R1	R3	R7	R14
Feb 2019	-	-	0.47%	0.61%
Mar 2019	-	-3.09%	0.22%	-
Apr 2019	-	-3.57%	0.19%	-
May 2019	-3.77%	-3.76%	-0.09%	-
Jun 2019	-3.37%	-1.86%	0.16%	-
Jul 2019	-3.27%	2.65%	0.71%	-
Aug 2019	-0.75%	-0.56%	-0.60%	-
Sep 2019	-0.27%	-0.33%	-0.15%	-
Oct 2019	-0.24%	-0.29%	-	-
Nov 2019	0.17%	-0.35%	-	-
Dec 2019	0.60%	0.07%	-	-
Jan 2020	0.25%	0.10%	-	-
Feb 2020	0.98%	-	-	-
Mar 2020	2.47%	-	-	-

The differences for September 2019 r7 were checked and are primarily caused by:

- ICP days for 17 SB (embedded network residual load) ICPs as Simply Energy does not submit volumes or ICP days for these ICPs as agreed with the Reconciliation Manager; the volumes are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report),
- timing of switch events, backdated embedded network start dates and NSP changes, or
- zeros not consistently being entered where submission is made in a previous revision but not the current one, as discussed in **section 12.3**.

SELS

Month	R1	R3	R7
May 2019	-	0.00%	0.00%
Jun 2019	0.00%	0.00%	0.00%
Jul 2019	0.00%	0.00%	-20.00%
Aug 2019	0.00%	0.00%	0.00%
Sep 2019	0.00%	-3.57%	0.25%
Oct 2019	0.00%	0.00%	0.00%
Nov 2019	0.00%	-3.42%	-
Dec 2019	0.00%	0.00%	-
Jan 2020	-3.59%	0.00%	-
Feb 2020	0.61%	0.02%	-
Mar 2020	0.00%	-	-
Apr 2020	0.40%	-	-

The differences for r3 and later were checked and are primarily caused by:

- timing of switch events; the impact of backdated switches was increased because revision submissions have not always been provided,
- zeros not consistently being entered where submission is made in a previous revision but not the current one, or
- HHR estimates were not entered for 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3; estimates were entered into Datahub on 20/07/20 and will be included in the next revision.

SELX

Month	R1	R3	R7	R14
Feb 2019	-	-	-	0.00%
Mar 2019	-	0.40%	0.67%	0.80%
Apr 2019	-	-	0.61%	-
May 2019	0.18%	0.24%	0.24%	-
Jun 2019	-	0.59%	0.83%	-
Jul 2019	0.71%	0.57%	0.60%	-
Aug 2019	0.64%	0.70%	0.63%	-
Sep 2019	0.66%	0.31%	0.61%	-
Oct 2019	0.82%	0.71%	0.60%	-
Nov 2019	0.51%	0.66%	-	-
Dec 2019	0.65%	0.70%	-	-
Jan 2020	0.75%	0.81%	-	-
Feb 2020	0.99%	0.58%	-	-
Mar 2020	1.14%	-	-	-
Apr 2020	0.57%	-	-	-

The differences for October 2019 r7 were checked and found to relate to SB ICPs and timing of switch events.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 11.2 With: Clause 15.6 From: Nov-19 To: May-20	*SIMP* Some ICP days were not reported correctly in April and May 2020 because there were delays in updating ICP end dates. Revised data will be provided before r14. *SELS* Some ICP days were not reported correctly in November 2019 because some end dates were incorrectly updated by the MADRAS workflow. Revised data will be provided before r14, and a system fix is being investigated. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate. Processes are in place to identify start and end date discrepancies, but their manual nature, workloads and other priorities resulted in them not being completed and errors not being detected prior to submission. 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
Incorrect end dates being applied has been resolved. The April and May 2020 delays were due to a large amount of ICPs switching between two Simply Energy codes.	28 August 2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
No further changes are required.		

11.3. Electricity supplied information provision to the reconciliation manager (Clause 15.7)

Code reference

Clause 15.7

Code related audit information

A retailer must deliver to the reconciliation manager its total monthly quantity of electricity supplied for each NSP, aggregated by invoice month, for which it has provided submission information to the reconciliation manager, including revised submission information for that period as non- loss adjusted values in respect of:

> *15.7(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period*
>
> *15.7(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.*

Audit observation

The process for the calculation of electricity supplied was examined by checking five NSPs for each code to confirm the AV120 billed calculation was correct.

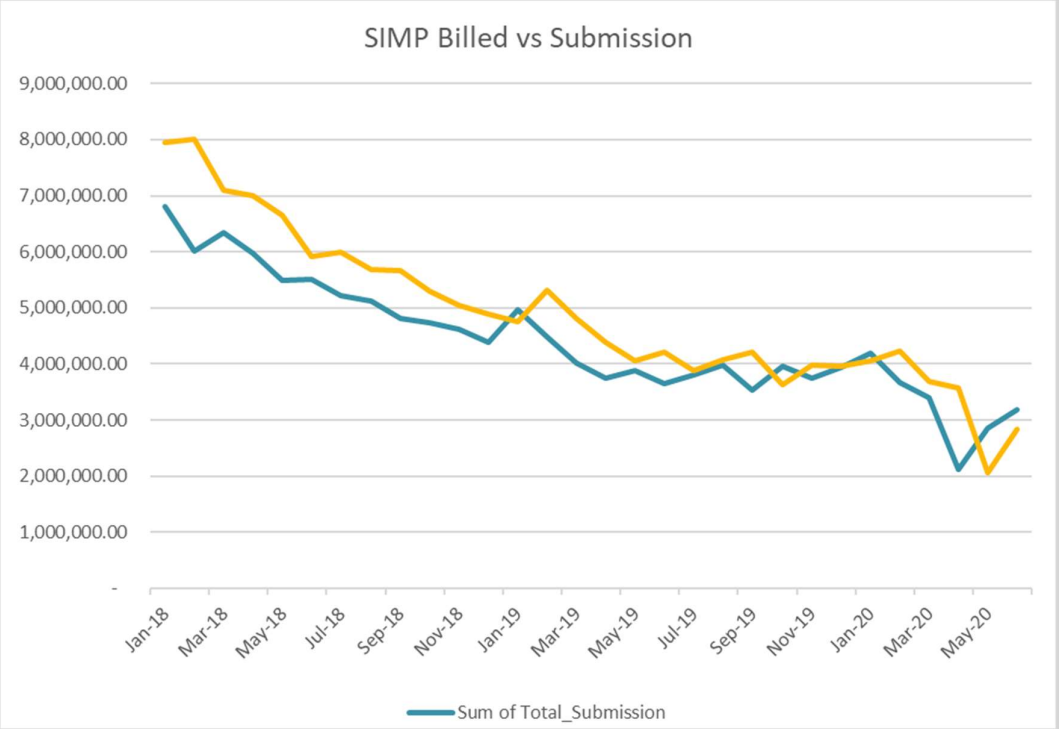
GR130 reports were reviewed to confirm whether the relationship between billed and submitted data appears reasonable. Simply Energy's own Power Query analysis of billed versus submitted data was reviewed.

Audit commentary

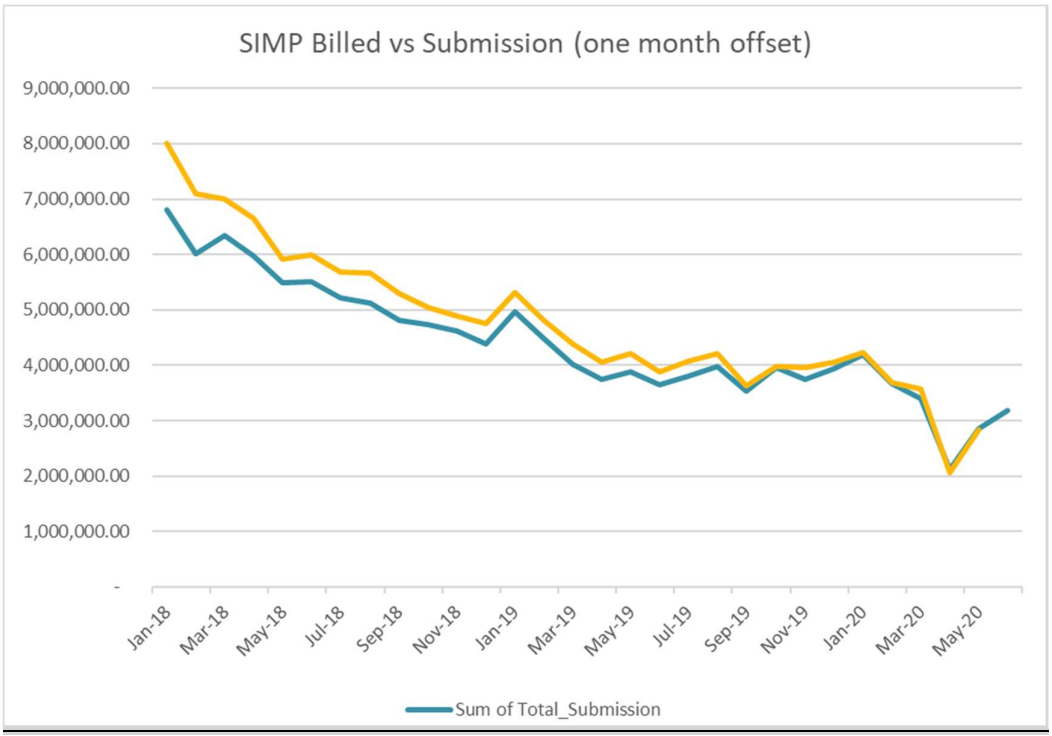
SIMP

The AV120 calculations were checked for a sample of five NSPs with a small number of ICPs and confirmed to be correct, and I confirmed that revised data is washed up where invoices are reversed or rebilled.

The chart below shows a comparison between submissions and electricity supplied information.



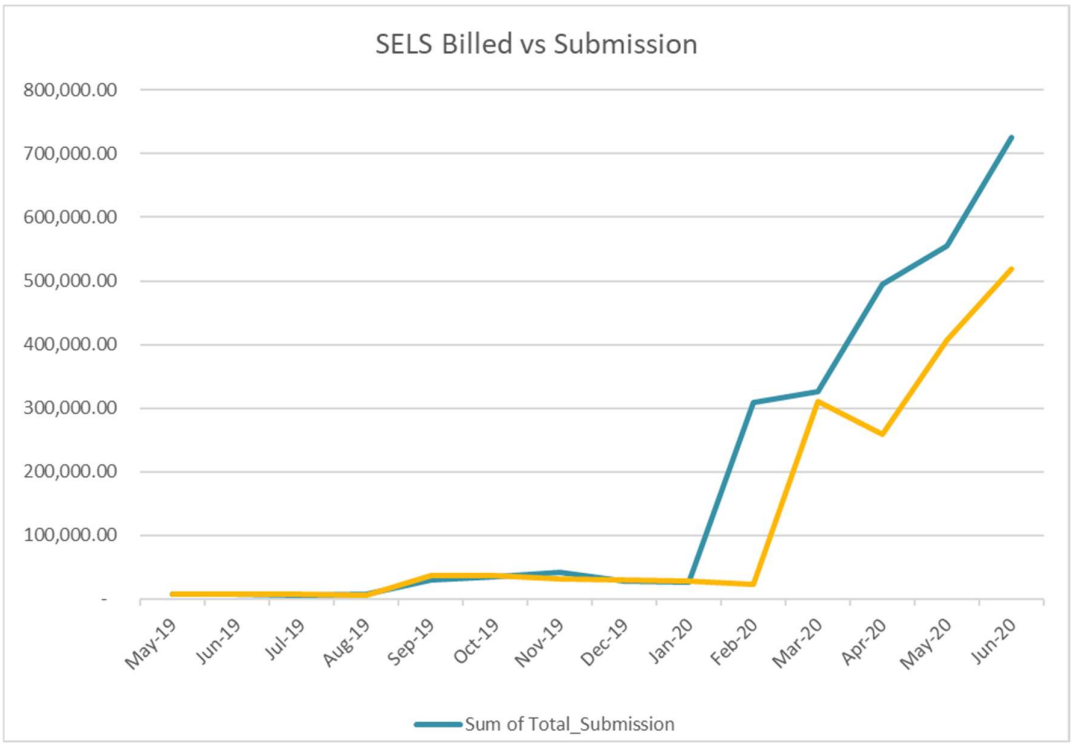
When the billed and submission periods are aligned, the shape is close. Billed data is consistently higher because it includes unmetered volumes for SB (embedded network residual load) ICPs, and the submission data excludes them. Volumes for these SB ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report). Simply Energy's analysis showed that once the differences caused by these SB ICPs are accounted for, the average difference between billed and submitted is 0.84%. The difference has decreased over time because some SB ICPs have switched out.

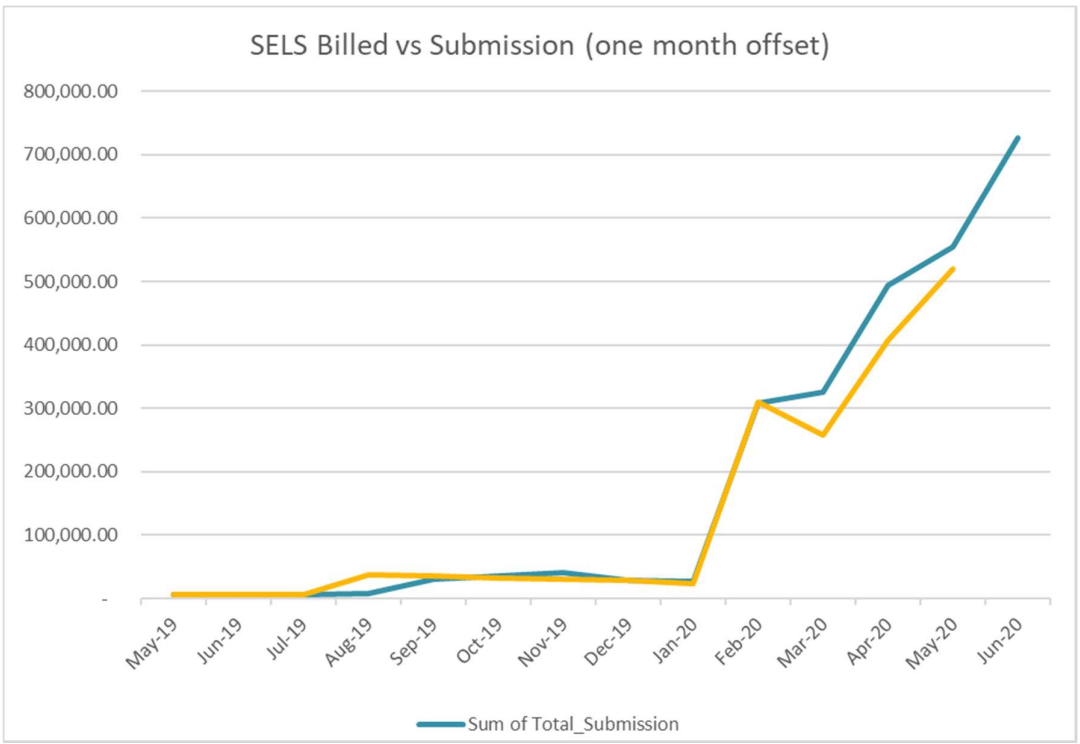


SELS

The AV120 calculations were checked for a sample of five NSPs with a small number of ICPs and confirmed to be correct, and I confirmed that revised data is washed up where invoices are reversed or rebilled.

The chart below shows a comparison between submissions and electricity supplied information. The difference between billed and submission volumes is significant from March 2020 onwards, even when the invoice and reconciliation periods are aligned. Simply Energy intends to investigate the reasons for these differences, and submit revised data as required. I note that the SELS reports are produced from the AXOS new billing system.

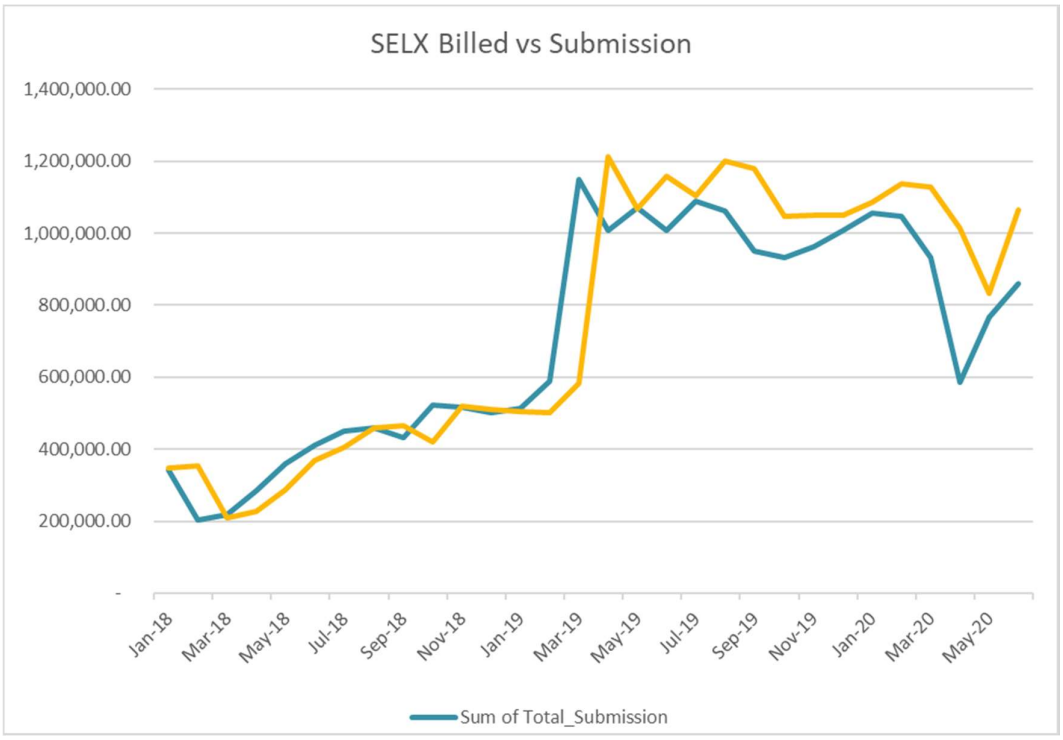




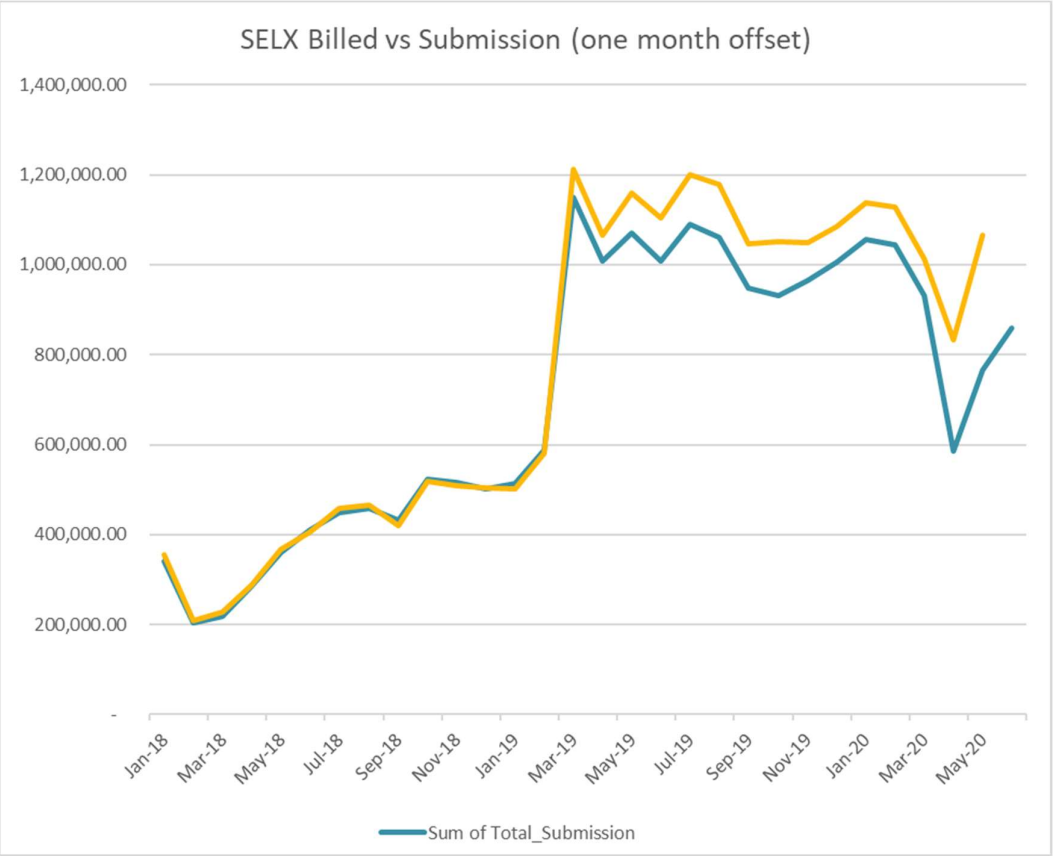
SELX

The AV120 calculations were checked for a sample of five NSPs with a small number of ICPs and confirmed to be correct.

The chart below shows a comparison between submissions and electricity supplied information.



Billed data is consistently higher because it includes unmetered volumes for SB (embedded network residual load) ICPs, and the submission data excludes them. Five SB ICPs switched in during the period reviewed, two from 01/03/19, two from 01/07/19 and one from 01/10/19. The effect of these can be seen on the aligned data below. Simply Energy intends to investigate whether there are other reasons for differences, and submit revised data as required.



Recommendation	Description	Audited party comment	Remedial action
Billed versus submission differences	Differences between billed and submission data are monitored but should also be investigated to determine the causes and whether corrective action is required.	Any notable differences are being investigated, of note March and April 2020 are being investigated at present.	Identified

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 11.3 With: Clause 15.7 From: 01-Mar-20 To: 30-Jun-20	*SELS* The difference between billed and submission volumes is significant from March 2020 onwards, even when the invoice and reconciliation periods are aligned. Simply Energy intends to investigate the reasons for these differences, and submit revised data as required. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate. The files are generated from AXOS, and there are monitoring controls in place, but the reasons for the difference could not be determined. The impact is low, because the AV120 submission is used to check the reasonableness of NHH and HHR volumes submissions and has no impact on reconciliation results.

Actions taken to resolve the issue	Completion date	Remedial action status
This issue is currently under investigation.	30 September 2020	Investigating
Preventative actions taken to ensure no further issues will occur	**Completion date**	
As per above.	28 August 2020	

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

Code reference

Clause 15.8

Code related audit information

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

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

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

Audit observation

EMS prepares the HHR submissions for SIMP and SELX and compliance was assessed as part of their agent audit. SIMP prepares HHR submissions for SELS.

I confirmed that the process for the calculation and aggregation of HHR data is correct, by matching HHR aggregates information with the HHR volumes data for a sample of submissions. Aggregates data was also matched to the raw meter reading data for a sample of ICPs.

I checked the GR090 ICP missing files for February 2019 to March 2020. All missing ICPs were reviewed.

Audit commentary

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

Simply Energy reviews the GR090 ICP missing reports promptly and investigates and corrects any data discrepancies.

SIMP HHR volumes and aggregates were matched for 14 submissions, and I found there were only small rounding differences of less than ± 8 kWh. During the EMS audit, raw meter data from MV90 was matched against the aggregate submissions.

The GR090 ICP missing reports for February 2019 to March 2020 showed 15 ICPs were missing from some submissions. All differences were checked and found to relate to:

- backdated switches and withdrawals,
- backdated meter upgrades, meter removals, status updates and trader updates, and
- a reporting error showing the ICP as missing from the registry when it should have been included on the registry.

I found that ICPs 0000033673EAA96 and 0158947339LC9D1 were omitted from some SIMP HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICPs. This is recorded as non-compliance in **section 12.7**. EMS has corrected their system and revised data will be submitted through the revision process.

SELS HHR volumes and aggregates were matched for seven submissions, and the values matched to two decimal places. I traced a sample of HHR data from HERM files to DataHub, and then through to the HHR aggregates and volumes submissions. Compliance is confirmed.

The GR090 ICP missing reports for February 2019 to March 2020 showed six ICPs were missing from some submissions. The differences were caused by:

- Backdated switches and withdrawals.
- HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error. Datahub does not expect unmetered load to be attached to HHR ICPs and will omit the ICP from the HHR submission if the unmetered flag is set to yes. When a registry list is imported into Datahub it must be manually edited so that the unmetered flag is not updated in Datahub, but this step was missed prior to the April 2020 revision 1. Simply Energy intends to update the registry list import process documentation to include this step.
- ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22/01/20 on 24/01/20. The issue appears to have been caused by Simply Energy not running and importing a registry list file prior to submission, which would have end dated the ICP. The inaccurate submission data is recorded as non-compliance in **section 12.7**.

HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20/07/20 and will be included in the next revision.

SELS has not consistently provided revision files, they are only provided where they have received replacement HHR data and submission values have changed.

SELX HHR volumes and aggregates were matched for ten submissions, and I found there were only small rounding differences of less than ± 8 kWh across each submission. During the EMS audit, raw meter data from MV90 was matched against the aggregate submissions.

The GR090 ICP missing February 2019 to March 2020 showed no ICPs were missing.

I found that ICP 0000033673EAA96 was omitted from some HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICPs. This is recorded as non-compliance in **section 12.7**. EMS has corrected their system and revised data will be submitted through the revision process.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 11.4 With: Clause 15.8 From: Jul-19 To: Jul-20	HHR aggregates file does not contain electricity supplied information. *SIMP* ICPs 0000033673EAA96 and 0158947339LC9D1 were omitted from some HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICPs. EMS has corrected their system and revised data will be submitted through the revision process. ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22/01/20 on 24/01/20. *SELX* ICP 0000033673EAA96 was omitted from some HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICPs. *SELS* ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error. ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22/01/20 on 24/01/20. HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20/07/20 and will be included in the next revision. 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 issue relating to content of the aggregates file is an error in the code, Simply Energy is providing submission information as expected. The controls are rated as moderate overall. Processes are in place to validate submission data, but their manual nature, workloads and other priorities resulted in them not being completed and errors not being detected prior to submission. The impact is low based on the volume differences identified.

Actions taken to resolve the issue	Completion date	Remedial action status
EMS is ensuring the missing ICPs are included in future revisions. A latest Lis file is used for all revisions to ensure completeness of ICPs.	31 August 2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Processes are updated to reflect changes in process.	28 August 2020	

12. SUBMISSION COMPUTATION

12.1. Daylight saving adjustment (Clause 15.36)

Code reference

Clause 15.36

Code related audit information

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

Audit observation

Daylight saving adjustment is conducted by EMS and was reviewed as part of their agent audit for SIMP and SELX.

Simply Energy's AMI and HHR data is received adjusted for daylight savings and is correctly handled by Datahub. I checked a sample of six adjustments to and from daylight savings and confirmed that they were processed correctly.

Audit commentary

SIMP	EMS uses the "trading period run on" technique for daylight saving adjustment. Compliance was confirmed in their agent audit.
SELS	Simply Energy uses the "trading period run on" technique. The files for the start and end of daylight savings were correct.
SELX	EMS uses the "trading period run on" technique for daylight saving adjustment. Compliance was confirmed in their agent audit.

Audit outcome

Compliant

12.2. Creation of submission information (Clause 15.4)

Code reference

Clause 15.4

Code related audit information

By 1600 hours on the 4th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all NSPs for which the reconciliation participant is recorded in the registry as having traded electricity during the consumption period immediately before that reconciliation period (in accordance with Schedule 15.3).

By 1600 hours on the 13th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all points of connection for which the reconciliation participant is recorded in the registry as having traded electricity during any consumption period being reconciled in accordance with clauses 15.27 and 15.28, and in respect of which it has obtained revised submission information (in accordance with Schedule 15.3).

Audit observation

Processes to ensure that HHR and NHH 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.

NHH

EMS prepares AV080 submissions as Simply Energy's agent. The submission data excludes unmetered volumes for three SB (embedded network residual load) ICPs as agreed with the Reconciliation Manager. Volumes for these ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report).

Inactive consumption is only reported if the ICP is returned to active status, and no inactive consumption was identified during the audit period.

Vacant ICPs are recorded against the building owner or landlord customer account, and consumption reported in the same way as for any active ICP.

A sample of submission data was checked for each code:

SIMP Five ICPs with unmetered load, including ICPs with shared and standard unmetered load were checked. ICP 0007165486RN00D switched in effective from 20/04/20 on 22/04/20, but the unmetered load register was not created until June 2020. I confirmed that the register had been created in Datahub, but the calculated readings were based on 0.2 kWh per day instead of 0.215 kWh per day. This will be corrected, and revised data will be washed up. The late and inaccurate submission data is recorded as non-compliance in **section 12.7**.

All ICPs with NHH submission type, distributed generation and an EG register were checked and confirmed to be reported correctly.

I identified one NHH ICP which was missing from submission data. ICP 0007165486RN00D switched in effective from 20/04/20 on 22/04/20, but the unmetered load register was not created until June 2020 so the ICP was excluded from the April 2020 r0 and r1 and May 2020 r0. I confirmed that the register has now been created in Datahub, but the calculated readings were based on 0.2 kWh per day instead of 0.215 kWh per day. This will be corrected, and revised data will be washed up.

SELS Both ICPs with unmetered load, including one ICP with shared and one ICP with standard unmetered load were checked and confirmed to be reported correctly.

All ICPs with NHH submission type, distributed generation and an EG register were checked and confirmed to be reported correctly.

SELX Only SB ICPs are unmetered, and submission does not occur as described above.

All ICPs with NHH submission type, distributed generation and an EG register were checked and confirmed to be reported correctly.

HHR

HHR submissions were reviewed in **section 11.4**, and data is validated prior to submission as discussed in **section 12.3**. Corrections were checked in **sections 2.1** and **8.2.**

SIMP EMS prepares AV090 and AV140 submissions as Simply Energy's agent. During the audit I identified some HHR ICPs which were missing from submission data:

- Up to 31/05/20 EMS was responsible for producing HHR submissions for Contact Energy's CTCS and CTCX participant codes. From 01/06/20 Simply Energy began

producing these submissions in Datahub, and it was intended that EMS would provide revision data for submission periods up to May 2020. Due to a data processing error when end dating ICPs 0000033673EAA96 and 0158947339LC9D1, EMS inactivated all data resulting in the ICPs being excluded from HHR revision submissions produced from June 2020 onwards for SIMP.

- SIMP HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error. Datahub does not expect unmetered load to be attached to HHR ICPs and will omit the ICP from the HHR submission if the unmetered flag is set to yes. When a registry list is imported into Datahub it must be manually edited so that the unmetered flag is not updated in Datahub, but this step was missed prior to the April 2020 revision 1. The inaccurate submission data is recorded as non-compliance. Simply Energy intends to update the registry list import process documentation to include this step.

SELS Simply Energy prepares AV090 and AV140 submissions.

One ICP was missing from HHR submission data. HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20/07/20 and will be included in the next revision.

Revisions have not been consistently produced for SELS, which can result in switch timing and data changes taking an extended period to wash out. Simply Energy intends to create all revisions from now on.

SELX EMS prepares AV090 and AV140 submissions as Simply Energy's agent.

One ICP was missing from HHR submission data. Due to a data processing error when end dating ICP 0000033673EAA96, EMS inactivated all data resulting in the ICPs being excluded from HHR revision submissions produced from June 2020 onwards for SELX. EMS has corrected their system and revised data will be submitted through the revision process.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.2 With: Clause 15.4	*SIMP* NHH ICP 0007165486RN00D switched in effective from 20/04/20 on 22/04/20, but the unmetered load register was not created until June 2020 so the ICP was excluded from the April 2020 r0 and r1 and May 2020 r0. HHR ICPs 0000033673EAA96 and 0158947339LC9D1 were incorrectly excluded from HHR revision submissions produced from June 2020 onwards for SIMP. HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error. *SELS* HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3.

From: Sep-19 To: Jul-20	Revisions have not been consistently produced for SELS, which can result in switch timing and data changes taking an extended period to wash out. Simply Energy intends to create all revisions from now on. *SELX* HHR ICP 0000033673EAA96 was incorrectly excluded from HHR revision submissions produced from June 2020 onwards for SIMP. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	Controls are rated as moderate. Processes to ensure submissions are complete and accurate are in place, but their manual nature, workloads and other priorities resulted in them not being completed and errors not being detected prior to submission. The impact is low, revised data will be washed up.

Actions taken to resolve the issue	Completion date	Remedial action status
All the omissions will be resolved in the next revision when due. Washups will be run on all Trader codes for all months.	27 August 2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Processes updated to reflect changes in process to ensure accuracy.	28 August 2020	

12.3. Allocation of submission information (Clause 15.5)

Code reference

Clause 15.5

Code related audit information

In preparing and submitting submission information, the reconciliation participant must allocate volume information for each ICP to the NSP indicated by the data held in the registry for the relevant consumption period at the time the reconciliation participant assembles the submission information. Volume information must be derived in accordance with Schedule 15.2.

However, if, in relation to a point of connection at which the reconciliation participant trades electricity, a notification given by an embedded generator under clause 15.13 for an embedded generating station is in force, the reconciliation participant is not required to comply with the above in relation to electricity generated by the embedded generating station.

Audit observation

Processes to ensure that information used to aggregate the reconciliation reports is complete and accurate were reviewed, including review of reports used for validation.

The processes to review submissions include:

- validation of Simply Energy data as discussed in **section 2.1**,
- reconciliation of Simply Energy and EMS data, and
- review of the reconciliation reports prior to submission.

I evaluated the process for ensuring the correct NSP is recorded by conducting a walk-through of the registry validation and submission processes for NHH and HHR. NSP errors will also show in the ICPCOMP and ICPMISS reports, so these were checked as well.

The process for aggregating the AV080 was examined by a walk-through of the controls in place, and by checking a sample of NSPs for each code.

A sample of GR170 files were compared to AV080 files to confirm zeroing occurs.

Audit commentary

Simply Energy data checks

Checks to confirm that Simply Energy's data is complete and accurate are discussed in **section 2.1**.

Simply Energy to EMS consistency checks

Updated reads are sent to EMS at least weekly. Each month, Simply Energy asks EMS to clear the reads recorded and resupplies the "published" (validated) readings.

Data consistency checks between EMS' MADRAS records, and Simply Energy's SalesForce and registry list file records are completed prior to business days 3, 4, 12 and 13.

- NHH reads sent to EMS for reconciliation are validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Reads rarely fail this validation.
- EMS provides a file with ICP and meter details including start and end dates every two to three months, which is reconciled to a date ranged registry list file and any differences are investigated and resolved. I found that this check is not consistently identifying and correcting ICPs with missing switch in or meter start readings and has not been completed for at least three months, which is leading to submission accuracy issues recorded as non-compliance in **section 12.7**. I recommend that this check is completed more thoroughly and regularly.
- The GR100 ICP comparison reports received from the reconciliation manager are reviewed, to determine the reasons for any differences and whether data needs to be updated on the registry or in SalesForce, DataHub and/or MADRAS. The review prioritises the latest revisions available.
- The MADRAS Dashboard in SalesForce identifies ICPs that require action or need to be checked, including:
    - all accepted RRs which are checked to ensure that EMS and DataHub have the correct reads recorded,
    - ICPs with an unexpected profile for the NSP or configuration,
    - ICPs that are end dated but still have SIMP, SELS or SELX recorded as the retailer,
    - ICPs where the start read is inconsistent with the start date,
    - 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.

Recommendation	Description	Audited party comment	Remedial action
Identification of reads missing from MADRAS	Conduct regular checks to ensure that: 1. Start and end dates are aligned in MADRAS and Datahub. 2. Start and end reads are present and consistent with expected values, including CS and accepted RR reads which have received an AMI reading on the same day.	Review of the ICP Comp file will detect inaccuracies of Start and End dates in Madras and Datahub. The systems issue that causes this is being addressed and will resolve the issue of removing the start reads. This will be completed by 30 Nov 2020.	Investigating

Review of submission data created by EMS

EMS provides all submission data to Simply Energy for review prior to submission to the reconciliation manager. I walked through the process to review submission data using the Power Query Validation tool. The tool compares the total submission volume (HHR volumes + NHH volumes + DFP volumes from the GR040) against the billed data and previous submissions for reasonableness.

ICP and meter register level AV080 submission data is provided and reviewed to identify any ICPs with unusually high or low consumption. These outliers are checked to make sure the data is accurate.

Review of submission data created by Simply Energy

Simply Energy creates HHR submission data for SELS, and the validation process is discussed in **section 9.6**. Simply Energy has created a Power Query Validation tool for SELS, which compares volumes for each submission against previous submissions and AV120 information.

Aggregation of submission data

Review of the event detail reports did not identify any ICP upgrades or downgrades for SIMP, SELX, or SELS.

The GR100 ICP comparison reports are reviewed, to confirm whether any aggregation lines require zero values to be inserted. Requests for zero lines to be inserted are provided to EMS. EMS only adds zero lines to the AV110 ICP days submissions, zero lines are not identified or added for the AV080 NHH volumes submissions.

Description	Recommendation	Audited party comment	Remedial action
AV080 zeroing process	The zeroing process is currently completed for the AV110 but also needs to be completed for the AV080. Identify instances where an AV080 aggregation line has been reported in a previous revision, but not the current revision and add a zero line.	This has been added to our processes to ensure that the volumes are zeroed out too.	Identified

SIMP Aggregation of the AV090 and AV140 was checked in **section 11.4**.

Aggregation of the AV080 was checked for 24 combinations of NSP, reconciliation type and flow direction for December 2019 revision seven and found to be accurate.

Eight GR170 and AV080 files were compared to check zeroing. I found that some 3 and 7-month revisions did not have zero lines added because there zeroing process is only applied for AV110 submissions.

SELS Aggregation of the AV090 and AV140 was checked in **section 11.4**.

Aggregation of the AV080 was checked for seven combinations of NSP, reconciliation type and flow direction for April 2020 revision three and found to be accurate.

Comparison of two GR170 and AV080 files did not identify any zeroing issues.

As discussed in **section 6.1**, notification of gifting of generation has not been provided for 0001173611PC6E2, and the injection quantities are not quantified in the meantime.

SELX Aggregation of the AV090 and AV140 was checked in **section 11.4**.

Aggregation of the AV080 was checked for 22 combinations of NSP, reconciliation type and flow direction for May 2019 revision 14 and found to be accurate.

Eight GR170 and AV080 files were compared to check zeroing. I found that some 3 and 7-month revisions did not have zero lines added because there zeroing process is only applied for AV110 submissions.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.3 With: Clause 15.5 From: Dec-18 r14 To: Jan-20 r3	*SIMP* Zero lines were not inserted for the following AV080 submissions • CSC0012 Jan 19 r14, Feb 19 r14, Jul 19 r7 • PWC0012 Dec 18 r14, Jan 19 r14, Feb 19 r14 • ASB0331 Jul 19 r7, Aug 19 r7 • TDS0011 Jul 19 r7 • NBS0011 Jan 20 r3. *SELS* Notification of gifting of generation had not been provided for 0001173611PC6E2, and the injection quantities were not quantified in the meantime. Notification of gifting was provided on 24/08/20. *SELX* Zero lines were not inserted for the following AV080 submissions • WPR0661 Feb 19 r14 • KMO0331 Jul 19 r7. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as moderate because there is no zeroing process for the AV080, only the AV110. The impact is low. Zeros will be added and provided in revision submissions, and notification of gifting will be provided. The amount of energy gifted is expected to be small.

Actions taken to resolve the issue	Completion date	Remedial action status
This change in process will be done in all future washups.	28 August 2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
There is no further action here.	28 August 2020	

12.4. Grid owner volumes information (Clause 15.9)

Code reference

Clause 15.9

Code related audit information

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

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

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

SIMP, SELS, and SELX are not grid owners; compliance was not assessed.

Audit outcome

Not applicable

12.5. Provision of NSP submission information (Clause 15.10)

Code reference

Clause 15.10

Code related audit information

The participant (if a local or embedded network owner) must provide to the reconciliation manager for each NSP for which the participant has given a notification under clause 25(1) Schedule 11.1 (which relates to the creation, decommissioning, and transfer of NSPs) the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.10(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period (clause 15.10(b)).*

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

SIMP, SELS, and SELX are not grid connected or embedded network owners; compliance was not assessed.

Audit outcome

Not applicable

12.6. Grid connected generation (Clause 15.11)

Code reference

Clause 15.11

Code related audit information

The participant (if a grid connected generator) must deliver to the reconciliation manager for each of its points of connection, the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.11(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period. (clause 15.11(b))*

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

SIMP, SELS, and SELX are not a grid connected generators; compliance was not assessed.

Audit outcome

Not applicable

12.7. Accuracy of submission information (Clause 15.12)

Code reference

Clause 15.12

Code related audit information

If the reconciliation participant has submitted information and then subsequently obtained more accurate information, the participant must provide the most accurate information available to the reconciliation manager or participant, as the case may be, at the next available opportunity for submission (in accordance with clauses 15.20A, 15.27, and 15.28).

Audit observation

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late. Corrections were reviewed in **sections 2.1, 8.1** and **8.2**.

Audit commentary

Review of alleged breach information confirmed that all submissions were made on time.

NHH submission accuracy issues

Where the reconciliation manager has not published shape files for the ICP's profile (such as PV1, SBL, SFI and UML), historic estimate is calculated based on the readings and apportioned between the months based on a daily average according to the forward standard estimate process. This consumption is labelled as forward estimate in the submission files.

NHH submissions are completed by EMS. Where inputs into the historic estimate process are incorrect, inaccurate submission data can be created although the process is compliant. I saw several examples of this:

Switch reads	The content of CS and RR files was examined in **sections 4.3**, **4.4**, **4.10** and **4.11** and the readings used by Simply Energy for submission were found to be incorrect for two SELX switches: • the reads from the RR process were not used for ICP 0000920729TU6DB resulting in under submission of 380 kWh; this is detailed in **section 4.11**, and • SELX used their reconnection reads and not the reads provided in the CS file for ICP 0000012112WEA2A resulting in under submission of 1,035 kWh; this is detailed in **section 4.11**.
Truncation of readings	Automatically entered NHH and AMI reads are truncated on import into Datahub, except readings provided by FCLM and WASN. All NHH and AMI reads are truncated on export to EMS' MADRAS. This is recorded as non-compliance in **section 9.3**. For historic estimate test O, ICP 0000003020KPDE7 had a multiplier of 40. The reads and multiplier are provided separately to EMS. Because the reads are truncated, they were consistently provided as 1 between 18/01/20 and 23/03/20 although the reads were moving between 1.3 and 1.4. This resulted in zero consumption being submitted across this period, when consumption of 4 kWh occurred. According to the PR255 reports, the highest multiplier for any NHH settled ICP is 100, which could result in a maximum difference of 99 kWh if a read with a multiplier of 100 is truncated.
Missing start reads in MADRAS	I found some ICPs were missing start reads for switch ins and meter changes in MADRAS. When start read is missing, forward estimate is calculated up to the first actual reading: • ICP 0882361295LC296 (SIMP PEN1101 Sep 19 r7) switched in on 01/09/19 but did not have its switch in reading recorded in MADRAS. The first actual read was recorded on 11/09/19. Historic estimate was under reported by 7,291 kWh and the forward estimate was over reported by 1,696.93 kWh, resulting in net under reporting of 5,594.07 kWh. • ICP 1001150391LC9BD (SIMP RFB0011 Sep 19 r7) switched in on 01/09/19 but did not have its switch in reading recorded in MADRAS. The first actual read was recorded on 10/09/19. Historic estimate was under reported by 1,012 kWh and the forward estimate was over reported by 643.22 kWh, resulting in net under reporting of 368.78 kWh. • ICP 1001157318LC6C6 (SIMP RFB0011 Sep 19 r7) switched in on 01/09/19 but did not have its switch in reading recorded in MADRAS. The first actual read was recorded on 02/09/19. Historic estimate was under reported by 24 kWh and the forward estimate was over reported by 25.59 kWh, resulting in net over reporting of 1.59 kWh. • ICP 0007117865RN382 (SIMP ISL0331 Feb 19 r14) underwent a meter change on 20/02/20 and was missing start reads on the new meters. The first actual read was recorded on 05/03/19. Historic estimate was under reported by 4,500 kWh and the

	forward estimate was over reported by 3,600 kWh resulting in net under reporting of 900 kWh. • 00000212018UN526 (SIMP WRD0331 Feb 19 r14) switched in on 01/02/19 but did not have its switch in reading recorded in MADRAS. The first actual read was recorded on 07/02/19. Historic estimate was under reported by 110 kWh and the forward estimate was over reported by 104.46 kWh, resulting in net under reporting of 5.54 kWh. • 0000128891UNDE8 (SIMP HEP0331 Feb 19 r14) switched in on 01/02/19 but did not have its switch in reading recorded in MADRAS. The first actual read was recorded on 04/02/19. Historic estimate was under reported by 50 kWh and the forward estimate was over reported by 56.82 kWh, resulting in net over reporting of 6.82 kWh. Checks of start and end data are conducted, but these are not sufficient to consistently identify and resolve these issues. I have raised a recommendation to improve the process in **section 12.3**.
Incorrect start reads in MADRAS	Where an ICP has two readings recorded on the same read date, the latest reading is applied. For historic estimate test D, ICP 000001142KP8D6 has an AMI meter. The switch event reads were 216134129/1: 41049 (A) and 16134131/1: 17256 (A). MADRAS only applies one read per day, and instead of the switch event read applied the AMI end of day reads on the first day of supply, which were 216134129/1: 41212 (A) and 16134131/1: 17315 (A). This resulted in under submission of 222 kWh. I have raised a recommendation to improve the start read validation process in **section 12.3**.
Late creation of unmetered load	SIMP ICP 0007165486RN00D switched in effective from 20/04/20 on 22/04/20, but the unmetered load register was not created until June 2020 so the ICP was excluded from the April 2020 r0 and r1 and May 2020 r0. I confirmed that the register has now been created in Datahub, but the calculated readings were based on 0.2 kWh per day instead of 0.215 kWh per day. This will be corrected, and revised data will be washed up.
HHR profile in AV080 submissions	I found that HHR profile is sometimes invalidly applied in the AV080 submissions, including: • SELS CKHK-WIL0331 (Jan 20 r3) • SIMP RJEN-PSP0011 (Dec 18 r14, Jan 19 r14, Feb 19 r14, Jul 19 r7, Aug 19 r7, Sep 19 r7, Nov 19 r3, and Dec 19 r3) • SIMP TASM-STK0661 (Jan 19 r14, Feb 19 r14, Aug 19 r7, Sep 19 r7, Dec 19 r3 and Jan 20 r3) • SIMP TASM-MCH0111 (Jan 19 r14, Feb 19 r14, Aug 19 r7, Sep 19 r7, Dec 19 r3 and Jan 20 r3) • SIMP TASM-KIK0111 (Aug 19 r7, Sep 19 r7, Dec 19 r3 and Jan 20 r3) • SIMP WAIK-TWH0331 (Sep 19 r7) Review of the registry lists with history for SIMP and SELS did not identify any ICPs with submission type NHH and HHR profile on the registry. Simply Energy investigated this issue following the audit, and corrected data will be supplied through the revision process. The issue was caused by an error when updating some meter register records which contained the profile. Revision files were provided for June 2019 r14 and January 2020 r3, which showed that the HHR profile lines had been zeroed to remove them from the submission. Revision files for May 2020 r3 and July 2020 r1 showed that no HHR profile lines were present.
Zero lines are not added to the AV080 submissions	The zeroing process is currently completed for the AV110 but also needs to be completed for the AV080. Where a zero line is required but not added, the previous value for the aggregation line remains in the reconciliation manager's database, resulting in incorrect submission.

HHR submission accuracy issues

Where inputs into the HHR submission process are incorrect, inaccurate submission data can be created although the process is compliant. I saw several examples of this:

HHR ICPs with unmetered flag = Y	SIMP HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error. Datahub does not expect unmetered load to be attached to HHR ICPs and will omit the ICP from the HHR submission if the unmetered flag is set to yes. When a registry list is imported into Datahub it must be manually edited so that the unmetered flag is not updated in Datahub, but this step was missed prior to the April 2020 revision 1. The inaccurate submission data is recorded as non-compliance. Simply Energy intends to update the registry list import process documentation to include this step.
Switched ICPs without end dates	SIMP ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22/01/20 on 24/01/20. The issue appears to have been caused by Simply Energy not running and importing a registry list file prior to submission, which would have end dated the ICP. The inaccurate submission data is recorded as non-compliance, and revised data will be washed up.
HHR ICPs omitted from submissions	Up to 31/05/20 EMS was responsible for producing HHR submissions for Contact Energy's CTCS and CTCX participant codes. From 01/06/20 Simply Energy began producing these submissions in Datahub, and it was intended that EMS would provide revision data for submission periods up to May 2020. Due to a data processing error when end dating some of the affected ICPs, EMS inactivated all data resulting in the ICPs being excluded from HHR revision submissions produced from June 2020 onwards including periods supplied by other Simply Energy codes. Two of the ICPs were supplied by SIMP or SELX prior to switching to CTCX, and were affected by this issue: • ICP 0000033673EAA96 switched to CTCX effective from 01/04/20. The ICP had been supplied as HHR by SELX from 04/02/19-29/02/20, and by SIMP 01/03/20-31/03/20. • ICP 0158947339LC9D1 switched to CTCX effective from 01/09/19. The ICP had been supplied as HHR by SIMP from 15/08/17-31/08/19. EMS has corrected their system and revised data will be submitted through the revision process.
HHR estimates not created prior to submission	HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20/07/20 and will be included in the next revision.
HHR estimates are not always replaced with actual data	HHR estimates are not always replaced with actual data if it is lower than the estimated data. Actual volumes for SELS ICP 0000003315NT66F (category 1) failed validation because they were lower than previous estimated volumes, so did not replace the estimated data. I confirmed that volumes for other ICPs in the same file had been correctly recorded in Datahub, and any actual data received for periods which had not been estimated or that was higher than the estimated data was loaded. A recommendation to ensure that estimates are replaced with actual data is raised in **section 9.4**.
Revision information	Revisions have not been consistently produced for SELS, which can result in switch timing and data changes taking an extended period to wash out. Simply Energy intends to create all revisions from now on.

ICP days submission accuracy issues

Where inputs into the ICP days submission process are incorrect, inaccurate submission data can be created although the process is compliant. I saw several examples of this:

HHR estimates not created prior to submission	HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20/07/20 and will be included in the next revision.
Delays in updating ICP start and end dates	An ICP days difference was present for BPE0331 NHH for April and May 2020 because SIMP ICP 0000031140CP158 switched out effective 01/02/20 on 06/04/20, and there was a delay in end dating the ICP due to workloads. The end date was entered on 18/06/20 and corrected data will be provided through the revision process. An ICP days difference of 10 was present for LTN0331 NHH for May 2020 r0 because SELX ICPs 0000001039CP27C and 0000022841CPE15 were not set up prior to submission due to workloads. The issue was cleared by revision 1.
MADRAS workflows invalidly updating end dates	An ICP days difference was present for SELS for WIL0331 NHH for November 2019 because an incorrect end date was applied in MADRAS for ICP 0000167296TR205, 30 days were reported but zero days were expected. The issue occurred because of an issue with the MADRAS workflow for the ICP. A new switching event caused the NHH end date to be updated in SalesForce and re-sent to MADRAS. Simply Energy is investigating any other ICPs affected and a fix to prevent recurrence.
Revision information	Revisions have not been consistently produced for SELS, which can result in switch timing and data changes taking an extended period to wash out. Simply Energy intends to create all revisions from now on.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.7 With: Clause 15.12 From: 01-Jul-19 To: 24-Jul-20	Some submission data was inaccurate and was not corrected at the next available opportunity. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating
Low	Controls are rated as moderate: • historic and forward estimate is correctly identified most of the time, and • submission validation processes are in place, but their manual nature, workloads and other priorities resulted in them not being completed and errors not being detected prior to submission. The impact is assessed to be low: • the classification of historic estimate as forward estimate has no impact on settlement because the calculation is correct, and • data will be corrected and washed up.

Actions taken to resolve the issue	Completion date	Remedial action status
All HHR data is now revised at each washup, this will correct some of the issues identified.	26 August 2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
The systems issue that causes this is being addressed and will resolve the issue of removing the start reads. This will be completed by 30 Nov 2020.	30 Nov 2020	

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

Code reference

Clause 4 Schedule 15.2

Code related audit information

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

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

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

Audit observation

A sample of NHH volumes 14-month revisions were reviewed to identify any forward estimate still existing.

Audit commentary

Simply Energy does not have a process to replace estimates with permanent estimates by revision 14, but very few ICPs are unread by revision 14. When Simply Energy receives a read for a long-term unread site, a permanent estimate read is provided to EMS to ensure that all consumption is captured and reported for reconciliation within the 14-month period.

Some forward estimate remains because historic estimate is incorrectly labelled as forward estimate where seasonal adjusted shape values (SASV) published by the reconciliation manager are not available for part or all of a read to read period. The incorrect labelling of historic estimate as forward estimate is recorded as non-compliance in **sections 12.7** and **12.10**.

SIMP 14-month revisions were reviewed for December 2018 to February 2019, and I found the following forward estimate volumes remained:

Month	Forward estimate at R14
Dec-18	9,113.38
Jan-19	16,417.9
Feb-19	24,333.61
Grand Total	49,864.89

I checked a sample of 23 aggregation lines with forward estimate remaining and found the forward estimate was caused by:

- ICPs which had genuinely not been read in the last 14 months,
- ICPs with profiles that do not have shape files published by the reconciliation manager, and
- missing start reads for switch ins and meter changes in MADRAS; when a start read is missing, forward estimate is calculated up to the first actual reading which can result in submission accuracy issues, and is recorded as non-compliance in **section 12.7**.

SELS No 14-month revisions have been completed.

SELX 14-month revisions were reviewed for December 2018 to February 2019, and I found the following forward estimate volumes remained:

Month	Forward estimate at R14
Dec-18	68,341.39
Jan-19	60,150.95
Feb-19	141,156.2
Grand Total	269,648.54

I checked all 38 aggregation lines with forward estimate remaining for the February 2019 revision 14:

- for 37 aggregation lines, ICPs had profiles that do not have shape files published by the reconciliation manager, and
- for POCO-BPE0331 RPS BPE X N I was unable to determine why forward estimate of 72.83 remained, but ruled out missing shape values and ICPs not receiving actual reads; forward estimate may remain due to missing reads in MADRAS and I recommend this is investigated.

Recommendation	Description	Audited party comment	Remedial action
Determine reasons for unexpected forward estimate at BPE0331 for Feb 2019 r14	*SELX* Investigate why forward estimate remained for POCO-BPE0331 RPS BPE X N for Feb 2019 r14 and resolve any issues causing invalid forward estimate.	0000065629CPA0F and 0000019702CP1B3 were the ICPs that had revisions based on FE not HE. Both had read history but the absence of Shape files on one for SFI profile and the other with very little volumes meant HE did not report.	Identified

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.8 With: Clause 4 Schedule 15.2 From: Dec-18 r14 to Feb-19 r14	*SIMP and SELX* Some estimates are not replaced at R14. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are considered moderate because: • meter reading read attainment is high, • most of the forward estimate checked was historic estimate, which was mislabelled as forward estimate because shape files were unavailable for the ICP's profile, and • there is a permanent estimate process in place, but permanent estimates are not routinely entered prior to r14. The impact of the non-compliance is dependent on the accuracy of the estimates applied. Checks of the ICPs with missing start readings found the ICP differences were variable, from under submission of 5,947 kWh, 900 kWh, 368.78 kWh and 5.54 kWh to over reporting of 1.59 kWh and 6.82 kWh. The largest differences related to missed opening reads for a meter change and missing estimated switch in reads. The differences were smaller where actual switch in readings were missing. 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
Drive to obtain reads so no ICPs outstanding without reads at 12 months.	Date	Investigating

Preventative actions taken to ensure no further issues will occur	Completion date	
The systems issue that causes this is being addressed and will resolve the issue of removing the start reads. This will be completed by 30 Nov 2020.	30 November 2020	

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

Code reference

Clause 2 Schedule 15.3

Code related audit information

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

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

Audit observation

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

Aggregation and content of reconciliation submissions was reviewed, and the registry lists were reviewed.

Audit commentary

Compliance with this clause was assessed:

- all active ICPs with meter category 3 or higher have submission type HHR,
- unmetered load submissions were checked in **section 12.2,**
- profiles requiring certification of control devices were checked in **section 6.3,**
- no loss or compensation arrangements are required, and

- aggregation of the AV080, AV110, AV090 and AV140 submissions are covered in **sections 13.2**, **11.2**, and **11.4** respectively.

Audit outcome

Compliant

12.10. Historical estimates and forward estimates (Clause 3 Schedule 15.3)

Code reference

Clause 3 Schedule 15.3

Code related audit information

For each ICP that has a non-half hour metering installation, volume information derived from validated meter readings, estimated readings, or permanent estimates must be allocated to consumption periods using the following techniques to create historical estimates and forward estimates (clause 3(1)).

Each estimate that is a forward estimate or a historical estimate must clearly be identified as such (clause 3(2)).

If validated meter readings are not available for the purpose of clauses 4 and 5, permanent estimates may be used in place of validated meter readings (clause 3(3)).

Audit observation

A sample of AV080 submissions were reviewed, to confirm that historic estimates are included and identified.

Permanence of meter readings is reviewed in **section 12.8**. The methodology to create forward estimates is reviewed in **section 12.12**.

Audit commentary

In some cases, historic estimate is incorrectly labelled as forward estimate. Where SASV profiles published by the reconciliation manager are not available for part or all of a read to read period, historic consumption is labelled as FSE (forward standard estimate) even though it is based on actual readings. For some profiles, shape values are never published, including PV1, SBL, SFI and UNM.

Submission information was reviewed to confirm that forward and historic estimates are included:

SIMP	Review of nine submissions confirmed that forward and historic estimates are included and identified as such.
SELS	Review of three submissions confirmed that forward and historic estimates are included and identified as such.
SELX	Review of nine submissions confirmed that forward and historic estimates are included and identified as such.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.10 With: Clause 3 Schedule 15.3 From: 01-Jul-19 To: 24-Jul-20	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate. Potential impact: None Actual impact: None Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as moderate because historic and forward estimate is correctly identified most of the time. There is no impact on settlement because the calculation is correct.

Actions taken to resolve the issue	Completion date	Remedial action status
The systems issue that causes this is being addressed and will resolve the issue of removing the start reads. This will be completed by 30 Nov 2020.	30 November 2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
This is addressed above.	28 August 2020	

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

Code reference

Clause 4 and 5 Schedule 15.3

Code related audit information

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

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

Audit observation

Simply Energy provided examples of historic estimate calculations, which were reviewed. The check of calculations included confirming that readings and Seasonal Adjusted Shape Values (SASV) were applied correctly.

Audit commentary

Historic estimate is prepared by EMS using the MADRAS system, and the process is the same for all the Simply Energy codes. The table below shows that all scenarios which had occurred are compliant.

Customer and photo reads are used to calculate historic estimate if they are recorded as customer actual readings, and this read status is only applied where a reading has been validated against a set of validated readings from another source.

Simply Energy downloads seasonal adjusted shape values (SASV) from the RM portal after each allocation and provides them to EMS via SFTP. EMS collects the files and loads them into MADRAS. I saw evidence of the data transfer and confirmed that the correct SASV were applied as part of the historic estimate calculation review.

Test	Scenario	Test expectation	Result
a	ICP becomes Active part way through a month	Consumption is only calculated for the Active portion of the month.	Compliant
b	ICP becomes Inactive part way through a month.	Consumption is only calculated for the Active portion of the month.	Compliant
c	ICP become Inactive then Active again within a month.	Consumption is only calculated for the Active portion of the month.	Has not occurred
d	ICP switches in part way through a month on an estimated switch reading	Consumption is calculated to include the 1st day of responsibility.	Compliant
e	ICP switches out part way through a month on an estimated switch reading	Consumption is calculated to include the last day of responsibility.	Compliant
f	ICP switches out then back in within a month	Consumption is calculated for each day of responsibility.	Has not occurred
g	Continuous ICP with a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
h	Continuous ICP without a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
i	Rollover Reads	Consumption is calculated correctly in the instance of meter rollovers.	Has not occurred
j	Unmetered load for a full month	Consumption is calculating based on daily unmetered kWh for full month.	Compliant
k	Unmetered load for a part month	Consumption is calculating based on daily unmetered kWh for active days of the month.	Compliant
l	Network/GXP/Connection (POC) alters partway through a month.	Consumption is separated and calculated for the separate portions of where it is to be reconciled to.	Compliant
m	ICP with a customer read during the month	Customer reads are not used to calculate historic estimate unless they are validated.	Compliant

Test	Scenario	Test expectation	Result
n	ICP with a photo read during the month	Photo reads are not used to calculate historic estimate unless they are validated.	Compliant
o	ICP has a meter with a multiplier greater than 1	The multiplier is applied correctly	Compliant

Where inputs into the historic estimate process are incorrect, incorrect historic estimates can be created although the process is compliant. This is recorded as non-compliance in **section 12.7**. I saw several examples of this:

- where an ICP has two readings recorded on the same read date, the latest reading is applied,
- automatically entered NHH and AMI reads are truncated on import into Datahub, except readings provided by FCLM and WASN, and as all NHH and AMI reads are truncated on export to EMS' MADRAS, where an ICP has a multiplier applied, this can result in inaccurate submission,
- missing start reads in MADRAS have resulted in forward estimate being calculated when historic estimate should have been calculated, and
- incorrect start reads can result in inaccurate historic estimate.

A recommendation for improvement to the Datahub-MADRAS read validation process is made in **section 12.3**.

Audit outcome

Compliant

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

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

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

Audit observation

The process to create forward estimates was reviewed. Forward estimates were checked for accuracy by analysing the GR170 variances over the audit period.

Audit commentary

EMS's forward standard estimate process is based on a "straight line" methodology, and where no historical information is available a "forward default" estimate of 20 kWh per day is used. The process for forward standard estimate calculation was checked and confirmed as accurate.

The 20 kWh per day value is set at participant code level in MADRAS and cannot be modified for individual ICPs. Simply Energy investigated whether this could be changed following the 2018 audit and decided not to make any changes.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within 15% and within 100,000kWh. The tables below show the target was met for all balancing areas, and the differences between revisions at aggregate level were small.

SIMP

Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Nov 2018	0	0	0	0	120
Dec 2018	0	0	0	0	121
Jan 2019	0	0	0	1	122
Feb 2019	0	0	0	0	122
Mar 2019	1	0	0	-	124
Apr 2019	0	0	0	-	126
May 2019	0	0	0	-	128
Jun 2019	0	0	0	-	126
Jul 2019	0	1	0	-	127
Aug 2019	0	0	0	-	126
Sep 2019	0	0	-	-	128
Oct 2019	0	0	-	-	129
Nov 2019	1	1	-	-	133
Dec 2019	0	0	-	-	132
Jan 2020	0	0	-	-	132

The total variation between revisions at an aggregate level is shown below.

Month	Revision 1	Revision 3	Revision 7	Revision 14
Nov 2018	0.51%	1.71%	2.20%	4.89%

Month	Revision 1	Revision 3	Revision 7	Revision 14
Dec 2018	0.88%	4.43%	7.00%	7.70%
Jan 2019	1.24%	-0.79%	1.07%	7.16%
Feb 2019	-0.51%	-2.11%	0.90%	1.62%
Mar 2019	-10.43%	3.73%	9.86%	
Apr 2019	0.95%	1.17%	4.44%	
May 2019	-0.13%	0.48%	3.98%	
Jun 2019	-0.32%	2.13%	3.48%	
Jul 2019	-0.96%	4.97%	0.77%	
Aug 2019	0.49%	1.84%	0.80%	
Sep 2019	3.67%	3.70%		
Oct 2019	0.67%	-0.80%		
Nov 2019	3.51%	3.20%		
Dec 2019	-0.20%	-0.39%		
Jan 2020	1.45%	0.91%		

I checked all balancing area differences over the threshold and found the differences were caused by:

- backdated switches and switch withdrawals, and
- meter read issues, including an inaccurate switch read which was corrected through the RR process, misreads, and a meter replacement with a recycled meter which was initially entered with an incorrect start read of zero.

SELS

Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Sep 2019	0	0	-	-	2
Oct 2019	0	0	-	-	3

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Nov 2019	0	0	-	-	3
Dec 2019	0	0	-	-	3
Jan 2020	0	0	-	-	3

The total variation between revisions at an aggregate level is shown below.

Month	Revision 1	Revision 3	Revision 7	Revision 14
Sep 2019	-55.04%	-56.12%		
Oct 2019	-25.29%	-25.62%		
Nov 2019	0.77%	1.32%		
Dec 2019	11.28%	14.53%		
Jan 2020	0.42%	-14.26%		

While no differences exceeded the thresholds, some percentage differences between revisions were large. I checked all balancing area differences over 30% and 1,000 kWh and found they were caused by default forward estimates being higher or lower than the actual consumption.

SELX

Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Nov 2018	0	0	0	0	28
Dec 2018	0	0	0	0	28
Jan 2019	0	0	0	0	28
Feb 2019	0	0	0	0	30
Mar 2019	0	0	0	-	33
Apr 2019	0	0	0	-	36
May 2019	0	0	0	-	40

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Jun 2019	0	0	0	-	39
Jul 2019	0	0	0	-	41
Aug 2019	0	0	0	-	41
Sep 2019	0	0	-	-	40
Oct 2019	0	0	-	-	39
Nov 2019	0	0	-	-	39
Dec 2019	0	0	-	-	39
Jan 2020	0	0	-	-	39

The total variation between revisions at an aggregate level is shown below.

Month	Revision 1	Revision 3	Revision 7	Revision 14
Nov 2018	0.54%	0.67%	0.49%	0.64%
Dec 2018	0.28%	-0.06%	0.26%	0.45%
Jan 2019	0.86%	0.20%	-0.06%	0.43%
Feb 2019	0.78%	2.18%	2.29%	2.35%
Mar 2019	-2.04%	1.87%	1.18%	-
Apr 2019	6.27%	5.62%	4.75%	-
May 2019	-0.49%	-1.48%	-1.24%	-
Jun 2019	-0.73%	-4.47%	-1.39%	-
Jul 2019	-0.22%	-0.11%	-0.39%	-
Aug 2019	-0.11%	4.44%	4.52%	-
Sep 2019	2.48%	3.97%	-	-

Month	Revision 1	Revision 3	Revision 7	Revision 14
Oct 2019	-1.60%	-0.28%	-	-
Nov 2019	-2.40%	-2.34%	-	-
Dec 2019	-0.56%	-0.03%	-	-
Jan 2020	-0.29%	0.27%	-	-

While no differences exceeded the thresholds, some percentage differences between revisions were large. I checked a sample of five balancing area differences over 30% and 1,000 kWh and found they were caused by default forward estimates being higher or lower than the actual consumption. For ICPs with multipliers, the multiplier is applied to the default forward estimate of 20 kWh per day. This resulted in high default forward estimate for ICP 0007108589RNEAF, which had a 100 multiplier.

Recommendation	Description	Audited party comment	Remedial action
Application of multipliers for default forward estimate	Compare the default forward estimate x multiplier to average daily consumption for ICPs which have multipliers to determine whether the estimation process is impacting on submission accuracy and should be reviewed or revised.	We are currently reviewing the NHH Data Administration system which has forward estimates set at Trader level to an ICP based Data Administration system. This would therefore resolve this issue in setting ICP specific forward estimates.	Investigating

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 12.12 With: Clause 6 Schedule 15.3 From: Mar-19 r1, Jul-19 r3, Nov-19 r1 and r3	*SIMP* The accuracy threshold was not met for all revisions for Mar-19 r1, Jul-19 r3, Nov-19 r1 and r3. Potential impact: Medium Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as moderate. They are sufficient to ensure data is within the accuracy threshold most of the time, but do not always provide a realistic estimate of consumption because a default daily forward estimate is applied. The impact is low, revised data is washed up.

Actions taken to resolve the issue	Completion date	Remedial action status
Combination of reviewing the current system and focus on read attainment will assist here.	27/08/2020	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Replacement to an ICP based forward estimate and not Trader will allow more accurate estimations.	27/08/2020	

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

Code reference

Clause 7 Schedule 15.3

Code related audit information

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

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

Audit observation

Event detail reports for 01/07/19 to 07/06/20 were reviewed to identify ICPs with profile changes during the audit period. The profile change process was discussed.

Audit commentary

Profile changes are conducted using a meter reading or a permanent estimate on the day of the profile change. Review of the event detail reports did not identify any profile changes for SIMP, SELX, or SELS.

Audit outcome

Compliant

13. SUBMISSION FORMAT AND TIMING

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

Code reference

Clause 8 Schedule 15.3

Code related audit information

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

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

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

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

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

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

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

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

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

Audit observation

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

Aggregation of NHH volumes is discussed in **section 12.3**, aggregation of HHR volumes is discussed in **section 11.4** and NSP volumes are discussed in **section 12.6**.

Audit commentary

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

- NSP code,
- reconciliation type,
- profile,
- loss category code,
- flow direction,
- dedicated NSP, and
- trading period for half hour metered ICPs and consumption period or day for all other ICPs.

The submitted data was also compared to billed data in **section 11.3** 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 five, the second digit is rounded up, and

If the digit to the right of the second decimal place is less than five, the second digit is unchanged.

Audit observation

I reviewed the rounding of data on the AV080, AV090 and AV140 and reports as part of the aggregation checks.

Audit commentary

Review of AV080, AV090 and AV140 reports for all codes confirmed that submission information is rounded to no more than two decimal places.

Audit outcome

Compliant

13.3. Historical estimate reporting to RM (Clause 10 Schedule 15.3)

Code reference

Clause 10 Schedule 15.3

Code related audit information

By 1600 hours on the 13th business day of each reconciliation period the reconciliation participant must report to the reconciliation manager the proportion of historical estimates per NSP contained within its non half hour submission information.

The proportion of submission information per NSP that is comprised of historical estimates must (unless exceptional circumstances exist) be:

- *at least 80% for revised data provided at the month 3 revision (clause 10(3)(a))*
- *at least 90% for revised data provided at the month 7 revision (clause 10(3)(b))*
- *100% for revised data provided at the month 14 revision (clause 10(3)(c)).*

Audit observation

The timeliness of submissions of historic estimate was reviewed in **section 12.2**. I reviewed a sample of AV080 reports for each code to confirm that historic estimate requirements were met.

Audit commentary

The revision files were examined and showed that the targets were not met for some NSPs. I reviewed a sample of NSPs where the read attainment requirements were not met. The historic estimate attainment requirements were not met because meter reads were not obtained for some ICPs, and some historic estimate was incorrectly labelled as forward estimate as described in **section 12.10**.

SIMP

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Dec 2018	-	-	134	156
Jan 2019	-	-	142	160
Feb 2019	-	-	132	162
Jul 2019	-	164	-	170
Aug 2019	-	164	-	173
Sep 2019	-	163	-	177
Nov 2019	167	-	-	183
Dec 2019	176	-	-	183
Jan 2020	173	-	-	183

The table below shows the percentage HE at a summary level:

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Dec 2018	-	-	99.59%

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Jan 2019	-	-	99.38%
Feb 2019	-	-	99.01%
Jul 2019	-	99.16%	-
Aug 2019	-	98.60%	-
Sep 2019	-	97.70%	-
Nov 2019	97.20%	-	-
Dec 2019	97.70%	-	-
Jan 2020	97.88%	-	-

SELS

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Sep 2019	-	2	-	4
Dec 2019	4	-	-	4
Jan 2020	5	-	-	5

The table below shows the percentage HE at a summary level:

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Sep 2019	-	76.82%	-
Dec 2019	100.00%	-	-
Jan 2020	100.00%	-	-

I checked the two NSPs where the historic estimate targets were not meet for September 2019 revision seven and found that forward estimate was being generated because the switch in reads for three ICPs had not been entered in MADRAS. When start read is missing, forward estimate is calculated up to the

first actual reading. This can result in submission accuracy issues and is recorded as non-compliance in **section 12.7**.

SELX

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Dec 2018	-	-	7	43
Jan 2019	-	-	9	40
Feb 2019	-	-	7	40
Jul 2019	-	40	-	61
Aug 2019	-	49	-	64
Sep 2019	-	47	-	64
Nov 2019	47	-	-	63
Dec 2019	48	-	-	62
Jan 2020	50	-	-	62

The table below shows the percentage HE at a summary level:

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Dec 2018	-	-	85.89%
Jan 2019	-	-	88.33%
Feb 2019	-	-	74.35%
Jul 2019	-	78.91%	-
Aug 2019	-	83.18%	-
Sep 2019	-	76.61%	-
Nov 2019	78.86%	-	-

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Dec 2019	77.40%	-	-
Jan 2020	80.78%	-	-

I checked all forward estimate remaining for the February 2019 revision 14:

- for POCO-BPE0331 RPS BPE X N I was unable to determine why forward estimate of 72.83 remained but ruled out missing shape values and ICPs not receiving actual reads; forward estimate may remain due to missing reads in MADRAS and I recommend this is investigated, and
- for all other NSPs ICPs had profiles that do not have shape files published by the reconciliation manager.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 13.3 With: Clause 10 of schedule 15.3 From: Dec-18 to Feb-19 (r14), Jul-19 to Sep-19 (r7) and Nov-19 to Jan-20 (r3)	*SIMP* Historic estimate targets were not met for all months and revisions. *SELX* Historic estimate targets were not met for all months and revisions. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are considered moderate because: • meter reading read attainment is high, and • most of the forward estimate checked was historic estimate, which was mislabelled as forward estimate because shape files were unavailable for the ICP's profile. The impact of the non-compliance is dependent on the accuracy of the estimates applied. There are sound estimation processes, therefore I have recorded the audit risk rating as low.

Actions taken to resolve the issue	Completion date	Remedial action status
Combination of reviewing the current Data Administration system and focus on read attainment will assist here.	27/08/2020	Investigating

Preventative actions taken to ensure no further issues will occur	Completion date	
Replacement to an ICP based forward estimate and not Trader will allow more accurate estimations.	27/08/2020	

CONCLUSION

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

Simply Energy have procedures in place to ensure compliance, but the manual nature of some of these processes, workloads, and competing priorities have meant that the processes have not always been followed as intended (e.g. some validations have been completed less frequently or as spot checks rather than full checks) or not completed on time (e.g. meters were set up late, or temporary HHR estimates were not created in some cases). Workloads have increased significantly during the audit period with the addition of the CTCX and CTCS codes, and migrations of customers to these new codes.

This resulted in a decrease in compliance particularly in the reconciliation area because there is insufficient time and resource to thoroughly validate data and correct any errors prior to submission.

Some key areas of non-compliance were identified:

- a small number of inaccuracies in switching files and registry updates, largely due to manual data processing errors – in two of the examples checked the expected reads were not used resulting 1,415kWh of under submission,
- it was discovered during the audit that the automatic update from Datahub to SalesForce stopped working in May 2019 and appears to have started working again from April 2020, therefore, the average daily consumption was not reported correctly for manually read ICPs in the CS files,
- the issue identified in the last audit where the Average daily kWh in the CS is not always calculated in accordance with the Registry Functional Specification when the last two actual validated readings are less than 21 days apart remains,
- NHH and HHR validation processes for actual readings and volumes which are lower than estimates require some improvement, to ensure that valid actual readings and volumes are not ignored in the submission process, and
- validation processes for readings sent to MADRAS are not consistently identifying missing or incorrect readings prior to submission.

Some improvements have been made:

- reconnection updates to registry for SIMP have improved from an average of seven days and 59% compliance to an average of four days and 88% compliance, and
- unmetered load is well managed.

The audit found 35 non-compliance issues and makes ten recommendations.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The future risk rating score is 66, resulting in an indicative audit frequency of three months. 31 of the 35 non-compliances have strong or moderate controls in place, and one non-compliances has already been cleared. I have considered this, along with Simply Energy's comments and proposed actions which confirm they intend to investigate and resolve the remaining issues. I recommend a next audit period of 10 months.

PARTICIPANT RESPONSE

Simply Energy has reviewed this report, and their comments are contained within its body.