

ELECTRICITY INDUSTRY PARTICIPATION CODE
MATERIAL CHANGE AUDIT REPORT



For

FLICK ENERGY LIMITED

Prepared by: Steve Woods

Date audit commenced: 5 February 2018

Date audit report completed: 15 February 2018

Audit report due date: 21 February 2018

TABLE OF CONTENTS

Executive summary	5
Audit summary	5
Non-compliances	5
Recommendations	6
Issues 6	
1. Administrative	7
1.1. Exemptions from Obligations to Comply with Code (Section 11)	7
1.2. Structure of Organisation	7
1.3. Persons involved in this audit	8
1.4. Use of Agents (Clause 15.34)	8
1.5. Hardware and Software	8
1.6. Breaches or Breach Allegations	9
1.7. ICP Data	9
1.8. Authorisation Received	10
1.9. Scope of Audit	10
1.10. Summary of previous audit	11
Non-compliances	11
Recommendations	13
2. Operational Infrastructure	14
2.1. Relevant information (Clause 10.6, 11.2, 15.2)	14
2.2. Provision of information (Clause 15.35)	14
2.3. Data transmission (Clause 20 Schedule 15.2)	15
2.4. Audit trails (Clause 21 Schedule 15.2)	15
2.5. Retailer responsibility for electricity conveyed - participant obligations (Clause 10.4) ..	16
2.6. Retailer responsibility for electricity conveyed - access to metering installations (Clause 10.7(2),(4),(5) and (6))	16
2.7. Physical location of metering installations (Clause 10.35(1)&(2))	17
2.8. Trader contracts to permit assignment by the Authority (Clause 11.15B)	17
2.9. Connection of an ICP (Clause 10.32)	18
2.10. Temporary Electrical Connection of an ICP (Clause 10.33(1))	18
2.11. Electrical Connection of Point of Connection (Clause 10.33A)	19
2.12. Arrangements for line function services (Clause 11.16)	19
2.13. Arrangements for metering equipment provision (Clause 10.36)	20
3. Maintaining registry information	21
3.1. Obtaining ICP identifiers (Clause 11.3)	21
3.2. Providing registry information (Clause 11.7(2))	21
3.3. Changes to registry information (Clause 10 Schedule 11.1)	22
3.4. Trader responsibility for an ICP (Clause 11.18)	22
3.5. Provision of information to the registry manager (Clause 9 Schedule 11.1)	23
3.6. ANZSIC codes (Clause 9 (1(k) of Schedule 11.1)	24
3.7. Changes to unmetered load (Clause 9(1)(f) of Schedule 11.1)	24
3.8. Management of “active” status (Clause 17 Schedule 11.1)	24
3.9. Management of “inactive” status (Clause 19 Schedule 11.1)	25
3.10. ICPs at new or ready status for 24 months (Clause 15 Schedule 11.1)	25
4. Performing customer and embedded generator switching	26

4.1.	Inform registry of switch request for ICPs - standard switch (Clause 2 Schedule 11.3)..	26
4.2.	Losing trader response to switch request and event dates - standard switch (Clauses 3 and 4 Schedule 11.3)	26
4.3.	Losing trader must provide final information - standard switch (Clause 5 Schedule 11.3)	27
4.4.	Retailers must use same reading - standard switch (Clause 6(1) and 6A Schedule 11.3)	27
4.5.	Non-half hour switch event meter reading - standard switch (Clause 6(2) and (3) Schedule 11.3)	28
4.6.	Disputes - standard switch (Clause 7 Schedule 11.3)	28
4.7.	Gaining trader informs registry of switch request - switch move (Clause 9 Schedule 11.3)	29
4.8.	Losing trader provides information - switch move (Clause 10(1) Schedule 11.3)	29
4.9.	Losing trader determines a different date - switch move (Clause 10(2) Schedule 11.3)	30
4.10.	Losing trader must provide final information - switch move (Clause 11 Schedule 11.3)	30
4.11.	Gaining trader changes to switch meter reading - switch move (Clause 12 Schedule 11.3)	31
4.12.	Gaining trader informs registry of switch request - gaining trader switch (Clause 14 Schedule 11.3)	32
4.13.	Losing trader provision of information - gaining trader switch (Clause 15 Schedule 11.3)	33
4.14.	Gaining trader to advise the registry manager - gaining trader switch (Clause 16 Schedule 11.3)	33
4.15.	Withdrawal of switch requests (Clauses 17 and 18 Schedule 11.3)	34
4.16.	Metering information (Clause 21 Schedule 11.3)	34
4.17.	Switch saving protection (Clause 11.15AA to 11.15AB)	35
5.	Maintenance of unmetered load	36
5.1.	Maintaining shared unmetered load (Clause 11.14)	36
5.2.	Unmetered threshold (Clause 10.14 (2)(b))	37
5.3.	Unmetered threshold exceeded (Clause 10.14 (5))	37
5.4.	Distributed unmetered load (Clause 11 Schedule 15.3, Clause 15.37B)	37
6.	Gathering raw meter data	39
6.1.	Electricity conveyed & notification by embedded generators (Clause 10.13, Clause 10.24 and 15.13)	39
6.2.	Responsibility for metering at GIP (Clause 10.26 (6), (7) and (8))	39
6.3.	Certification of control devices (Clause 33 Schedule 10.7 and clause 2(2) Schedule 15.3)	40
6.4.	Reporting of defective metering installations (Clause 10.43(2) and (3))	40
6.5.	Collection of information by certified reconciliation participant (Clause 2 Schedule 15.2)	41
6.6.	Derivation of meter readings (Clause 3(1), 3(2) and 5 Schedule 15.2)	41
6.7.	NHH meter reading application (Clause 6 Schedule 15.2)	42
6.8.	Interrogate meters once (Clause 7(1) and (2) Schedule 15.2)	43
6.9.	NHH meters interrogated annually (Clause 8(1) and (2) Schedule 15.2)	43
6.10.	NHH meters 90% read rate (Clause 9(1) and (2) Schedule 15.2)	44
6.11.	NHH meter interrogation log (Clause 10 Schedule 15.2)	44
6.12.	HHR data collection (Clause 11(1) Schedule 15.2)	45
6.13.	HHR interrogation data requirement (Clause 11(2) Schedule 15.2)	45
6.14.	HHR interrogation log requirements (Clause 11(3) Schedule 15.2)	46
7.	Storing raw meter data	47
7.1.	Trading period duration (Clause 13 Schedule 15.2)	47
7.2.	Archiving and storage of raw meter data (Clause 18 Schedule 15.2)	47
7.3.	Non metering information collected / archived (Clause 21(5) Schedule 15.2)	47

8.	Creating and managing (including validating, estimating, storing, correcting and archiving) volume information.....	49
8.1.	Correction of NHH meter readings (Clause 19(1) Schedule 15.2).....	49
8.2.	Correction of HHR metering information (Clause 19(2) Schedule 15.2).....	49
8.3.	Error and loss compensation arrangements (Clause 19(3) Schedule 15.2)	50
8.4.	Correction of HHR and NHH raw meter data (Clause 22(1) and (2) Schedule 15.2)	50
9.	Estimating and validating volume information.....	52
9.1.	Identification of readings (Clause 3(3) Schedule 15.2).....	52
9.2.	Derivation of volume information (Clause 3(4) Schedule 15.2).....	52
9.3.	Meter data used to derive volume information (Clause 3(5) Schedule 15.2).....	53
9.4.	Half hour estimates (Clause 15 Schedule 15.2).....	53
9.5.	NHH metering information data validation (Clause 16 Schedule 15.2)	54
9.6.	Electronic meter readings and estimated readings (Clause 17 Schedule 15.2)	54
10.	Provision of metering information to the pricing manager in accordance with subpart 4 of Part 13 (clause 15.38(1)(f))	56
10.1.	Generators to provide HHR metering information (Clause 13.136)	56
10.2.	Unoffered & intermittent generation provision of metering information (Clause 13.137).....	56
10.3.	Loss adjustment of HHR metering information (Clause 13.138).....	57
10.4.	Notification of the provision of HHR metering information (Clause 13.140)	57
11.	Provision of submission information for reconciliation.....	58
11.1.	Buying and selling notifications (Clause 15.3).....	58
11.2.	Calculation of ICP days (Clause 15.6)	58
11.3.	Electricity supplied information provision to the reconciliation manager (Clause 15.7)	60
11.4.	HHR aggregates information provision to the reconciliation manager (Clause 15.8)	62
12.	Submission computation	64
12.1.	Daylight saving adjustment (Clause 15.36)	64
12.2.	Creation of submission information (Clause 15.4)	64
12.3.	Allocation of submission information (Clause 15.5)	65
12.4.	Grid owner volumes information (Clause 15.9)	65
12.5.	Provision of NSP submission information (Clause 15.10)	66
12.6.	Grid connected generation (Clause 15.11).....	66
12.7.	Accuracy of submission information (Clause 15.12)	67
12.8.	Permanence of meter readings for reconciliation (Clause 4 Schedule 15.2).....	67
12.9.	Reconciliation participants to prepare information (Clause 2 Schedule 15.3)	68
12.10.	Historical estimates and forward estimates (Clause 3 Schedule 15.3).....	68
12.11.	Historical estimate process (Clause 4 and 5 Schedule 15.3)	69
12.12.	Forward estimate process (Clause 6 Schedule 15.3)	69
12.13.	Compulsory meter reading after profile change (Clause 7 Schedule 15.3).....	70
13.	Submission format and timing.....	71
13.1.	Provision of submission information to the RM (Clause 8 Schedule 15.3)	71
13.2.	Reporting resolution (Clause 9 Schedule 15.3)	71
13.3.	Historical estimate reporting to RM (Clause 10 Schedule 15.3)	72
	Conclusion	73
	Participant response	73

EXECUTIVE SUMMARY

Flick Energy Limited (Flick) intends to replace their reconciliation system (Data Repository) with a new reconciliation system (Telemetry).

Clause 8(1) of Schedule 15.1 requires that if a reconciliation participant intends to make a “material” change to any certified facilities, processes or procedures then the changes must be subject to an audit prior to the change taking place. This audit was therefore performed at the request of Flick so that it can be supplied to the Electricity Authority to satisfy the requirements of Clause 8(1).

The audit found Telemetry will perform calculations and produce files in a compliant manner. Two issues are still under investigation, as recorded in Sections 11.4 and 13.1, regarding HHR aggregates figures for two ICPs and the accuracy of the GXP for one ICP. It is intended these matters will be resolved prior to go-live. Validation processes will identify any future issues of this nature and manual workarounds can be employed if necessary. I checked Flick’s test scenarios in conjunction with checks of actual data and files to confirm compliance.

The issue of HHR aggregates files containing submission information rather than electricity supplied information is repeated from Flick’s last audit. This matter is known to the Authority and will be resolved through a Code change.

The difference between as billed and submitted volumes continues to be larger than expected, and I repeat the previous audit’s recommendation that this should be investigated.

I recommend Flick’s next audit date should remain the same.

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
HHR Aggregates	11.4	15.8	HHR aggregates file does not contain electricity supplied information.	Strong	Low	1	Identified
Future Risk Rating						1	

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
Billed data	11.3	Clause 15.7	Monitor as billed versus submission volumes over the coming months. Investigate to confirm the reason for the variance between billed and submitted volumes.

ISSUES

Subject	Section	Description	Issue
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

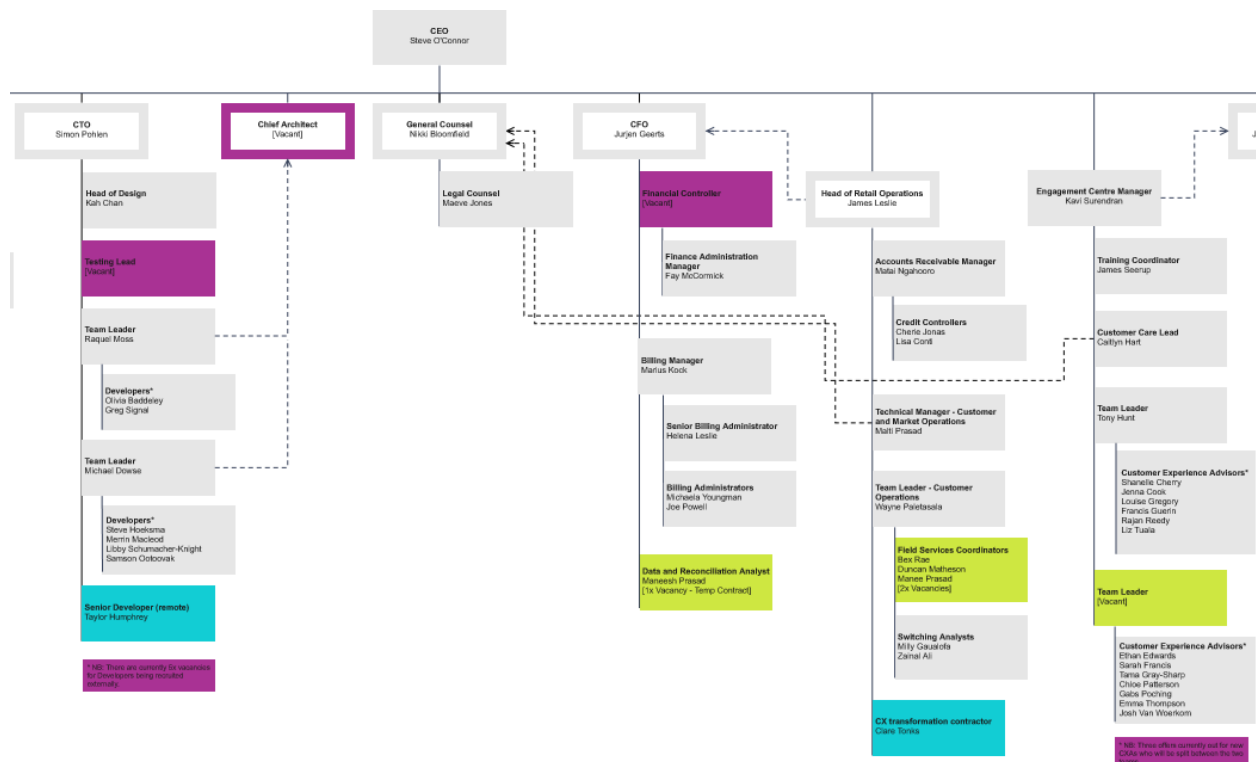
Audit observation

Current code exemptions were reviewed on the Electricity Authority website.

Audit commentary

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

1.2. Structure of Organisation



1.3. Persons involved in this audit

Auditor:

Steve Woods

Veritek Limited

Electricity Authority Approved Auditor

Flick personnel assisting in this audit were:

Name	Title
Richard Wills	Independent Contractor

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

Flick receives HHR data from AMS, Arc and Metrix as MEPs. There are no agents involved in the process.

Audit commentary

Not applicable

1.5. Hardware and Software

The table below lists the systems used to meet Flick's reconciliation participant obligations. The Data Repository system is the one being replaced.

Service Provider	Service(s) provided
Axos	Billing system
SalesForce	SalesForce provides CRM functionality, integrating with following systems: Admin App (automatic one directional) Data Repository (manual) Axos (manual)

Service Provider	Service(s) provided
Umbrella (formerly DigiWeb)	Secure, hosted data warehousing services: Data Warehousing Server Back-ups DR/BCP of Reconciliation Function systems, Customer Portal, Website, Choice App, Provisioning System (Dev, UAT, Prod environments) Domain management services Hot cutover between data warehousing locations (if required)

1.6. Breaches or Breach Allegations

There has been one breach allegation relevant to the scope of this audit between 01/11/2016 and 19/10/2017.

The reconciliation manager alleged a breach of part 15 clause 15.2 (reference 1709FLCK1) on 31/10/2017, because Flick failed to take all practicable steps to ensure that submission data was accurate where a multiplier had been applied incorrectly. Once the error was identified, corrected information was submitted within an hour.

The Authority's Compliance Committee considered the breach and found there was a low impact, and steps had been taken to prevent recurrence. No further action was taken.

Compensation factors will be applied automatically in Telemetry, eliminating the manual process.

1.7. ICP Data

Metering Category	(2017)	(2016)	(2015)
1	21,973	15,071	5,445
2	36	16	1
3	-	-	-
4	-	-	-
5	-	-	-
9	15	-	-

Status	Number of ICPs (2017)	Number of ICPs (2016)	Number of ICPs (2015)
Active (2,0)	21,946	15,015	5,446
Inactive – new connection in progress (1,12)	-	-	-
Inactive – electrically disconnected vacant property (1,4)	13	4	12
Inactive – electrically disconnected remotely by AMI meter (1,7)	26	67	0
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)	3	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-
Decommissioned (3)	37	5	1

1.8. Authorisation Received

An emailed authorisation was received from Flick.

1.9. Scope of Audit

Flick Energy Limited (Flick) intends to replace their reconciliation system (Data Repository) with a new reconciliation system (Telemetry).

Clause 8(1) of Schedule 15.1 requires that if a reconciliation participant intends to make a “material” change to any certified facilities, processes or procedures then the changes must be subject to an audit prior to the change taking place. This audit was therefore performed at the request of Flick so that it can be supplied to the Electricity Authority to satisfy the requirements of Clause 8(1).

The table below shows the scope of the audit.

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	In Scope
(a) - Maintaining registry information and performing customer and embedded generator switching	✗
(b) – Gathering and storing raw meter data	✓
(c)(iii) - Creation and management of volume information	✓
(d) – Calculation of ICP days	✓
(da) - delivery of electricity supplied information under clause 15.7	✗
(db) - delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8	✓
(e) – Provision of submission information for reconciliation	✓

1.10. Summary of previous audit

Flick provided a copy of their previous audit conducted in December 2017 by Tara Gannon of Veritek Limited. The summary tables below show the items relevant to this audit (shaded green).

Further comment is made in the relevant sections of this report.

NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Remedial Action
Relevant information	2.1	10.6, 11.2, 15.2	One ICP had an incorrect profile assigned.	Cleared
Changes to registry information	3.3	10 Schedule 11.1	152 late status updates.	Identified
ANZSIC codes	3.6	9 (1(k) of Schedule 11.1	Incorrect ANZSIC codes were recorded on the registry for some business ICPs.	Cleared

Subject	Section	Clause	Non Compliance	Remedial Action
AN files for standard switches	4.2	3 and 4 Schedule 11.3	Switch event dates were not within 10 business days after receipt of an NT file for five switches due to processing errors. The “AA” (accept and acknowledge) or “OC” (occupied premises) AN response codes were applied for four ICPs with advanced metering installed.	Identified
Information for standard switches	4.3	5 Schedule 11.3	Nine late CS files for transfer switches. Incorrect average daily consumption was provided for one ICP.	Identified
Read changes for standard switches	4.4	6(1) and 6A Schedule 11.3	Three RR files for transfer switches did not contain correct readings. For eight ICPs, the readings recorded in Flick’s Data Repository were inconsistent with the readings agreed with the other retailer.	Investigating
NHH read changes for HHR submission type	4.5	6(2) and (3) Schedule 11.3	Three RR files issued under clause 6.2 of schedule 11.3 did not contain correct readings.	Investigating
Information for switch moves	4.8	10(1) Schedule 11.3	Due to processing errors, switch event dates were earlier than the requested date for two switches. The “AA” (accept and acknowledge) AN response code was applied for two ICPs with advanced metering installed.	Identified
Switch dates for switch moves	4.9	10(2) Schedule 11.3	Two ICPs had event dates set earlier than the gaining trader requested date.	Identified
Final information for switch moves	4.10	11 Schedule 11.3	At least one late switch move CS file. Incorrect average daily consumption was provided for one ICP.	Identified
Read changes for switch moves	4.11	12 Schedule 11.3	One AC file was one day late. One RR file for a switch move did not contain correct readings. For six ICPs, the readings recorded in Flick’s Data Repository were inconsistent with the readings agreed with the other retailer.	Investigating
Switch withdrawals	4.15	17 and 18 Schedule 11.3	15 switch withdrawal requests were backdated greater than two months from the event date.	Identified
Maintaining shared unmetered load	5.1	11.14	0005039797RN40C had shared unmetered load connected between 13/03/2017 and 26/04/2017, which was not reported by Flick. This resulted in under submission by 3.6 kWh.	Identified
Electricity conveyed	6.1	10.13 and clause 15.2	Energy is not metered and quantified according to the code where meters are bridged.	Investigating

Subject	Section	Clause	Non Compliance	Remedial Action
NHH reading application	6.7	6 Schedule 15.2	Four incorrect RR readings were provided.	Investigating
HHR corrections	8.2	19(2) Schedule 15.2	There is no procedure to estimate unrecorded consumption during bridged periods. A correction was not processed for the period ICP 1000755980UNFB5's meter was bridged.	Investigating
ICP days	11.2	15.6	Inactive ICP days are included in the AV110 report, if an ICP is inactive and active during the month. AV110 data is not zeroed where Flick has previously submitted ICP days, but there are no ICP days reported in the current revision.	Identified
HHR Aggregates	11.4	15.8	HHR aggregates file does not contain electricity supplied information.	Identified
Accuracy of submission information	12.7	15.12	Some submission information was incorrect, due to a correction not being processed, some volumes not being based on agreed switch readings, and an inaccurate correction for multipliers.	Investigating

RECOMMENDATIONS

Subject	Section	Description	Recommendation
CS creation	4.10	Clause 11 Schedule 11.3	Automate the CS process to reduce the likelihood of late files, and inaccurate file content.
Billed data	11.3	Clause 15.7	Monitor as billed versus submission volumes over the coming months. Investigate to confirm the reason for the variance between billed and submitted volumes.

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

I considered whether the system implementation was likely to result in changes to the process to find and correct incorrect information.

Audit commentary

The system implementation is likely to improve processes to find and correct incorrect information. Specifically in the area of compensation factors and validation of HHR data.

Audit outcome

Compliant

2.2. Provision of information (Clause 15.35)

Code reference

Clause 15.35

Code related audit information

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

Audit observation

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

Audit commentary

This area is discussed in several 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

Data transmission processes will not change.

Audit commentary

Data transmission processes will not change.

Audit outcome

Not applicable

2.4. Audit trails (Clause 21 Schedule 15.2)

Code reference

Clause 21 Schedule 15.2

Code related audit information

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

The audit trail must include details of information:

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

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

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

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

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

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

Audit observation

I checked the audit trail for estimations and corrections conducted in Telemetry.

Audit commentary

Audit trails include the activity identifier, date and time, and an operator identifier.

Audit outcome

Compliant

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

Code reference

Clause 10.4

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

The trader must use its best endeavours to provide access:

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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 registry list was reviewed.

Audit commentary

Flick has only supplied ICPs with metering categories 1 and 2, and has not completed any new connections. No ICPs have required loss compensation.

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 sub-clause (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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 10.33(1)

Code related audit information

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

- *they are recorded in the registry as being responsible for the ICP; and*

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 10.33A(1)

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

2.12. Arrangements for line function services (Clause 11.16)

Code reference

Clause 11.16

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

2.13. Arrangements for metering equipment provision (Clause 10.36)

Code reference

Clause 10.36

Code related audit information

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 11.7(2)

Code related audit information

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 10 Schedule 11.1

Code related audit information

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

3.4. Trader responsibility for an ICP (Clause 11.18)

Code reference

Clause 11.18

Code related audit information

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

A trader ceases to be responsible for an ICP if:

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 9 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 9 (1)(k) of Schedule 11.1

Code related audit information

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 9(1)(f) of Schedule 11.1

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 17 Schedule 11.1

Code related audit information

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

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

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

- *the ICP has only 1 customer, embedded generator, or direct purchaser (clause 17(2)(a))*

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 19 Schedule 11.1

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

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

Code reference

Clause 2 Schedule 11.3

Code related audit information

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clauses 3 and 4 Schedule 11.3

Code related audit information

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 5 Schedule 11.3

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 6(1) and 6A Schedule 11.3

Code related audit information

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

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

If the gaining trader disputes a switch meter reading because the switch event meter reading provided by the losing trader differs by 200 kWh or more, the gaining trader must, within 4 calendar months of the actual event date, provide to the losing trader a changed switch event meter reading supported by two validated meter readings.

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 6(2) and (3) Schedule 11.3

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 7 Schedule 11.3

Code related audit information

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 9 Schedule 11.3

Code related audit information

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

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

In the event of a switch move, the gaining trader must advise the registry manager of a switch and the proposed event date no later than 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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 10(1) Schedule 11.3

Code related audit information

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

- *10(1)(a) If the losing trader accepts the event date proposed by the gaining trader, the losing trader must complete the switch by providing to the registry manager:
 - o *confirmation of the switch event date; and**

- *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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 10(2) Schedule 11.3

Code related audit information

If the losing trader determines a different date, the losing trader must also complete the switch by providing to the registry manager as described in sub-clause (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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 11 Schedule 11.3

Code related audit information

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

- *the event date (clause 11(a)); and*

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 12 Schedule 11.3

Code related audit information

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

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 13 Schedule 11.3

Code related audit information

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

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

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

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

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

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

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

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 15 Schedule 11.3

Code related audit information

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 16 Schedule 11.3

Code related audit information

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

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clauses 17 and 18 Schedule 11.3

Code related audit information

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

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

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

4.16. Metering information (Clause 21 Schedule 11.3)

Code reference

Clause 21 Schedule 11.3

Code related audit information

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 11.15AA to 11.15AB

Code related audit information

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

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

5. MAINTENANCE OF UNMETERED LOAD

5.1. Maintaining shared unmetered load (Clause 11.14)

Code reference

Clause 11.14

Code related audit information

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

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

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

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

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

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

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 10.14 (2)(b)

Code related audit information

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 10.14 (5)

Code related audit information

If the unmetered load limit is exceeded the retailer must:

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 11 Schedule 15.3, Clause 15.37B

Code related audit information

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

6. GATHERING RAW METER DATA

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

Code reference

Clause 10.13, Clause 10.24 and Clause 15.13

Code related audit information

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

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

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

The participant responsible for the metering installation must:

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 10.43(2) and (3)

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 2 Schedule 15.2

Code related audit information

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

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

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

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

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

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

2(6) – The interrogation systems must record:

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 6 Schedule 15.2

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 7(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 8(1) and (2) Schedule 15.2

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 9(1) and (2) Schedule 15.2

Code related audit information

In relation to each NSP, each reconciliation participant must ensure that for each NHH ICP at which the reconciliation participant trades continuously for each 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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 10 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 11(1) Schedule 15.2

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

7.2. Archiving and storage of raw meter data (Clause 18 Schedule 15.2)

Code reference

Clause 18 Schedule 15.2

Code related audit information

A reconciliation participant who is responsible for interrogating a metering installation must archive all raw meter data and any changes to the raw meter data for at least 48 months, in accordance with clause 8(6) of Schedule 10.6.

Procedures must be in place to ensure that raw meter data cannot be accessed by unauthorised personnel.

Meter readings cannot be modified without an audit trail being created.

Audit observation

Processes to archive and store raw meter data were reviewed.

Audit commentary

Flick confirmed data will be stored in Telemetry with the same access rights as the Data Repository. 14 months of historic data will be imported into Telemetry to ensure revisions can be conducted. Data older than this will still be available in the Data Repository.

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

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

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

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

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

Processes for correction of HHR meter readings were reviewed. A sample of one correction and one estimate was provided; these were reviewed to confirm the correction process.

Audit commentary

Where errors are detected during validation of half-hour metering information, and check metering data is not available, data may be substituted from another period if the total of all substituted intervals matches the total consumption recorded on a meter, if available, and the pattern of consumption is

materially similar to the period in error. Estimates (temporary or permanent) are generated within Telemetry, and are compliant with the requirements of the code. HHR estimates are based on register reads to ensure the total kWh is correct. When there is no data (normally comms errors), a manual kWh estimate is created and Telemetry, based on historic data, then creates the relevant interval data based on this. Sumcheck is repeated on estimated and corrected data.

Audit outcome

Compliant

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

Code reference

Clause 19(3) Schedule 15.2

Code related audit information

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 22(1) and (2) Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

Corrections are discussed in **section 8.2**. I 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 is collected by AMS, Arc, and Metrix; data retention was reviewed as part of their MEP audits.

Audit commentary

Raw meter data is held by MEPS.

Flick only corrects working data and they keep an appropriate audit trail. Date, time, operator identifier and the data modified are recorded within the Telemetry system logs.

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

I checked the process for the identification of estimated vs actual data.

Audit commentary

Estimated or corrected data is identified as such. I observed two examples in Telemetry to confirm this.

Audit outcome

Compliant

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

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Processes for estimation of HHR meter readings were reviewed. A sample of two corrections and two estimates were observed in Telemetry to confirm accuracy and compliance.

Audit commentary

Estimates (temporary or permanent) are generated within Telemetry, and are compliant with the requirements of the code. HHR estimates are based on register reads to ensure the total kWh is correct. When there is no data (normally comms errors), a manual kWh estimate is created based on historic consumption and Telemetry then creates the relevant interval data based on this.

Flick used reasonable endeavours to ensure that submitted information was within the percentage specified by the Authority. The process employed confirms compliance.

Audit outcome

Compliant

9.5. NHH metering information data validation (Clause 16 Schedule 15.2)

Code reference

Clause 16 Schedule 15.2

Code related audit information

Each validity check of non half hour meter readings and estimated readings must include the following:

16(2)(a) - confirmation that the meter reading or estimated reading relates to the correct ICP, meter, and register

16(2)(b) - checks for invalid dates and times

16(2)(c) - confirmation that the meter reading or estimated reading lies within an acceptable range compared with the expected pattern, previous pattern, or trend

16(2)(d) - confirmation that there is no obvious corruption of the data, including unexpected zero values.

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 17 Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

Flick advised that the validation processes from the Data Repository have been replicated in Telemetry.

Audit commentary

Flick advised that the validation processes from the Data Repository have been replicated in Telemetry. In addition, all data will be subject to sumcheck validation within Telemetry.

Audit outcome

Compliant

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

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

Code reference

Clause 13.136

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 13.137

Code related audit information

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

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 13.140

Code related audit information

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

11.2. Calculation of ICP days (Clause 15.6)

Code reference

Clause 15.6

Code related audit information

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

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

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

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

Audit observation

The Telemetry system has been running in parallel with the Data Repository and Flick provided the results of their analysis, which compared Telemetry ICP days with Data Repository ICP days. I reviewed the results and requested further information from Flick in some instances.

Audit commentary

The overall difference for November 2017 between the Data Repository and Telemetry was 0.13% and the difference between Telemetry and the GR return file was 0.11%. I asked Flick to check the discrepancies for four NSPs, where the Data Repository and Telemetry figure were different. The results are shown in the table below.

NSP	ICP days difference	Reason
KBY0661	29	ICP 0007100825RND A6 switched out 30/11, there was no data in Telemetry due to no comms. This has been manually resolved by entering a manually estimated reading. This process will be employed for all such examples.
KIN0331	10	ICP 0000005740UN461 was disconnected on 21/11/17, but did not switch out until December. The Data Repository over reported ICP days until the switch out date. This is a known issue and will be resolved by Telemetry.
TMU0111	30	ICP 0000126573WAE73 was not included in the telemetry report due to being vacant without a register read. Manual reads will be entered for all such examples.
TRK0111	10	This was a timing issue due to a delay of data, which arrived one day after the reporting run for ICP 0000015126HR653. This does not indicate a process problem.

The matters recorded above have now been resolved.

Two matters were recorded in the last audit report, as follows:

- The AV110 report is expected to include active ICP days only. Inactive ICP days are included in the AV110 report, if an ICP is inactive and active during the month reported. If an ICP is inactive for the whole month, the inactive ICP days will be correctly omitted from the AV110 report.
- If ICP days have been reported in a previous revision, but are not required in a later revision due to a backdated switch out or switch withdrawal, Flick does not submit a zero line in the AV110 report. The reconciliation manager's database retains the previously submitted value for the NSP, which creates an ICP days difference.

The first point is resolved by Telemetry and this was demonstrated by the discrepancy reporting.

Flick does not intend to implement an automated solution to the second issue. They will monitor the GR files and manually adjust the ICP days file to ensure accuracy.

Audit outcome

Compliant

11.3. Electricity supplied information provision to the reconciliation manager (Clause 15.7)

Code reference

Clause 15.7

Code related audit information

A retailer must deliver to the reconciliation manager its total monthly quantity of electricity supplied for each NSP, aggregated by invoice month, for which it has provided submission information to the reconciliation manager, including revised submission information for that period as non-loss adjusted values in respect of:

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

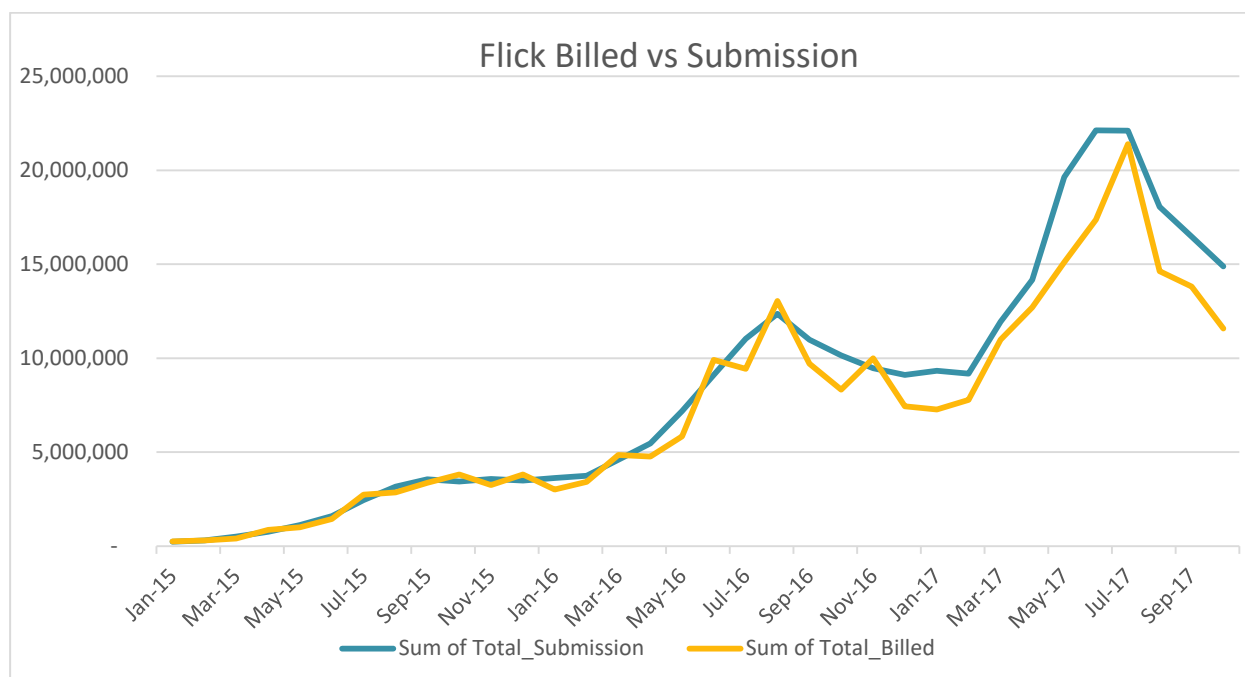
Audit commentary

This area will not change as a result of the Telemetry implementation.

The previous audit found that the total difference between submission and billed was -14.09% for the two years ended October 2017 (billed lower than submission). This difference was higher than expected, and may in part be attributed to:

- not routinely disconnecting or billing vacant ICPs
- not billing some customers where the wrong property was switched in, and the losing retailer refused Flick's withdrawal request
- not billing some customers until their agreed start date, where they switched in earlier
- holding billing where metering issues, or meter communication issues are present
- switching activity
- a weekly billing cycle resulting in some months having more invoice runs than others.

Comparison between Submitted Volumes and Electricity Supplied



The last audit recommended monitoring of as billed data compared to submission data to identify the reason for the large discrepancy. I repeat the recommendation to monitor billed and submitted data to try to determine the reasons for the difference, and whether there are any issues with the billed or submitted data. I have left Flick's response in the report.

Description	Recommendation	Audited party comment	Remedial action
Clause 15.7 Billed data	<p>Monitor as billed versus submission volumes over the coming months.</p> <p>Investigate to confirm the reason for the variance between billed and submitted volumes.</p>	<p>Steps will be taken to investigate billed vs submission data and reveal reasons for discrepancy. This will be in the interest of Flick as submission data is way more than billed which is a financial risk to the business.</p>	Investigating

Audit outcome

Compliant

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

Code reference

Clause 15.8

Code related audit information

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

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

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

Audit observation

HHR aggregates files were created in the Data Repository and in Telemetry for November 2017. The differences were identified and checked. I also checked the HHR aggregates vs the HHR vols totals for November 2017.

Audit commentary

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

HHR aggregates files were created in the Data Repository and in Telemetry for November 2017. There were 202 ICPs with differences. 20 of these were examined, with the following results:

Quantity	Issue	Total kWh difference
3	Incorrect set-up in Data Repository	721.24 (Telemetry higher)
2	Telemetry set-up being investigated. Any issues found will be resolved prior to go-live. The two relevant ICPs are: 0007156554RN702 0006604226RNE5E	6,889.56 (Telemetry higher)
15	Different estimation methodologies between Data Repository and Telemetry	3,146.48 (Telemetry lower)

Reports will continue to be run out of Data Repository after go-live and these will be compared to reports from Telemetry to ensure no issues exist.

I also checked the HHR aggregates vs the HHR vols totals for November 2017. The only differences were due to rounding.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 11.4 With: Clause 15.8 From: entire audit period	HHR aggregates file does not contain electricity supplied information. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, and the impact as low, because the requirement to report electricity supplied information is an error in the code, and Flick is providing submission information as expected. In most cases, billed volumes would match reported volumes.		
Actions taken to resolve the issue		Completion date	Remedial action status
Flick is providing submission information as expected.		14/12/2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The requirement to report electricity supplied information is an error in the code.		14/12/2017	

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

I checked HHR vols files for the change to and from daylight saving to ensure the correct process and format.

Audit commentary

The “trading period run on” technique is used for daylight saving adjustment, except when an ICP first switches in during the daylight savings period. For switch ins during daylight savings, Flick estimates the first two trading periods by using the last two trading periods (which should be a similar value being the same time of the night). The reason they don’t have “actual” data is because it is technically deemed to belong to the losing trader and not to Flick. The basis for estimates is sound. Ongoing estimation is not required, only for the first day for switched in ICPs.

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

Part of this clause relates to timeliness and can only be checked during the next audit. The completeness of files was confirmed by checking the HHR aggregates, HHR vols and ICP days files.

Audit commentary

I checked the accuracy of the HHR aggregates and HHR volumes files in **section 11.4** and confirm compliance. Historic Data from Data Repository will be migrated to Telemetry and all revisions will be conducted from Telemetry.

Audit outcome

Compliant

12.3. Allocation of submission information (Clause 15.5)

Code reference

Clause 15.5

Code related audit information

In preparing and submitting submission information, the reconciliation participant must allocate volume information for each ICP to the NSP indicated by the data held in the registry for the relevant consumption period at the time the reconciliation participant assembles the submission information. Volume information must be derived in accordance with Schedule 15.2.

However, if, in relation to a point of connection at which the reconciliation participant trades electricity, a notification given by an embedded generator under clause 15.13 for an embedded generating station is in force, the reconciliation participant is not required to comply with the above in relation to electricity generated by the embedded generating station.

Audit observation

Flick confirmed that the HHR volumes and aggregates validation processes will continue as they are currently designed, including reviewing historic validations.

Audit commentary

Flick has validation processes to ensure that submissions are correct, including:

- comparison between the volumes and aggregates files; and
- checks of any ICPs where no data has been received since switch in, with action taken to retrieve data before the next revision where possible.

Flick's Data Repository does not automatically apply multipliers. Telemetry will automatically apply multipliers, thus eliminating this manual step.

Audit outcome

Compliant

12.4. Grid owner volumes information (Clause 15.9)

Code reference

Clause 15.9

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

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

I checked the proposed process for the management of revisions.

Audit commentary

Flick will migrate 14 months of data into Telemetry to ensure revisions are created out of only one system. This approach appears sound and will be checked during the next audit.

Audit outcome

Compliant

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

Code reference

Clause 4 Schedule 15.2

Code related audit information

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

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 2 Schedule 15.3

Code related audit information

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

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

Audit observation

Aggregation processes will not change as a result of the implementation of Telemetry.

Audit commentary

Aggregation processes will not change as a result of the implementation of Telemetry.

Audit outcome

Not applicable

12.10. Historical estimates and forward estimates (Clause 3 Schedule 15.3)

Code reference

Clause 3 Schedule 15.3

Code related audit information

For each ICP that has a non-half hour metering installation, volume information derived from validated meter readings, estimated readings, or permanent estimates must be allocated to consumption periods using the following techniques to create historical estimates and forward estimates (clause 3(1)).

Each estimate that is a forward estimate or a historical estimate must clearly be identified as such (clause 3(2)).

If validated meter readings are not available for the purpose of clauses 4 and 5, permanent estimates may be used in place of validated meter readings (clause 3(3)).

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 4 and 5 Schedule 15.3

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

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

Code reference

Clause 7 Schedule 15.3

Code related audit information

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

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

Audit observation

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

13. SUBMISSION FORMAT AND TIMING

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

Code reference

Clause 8 Schedule 15.3

Code related audit information

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

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

Audit observation

I checked two HHR vols files to confirm the accuracy of information.

Audit commentary

One ICP (0110009906EL20B) was identified as having the incorrect GXP when Flick conducted a comparison between Data Repository and Telemetry. Whilst the controls will find any issues similar to this and they will be resolved, Flick is investigating to identify the root cause.

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 AV090 and AV140 reports as part of the aggregation checks.

Audit commentary

Review of 12 AV090 and AV140 reports confirmed that submission information is appropriately rounded to 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

This area will not change as a result of the Telemetry implementation.

Audit commentary

This area will not change as a result of the Telemetry implementation.

Audit outcome

Not applicable

CONCLUSION

The audit found Telemetry will perform calculations and produce files in a compliant manner. Two issues are still under investigation, as recorded in Sections 11.4 and 13.1, regarding HHR aggregates figures for two ICPs and the accuracy of the GXP for one ICP. It is intended these matters will be resolved prior to go-live. Validation processes will identify any future issues of this nature and manual workarounds can be employed if necessary.

The issue of HHR aggregates files containing submission information rather than electricity supplied information is repeated from Flick's last audit. This matter is known to the Authority and will be resolved through a Code change.

The difference between as billed and submitted volumes continue to be larger than expected, and I repeat the previous audit's recommendation that this should be investigated.

I recommend Flick's next audit date should remain the same.

PARTICIPANT RESPONSE

We take regulatory compliance very seriously and are pleased with the level of detail and reporting throughout the audit process. As a growing retailer, we are continuously working on our systems to provide our customers a great experience while also ensuring that we meet our regulatory obligations under the code.

We have appointed a Compliance Manager and have now implemented a formal internal audit plan which will focus on strengthening our internal control environment and provide early identification of issues which arise.

We will use our best endeavours to resolve the two remaining issues in our systems that are noted in the auditor's conclusion above, and should we not succeed with an automated solution, will manually amend our reporting to ensure accuracy in the interim until we do.

With better technology, readily available data and new innovative industry participants the code will need to adapt to market conditions. We are engaging the EA and have proposed amendments to the code and intend to assist regulators as and where appropriate.

We value the input of the auditors and look forward to engaging with them as we continue to evolve our technology and enhance our internal controls.