

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
RECONCILIATION PARTICIPANT AUDIT REPORT**

For

**energyclubnz**

Prepared by: Ewa Glowacka

Date audit commenced: 6 December 2017

Date audit report completed: 7 March 2018

Audit report due date: 19-Oct-17

---

## TABLE OF CONTENTS

Executive summary .....	5
Audit summary .....	6
Non-compliances .....	6
Recommendations .....	6
Issues .....	7
1. Administrative .....	8
1.1. Exemptions from Obligations to Comply with Code (Section 11) .....	8
1.2. Structure of Organisation .....	8
1.3. Persons involved in this audit .....	9
1.4. Use of Agents (Clause 15.34) .....	9
1.5. Hardware and Software .....	9
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
2. Operational Infrastructure .....	12
2.1. Relevant information (Clause 10.6, 11.2, 15.2) .....	12
2.2. Provision of information (Clause 15.35) .....	13
2.3. Data transmission (Clause 20 Schedule 15.2) .....	14
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)) .....	17
2.7. Physical location of metering installations (Clause 10.35(1) & (2)) .....	18
2.8. Trader contracts to permit assignment by the Authority (Clause 11.15B) .....	18
2.9. Connection of an ICP (Clause 10.32) .....	19
2.10. Temporary Electrical Connection of an ICP (Clause 10.33(1)) .....	19
2.11. Electrical Connection of Point of Connection (Clause 10.33A) .....	20
2.12. Arrangements for line function services (Clause 11.16) .....	20
2.13. Arrangements for metering equipment provision (Clause 10.36) .....	21
3. Maintaining registry information .....	22
3.1. Obtaining ICP identifiers (Clause 11.3) .....	22
3.2. Providing registry information (Clause 11.7(2)) .....	22
3.3. Changes to registry information (Clause 10 Schedule 11.1) .....	23
3.4. Trader responsibility for an ICP (Clause 11.18) .....	23
3.5. Provision of information to the registry manager (Clause 9 Schedule 11.1) .....	24
3.6. ANZSIC codes (Clause 9 (1)(k) of Schedule 11.1) .....	25
3.7. Changes to unmetered load (Clause 9(1)(f) of Schedule 11.1) .....	25
3.8. Management of “active” status (Clause 17 Schedule 11.1) .....	26
3.9. Management of “inactive” status (Clause 19 Schedule 11.1) .....	26
3.10. ICPs at new or ready status for 24 months (Clause 15 Schedule 11.1) .....	26
4. Performing customer and embedded generator switching .....	28
4.1. Inform registry of switch request for ICPs - standard switch (Clause 2 Schedule 11.3) ..	28

4.2.	Losing trader response to switch request and event dates - standard switch (Clauses 3 and 4 Schedule 11.3) .....	28
4.3.	Losing trader must provide final information - standard switch (Clause 5 Schedule 11.3)29	
4.4.	Retailers must use same reading - standard switch (Clause 6(1) and 6A Schedule 11.3)29	
4.5.	Non-half hour switch event meter reading - standard switch (Clause 6(2) and (3) Schedule 11.3) .....	30
4.6.	Disputes - standard switch (Clause 7 Schedule 11.3).....	31
4.7.	Gaining trader informs registry of switch request - switch move (Clause 9 Schedule 11.3) .....	31
4.8.	Losing trader provides information - switch move (Clause 10(1) Schedule 11.3) .....	33
4.9.	Losing trader determines a different date - switch move (Clause 10(2) Schedule 11.3) 34	
4.10.	Losing trader must provide final information - switch move (Clause 11 Schedule 11.3)34	
4.11.	Gaining trader changes to switch meter reading - switch move (Clause 12 Schedule 11.3) .....	35
4.12.	Gaining trader informs registry of switch request - gaining trader switch (Clause 14 Schedule 11.3) .....	36
4.13.	Losing trader provision of information - gaining trader switch (Clause 15 Schedule 11.3)37	
4.14.	Gaining trader to advise the registry manager - gaining trader switch (Clause 16 Schedule 11.3) .....	37
4.15.	Withdrawal of switch requests (Clauses 17 and 18 Schedule 11.3).....	37
4.16.	Metering information (Clause 21 Schedule 11.3) .....	38
4.17.	Switch saving protection (Clause 11.15AA to 11.15AB).....	39
5.	Maintenance of unmetered load .....	40
5.1.	Maintaining shared unmetered load (Clause 11.14).....	40
5.2.	Unmetered threshold (Clause 10.14 (2)(b)) .....	40
5.3.	Unmetered threshold exceeded (Clause 10.14 (5)) .....	41
5.4.	Distributed unmetered load (Clause 11 Schedule 15.3, Clause 15.37B).....	41
6.	Gathering raw meter data .....	43
6.1.	Electricity conveyed & notification by embedded generators (Clause 10.13, Clause 10.24 and 15.13) .....	43
6.2.	Responsibility for metering at GIP (Clause 10.26 (6), (7) and (8)).....	43
6.3.	Certification of control devices (Clause 33 Schedule 10.7 and clause 2(2) Schedule 15.3)44	
6.4.	Reporting of defective metering installations (Clause 10.43(2) and (3)) .....	44
6.5.	Collection of information by certified reconciliation participant (Clause 2 Schedule 15.2)45	
6.6.	Derivation of meter readings (Clause 3(1), 3(2) and 5 Schedule 15.2) .....	46
6.7.	NHH meter reading application (Clause 6 Schedule 15.2) .....	46
6.8.	Interrogate meters once (Clause 7(1) and (2) Schedule 15.2) .....	47
6.9.	NHH meters interrogated annually (Clause 8(1) and (2) Schedule 15.2) .....	47
6.10.	NHH meters 90% read rate (Clause 9(1) and (2) Schedule 15.2) .....	48
6.11.	NHH meter interrogation log (Clause 10 Schedule 15.2) .....	49
6.12.	HHR data collection (Clause 11(1) Schedule 15.2) .....	49
6.13.	HHR interrogation data requirement (Clause 11(2) Schedule 15.2) .....	50
6.14.	HHR interrogation log requirements (Clause 11(3) Schedule 15.2) .....	50
7.	Storing raw meter data .....	52
7.1.	Trading period duration (Clause 13 Schedule 15.2) .....	52
7.2.	Archiving and storage of raw meter data (Clause 18 Schedule 15.2) .....	52
7.3.	Non-metering information collected / archived (Clause 21(5) Schedule 15.2) .....	52

8.	Creating and managing (including validating, estimating, storing, correcting and archiving) volume information.....	54
8.1.	Correction of NHH meter readings (Clause 19(1) Schedule 15.2).....	54
8.2.	Correction of HHR metering information (Clause 19(2) Schedule 15.2).....	54
8.3.	Error and loss compensation arrangements (Clause 19(3) Schedule 15.2) .....	55
8.4.	Correction of HHR and NHH raw meter data (Clause 22(1) and (2) Schedule 15.2) .....	55
9.	Estimating and validating volume information.....	57
9.1.	Identification of readings (Clause 3(3) Schedule 15.2).....	57
9.2.	Derivation of volume information (Clause 3(4) Schedule 15.2) .....	57
9.3.	Meter data used to derive volume information (Clause 3(5) Schedule 15.2).....	57
9.4.	Half hour estimates (Clause 15 Schedule 15.2).....	58
9.5.	NHH metering information data validation (Clause 16 Schedule 15.2) .....	58
9.6.	Electronic meter readings and estimated readings (Clause 17 Schedule 15.2) .....	59
10.	Provision of metering information to the pricing manager in accordance with subpart 4 of Part 13 (clause 15.38(1)(f)) .....	61
10.1.	Generators to provide HHR metering information (Clause 13.136) .....	61
10.2.	Unoffered & intermittent generation provision of metering information (Clause 13.137).....	61
10.3.	Loss adjustment of HHR metering information (Clause 13.138).....	62
10.4.	Notification of the provision of HHR metering information (Clause 13.140) .....	62
11.	Provision of submission information for reconciliation.....	63
11.1.	Buying and selling notifications (Clause 15.3).....	63
11.2.	Calculation of ICP days (Clause 15.6) .....	63
11.3.	Electricity supplied information provision to the reconciliation manager (Clause 15.7).....	64
11.4.	HHR aggregates information provision to the reconciliation manager (Clause 15.8) ....	65
12.	Submission computation .....	67
12.1.	Daylight saving adjustment (Clause 15.36) .....	67
12.2.	Creation of submission information (Clause 15.4) .....	67
12.3.	Allocation of submission information (Clause 15.5) .....	67
12.4.	Grid owner volumes information (Clause 15.9) .....	68
12.5.	Provision of NSP submission information (Clause 15.10) .....	68
12.6.	Grid connected generation (Clause 15.11).....	69
12.7.	Accuracy of submission information (Clause 15.12) .....	69
12.8.	Permanence of meter readings for reconciliation (Clause 4 Schedule 15.2).....	70
12.9.	Reconciliation participants to prepare information (Clause 2 Schedule 15.3) .....	70
12.10.	Historical estimates and forward estimates (Clause 3 Schedule 15.3).....	71
12.11.	Historical estimate process (Clause 4 and 5 Schedule 15.3) .....	74
12.12.	Forward estimate process (Clause 6 Schedule 15.3) .....	75
12.13.	Compulsory meter reading after profile change (Clause 7 Schedule 15.3).....	75
13.	Submission format and timing.....	77
13.1.	Provision of submission information to the RM (Clause 8 Schedule 15.3) .....	77
13.2.	Reporting resolution (Clause 9 Schedule 15.3) .....	77
13.3.	Historical estimate reporting to RM (Clause 10 Schedule 15.3) .....	78
	Conclusion .....	79
	Participant response .....	79

## EXECUTIVE SUMMARY

This reconciliation participant audit was performed at the request of energyclubnz (CLUB) to support their application for certification, in accordance with clauses 4 of Schedule 15.1 of The Code. This is their initial audit.

We found energyclubnz non-compliant with clause 2A(1)(b)(ii) of Schedule 15.1, which states that the date on which the reconciliation participant is recorded in the registry as being responsible for more than 100 or more ICPs with metering installations of category 1 it is required to obtain certification under 15.38. energyclubnz traded 101 ICPs by the end of October 2017. The company switched the first ICP on 26 June 2017. At the time of this audit the company was trading 175 NHH ICP (6<sup>th</sup> December 2017). All ICPs were category 1 metering installations read remotely by two MEPs, MTRX and AMS.

energyclubnz uses a software called Engage provided by AgilityCIS; it is a cloud-based application. The software is a new product on the NZ market and energyclubnz is the first company to use it. Engage 's functionality consists of gathering data, validation and estimation, creation of reconciliation files, and customer billing (this functionality is outside of the scope of this audit).

The company's strategy, at this stage, is to trade only NHH ICPs. Their preference is to have all ICPs read remotely, however they have an arrangement in place with WELLS if any gained ICP must be read by a meter reader. Customers can sign up with energyclubnz only using their website. The sign-up process is well structured and easy to follow. During the process, customers are asked if it is a standard switch or a move in and to specify the date of move in which cannot be in the past. Asking the right question at the sign-up step of the process allows energyclubnz to streamline its process and restrict the number of possible non-compliances caused by "incorrect" information given by a customer.

Engage provides an automated switching process. energyclubnz's task is to check switching transactions daily and follow up any exemptions. The switching processes, nomination of a new MEP and meter changes are well documented. There are still a number of processes which are not fully documented, but energyclubnz provided an additional document in which they describe processes that are of a nature that either, do not require a document to be created, or will be drafted up later. The documents talk about disconnections and reconnections, vacant ICPs, disconnected ICPs, bridged metering, UML and new connections.

Electricity volumes are reconciled monthly by sending files, created by Engage, to the reconciliation manager, but customers are billed weekly.

During the audit we identified four non-compliances related to the provision of information and informing the registry of switch requests.

Based on Table 1 of the Guidelines for Reconciliation Participant audit, the next audit should happen within the next 18 months. Our recommendation is to conduct the audit within 12 months because energyclubnz is new to the market.

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Relevant information	2.1	11.2	Incorrect reading in RR file sent to a losing trader	Medium	Low	2	Identified
Provision of information	2.2	15.35	2 files in Sep'17 were uploaded to the RM portal late	Medium	Low	2	Identified
Gaining traders informs registry of switch request – switch move	4.7	9 of Schedule 11.3	Registry was informed late of switch request of ICP 0262610035LC9A4	Medium	Low	2	Identified
Historical estimated and forward estimates	12.10	3 of Schedule 15.3	Number of small issues related to calculation of submission volumes which needs fixing by AgilityCIS	Medium	Low	2	Identified
Future Risk Rating						8	

Future risk rating	0-1	1-3	4-15	16-40	41-55	56+
Indicative audit frequency	36 months	24 months	18 months	12months	6 months	3 months

Based on Table 1 of the Guidelines for Reconciliation Participant audit, the next audit should happen within the next 18 months. Our recommendation is to conduct the audit within 12 months because energyclubnz is new to the market.

## RECOMMENDATIONS

Subject	Section	Description	Recommendation
NHH meters 90% read rate	6.10	Incorrect information in Meter Frequency report	Request AgilityCIS to fix report. If it is not possible, create a manual process
Correction of NHH readings	8.1	Lack of visibility of results of validation of meter readings imported by Engage	Request AgilityCIS to provide such report

## 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

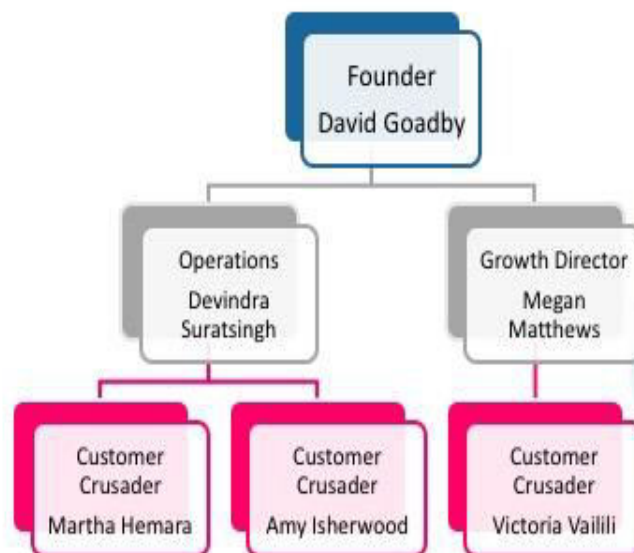
energyclubnz does not have any exemptions granted to exempt them from compliance with all or any of the clauses.

#### Audit commentary

energyclubnz did not apply for any exemptions. We checked the Electricity Authority website and confirm that there are no exemptions in place

### 1.2. Structure of Organisation

## Organisational Structure





### 1.3. Persons involved in this audit

Name	Title	Company
Devindra Suratsingh	Operations	energyclubnz
David Goadby	Founder	energyclubnz
Martha Hemara	Customer Crusader	energyclubnz
Ambili Somervelle	Executive Consultant	energyclubnz
Ewa Glowacka	Electricity Authority Approved Auditor	TEG & Associates

### 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

energyclubnz does not use any agents to fulfil their obligation covered in the scope of this audit.

#### Audit commentary

No agents are used by energyclubnz.

### 1.5. Hardware and Software

energyclubnz uses Engage software. The software is a cloud-based application, written and maintained by AgilityCIS.

### 1.6. Breaches or Breach Allegations

energyclubnz lodged a self-breach on 5<sup>th</sup> December 2017 with the Authority. It was a breach of clause 3 & 5 of Schedule 11.3. At the time of finalising this audit report, no correspondence from the Compliance Committee was available.

### 1.7. ICP Data

energyclubnz provided the LIS file dated 6<sup>th</sup> December 2017. The total number of ICPs was 175.

Metering Category	(06/12/17)	(date)	(date)
1	175		
2	0		

3	0		
4	0		
5	0		
9	0		

Status	Number of ICPs (06/12/17)	Number of ICPs (date)	Number of ICPs (date)
Active (2,0)	175		
Inactive – new connection in progress (1,12)	0		
Inactive – electrically disconnected vacant property (1,4)	0		
Inactive – electrically disconnected remotely by AMI meter (1,7)	0		
Inactive – electrically disconnected at pole fuse (1,8)	0		
Inactive – electrically disconnected due to meter disconnected (1,9)	0		
Inactive – electrically disconnected at meter box fuse (1,10)	0		
Inactive – electrically disconnected at meter box switch (1,11)	0		
Inactive – electrically disconnected ready for decommissioning (1,6)	0		
Inactive – reconciled elsewhere (1,5)	0		
Decommissioned (3)	0		

#### 1.8. Authorisation Received

energyclubnz provided a letter of authorisation to TEG & Associates permitting the collection of data from other parties for matters directly related to the audit.

#### 1.9. Scope of Audit

This reconciliation participant audit was performed at the request of energyclubnz to encompass the Authority's request for annual audits as required by clause 4, of Schedule 15.1, of the Code to assure

compliance with the Electricity Industry Participation Code 2010. The audit was carried out at 4 Williamson Avenue and Agility CIS premises in Penrose, Auckland on 6<sup>th</sup> and 14<sup>th</sup> December 2017.

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

<b>Tasks Requiring Certification Under Clause 15.38(1) of Part 15</b>	<b>Agents providing services</b>	<b>MEPs providing services</b>
(1)(a) - Maintaining registry information and performing customer and embedded generator switching		
(1)(b) – Gathering and storing raw meter data		MTRX, AMS
(1)(c)(ii) – Creating and managing (including validation, estimating, storing, correcting, and archiving) non-half-hour volume information		
(1)(d) – Calculation of ICP days, monthly kWh information of half hour metered ICPs, and electricity supplied		
(e) – Provision of submission information for reconciliation		

#### 1.10. Summary of previous audit

This is the initial audit for energyclubnz as a reconciliation participant. There is no history of a previous audit for this participant.

## 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

We cross referenced the LIS and Metering Information files dated 12<sup>th</sup> December 2017. The information provided to the registry by energyclubnz was correct.

#### Audit commentary

After a switch is finalised, information downloaded from the registry is checked for data such as ANZSIC code, type of reconciliation, profile. Agility CIS is in the process of writing a report to compare the registry LIS file with information contained in the Engage dbase, which will automatically notify an operator of discrepancies. At the time of audit, this function was done manually, which was sufficient due to the small number of ICPs traded by energyclubnz.

The company use a "Daily check list" to monitor switching and customer information in Engage to assure correct information is provided to other participants.

In section 4.1 we noted that a switch read for 0444724257LC9E7 was incorrectly calculated. It is non-compliance with clause 11.2.

#### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: 11.2  From: 19-Jun-17 To: 06-Oct-17	Incorrect reading in RR file sent to a losing trader  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Moderate  Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating

<b>Low</b>	Controls are rated as moderate because there are some improvements that can be made to them. There was no impact on settlement outcome. It was only one ICP and the losing trader accepted the reading. The audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Losing retailer accepted the reading; changes to process and systems have been implemented to ensure the risk of reoccurrence is minimised.		October 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The previous process of submitting RR readings was based on manually putting together the file based on looking up reads from meter read files and was very prone to human error. The new process is completed within the Engage billing system, and uses the index read data shown in the billing system and is therefore much less prone to human error. The system solution was adopted in October 2017.		October 2017	

## 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

energyclubnz was late to provide the reconciliation files. The first instance was in July'17 due to a problem with the RM server and the second instance in Sept'17, two files were late (NHHVOLS and ICPDAYS). These two months were in the early stages of operations for both AgilityCIS and energyclubnz. Some issues still had to be addressed.

### Audit commentary

Compliance with this area was discussed in a number of relevant sections. Compliance was confirmed with regards to format of information in accordance with Part 15. The problem with having late RM files was not repeated, we checked this on the RM portal.

### Audit outcome

Non-compliant

Non-compliance	Description
----------------	-------------

Audit Ref: 2.2 With: 15.35 From: 19-Jun-17 To: 06-Oct-17	2 files were uploaded to the RM portal late in Sep'17 Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Low</b>	Controls are rated as moderate because there are some improvements that can be made to them. There was no impact on settlement because files were submitted on the 4 <sup>th</sup> day but after 1600 hour. The audit risk rating is recorded as low.		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
Files were submitted as soon as checks were completed.		September 2017	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
The previous process for producing, checking and submitting RM files commenced roughly an hour before they were due – which meant that if there were any issues with the files (as they were for this submission); the entire process would be delayed. The new process has the team running the files at the start of Day 4 or Day 13 (8am) with a view to check and submit the files by midday. This process allows sufficient time to manage all checks and balances.		October 2017	

### 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

The download of metering data from MTRX and AMS is fully automated. It is downloaded daily from MEPs' servers by Engage. Reconciliation files are submitted via the RM portal and file exchange with the registry is done using SFTP server.

#### Audit commentary

During the audit we viewed the download of metering data from the MTRX and AMS servers.

This PC > Engage (\\10.0.2.76) (G:) > EnergyClub_PROD > Interface > Meter_Reads				
<input type="checkbox"/> Name	Date modified	Type	Size	
MTRX - Metrix	1/06/2017 12:14 PM	File folder		
NGCM - Vector AMS	1/08/2017 10:58 AM	File folder		

This PC > Engage (\\10.0.2.76) (G:) > EnergyClub_PROD > Interface > Meter_Reads > MTRX - Metrix > DAILY > Archive				
<input type="checkbox"/> Name	Date modified	Type	Size	
RMMTRXCLUB064510XXI_0001.L02	2/12/2017 6:50 AM	XML File	36 KB	
RMMTRXCLUB064509XXI_0001.L01	1/12/2017 6:50 AM	XML File	35 KB	
RMMTRXCLUB064509XXI_0001.K30	30/11/2017 6:50 AM	XML File	35 KB	
RMMTRXCLUB064508XXI_0001.K29	29/11/2017 6:50 AM	XML File	35 KB	

## Audit outcome

Compliant

## 2.4. Audit trails (Clause 21 Schedule 15.2)

### Code reference

Clause 21 Schedule 15.2

### Code related audit information

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

*The audit trail must include details of information:*

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

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

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

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

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

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

### Audit observation

Engage sends and receives data to and from the registry. It is an automated process. Each upload is recorded by the software.

Reconciliation files are uploaded via the RM portal, which records date, time and a participant's login details.

Metering data provided by MEPs is automatically uploaded by Engage. Once the data is uploaded it is moved to an archive directory.

energyclubnz communicates with other participants via email e.g. notification of sending RR file. Emails are archived.

This PC > Engage (\\10.0.2.76) (G:) > EnergyClub_PROD > Market > EA - Electricity Authority				
<input type="checkbox"/>	Name	Date modified	Type	Size
	EIEP - Electricity Information Exchange Proto...	26/05/2017 2:23 PM	File folder	
	MARIA - Electricity Switching	26/05/2017 11:57 AM	File folder	
	RPS - Reconciliation Manager	26/05/2017 12:15 PM	File folder	

This PC > Engage (\\10.0.2.76) (G:) > EnergyClub_PROD > Market > EA - Electricity Authority > MARIA - Electricity Switching > Inbox				
<input type="checkbox"/>	Name	Date modified	Type	Size
	AC	17/11/2017 3:10 PM	File folder	
	ACK	1/12/2017 3:30 PM	File folder	
	AN	1/12/2017 1:20 PM	File folder	
	AW	3/11/2017 3:30 PM	File folder	
	CS	2/12/2017 11:00 AM	File folder	
	MN	31/05/2017 12:42 PM	File folder	
	NMR	2/11/2017 12:40 PM	File folder	
	NOT	2/12/2017 12:30 AM	File folder	
	NT	29/11/2017 8:20 AM	File folder	
	NW	1/12/2017 11:00 AM	File folder	
	RR	19/06/2017 4:00 PM	File folder	

This PC > Engage (\\10.0.2.76) (G:) > EnergyClub_PROD > Market > EA - Electricity Authority > RPS - Reconciliation Manager > Inbox				
<input type="checkbox"/>	Name	Date modified	Type	Size
<input checked="" type="checkbox"/>	AV-080	7/09/2017 4:55 PM	File folder	
	AV-090	7/09/2017 4:55 PM	File folder	
	AV-110	7/09/2017 4:55 PM	File folder	
	AV-120	7/09/2017 4:55 PM	File folder	
	AV-140	7/09/2017 4:55 PM	File folder	
	GR-030	26/05/2017 12:15 PM	File folder	

### Audit commentary

We reviewed audit trails in Engage and confirm it is compliant with this clause. We used a judgemental sampling methodology to select five uploads of the NT file and five downloads of the CS file from losing traders to and from the registry and followed audit trails. We observed that Engage keeps audit trails of all transactions.

### 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**

energyclubnz provided the Terms and Conditions provided to each of their customers. Point 2 (Becoming an energyclubnz customer) of the document covers compliance with the above clause

#### **Audit commentary**

Compliance is confirmed based on a review of The Terms and Conditions. The document was provided to the Authority for review and it was found to meet all requirements.

#### **Audit outcome**

Compliant

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

#### **Code reference**

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

#### **Code related audit information**

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

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

*The trader must use its best endeavours to provide access:*

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

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

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

#### **Audit observation**

Point 5 (Access to your premises) of the Terms and Conditions covers access to premises. A customer must provide energyclubnz, their service providers and the Lines Company, safe and unobstructed access to any of their equipment. A customer will be provided with a notice of the intention to access their premises at least 10 business days before access is required.

#### **Audit commentary**

A review of the Terms and Conditions confirmed compliance with the above clause.

#### **Audit outcome**

Compliant

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

### Code reference

*Clause 10.35(1) & (2)*

### Code related audit information

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

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

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

### Audit observation

To the best knowledge of energyclubnz all installations are close to the connection point. All metering installations traded by energyclubnz are category 1, residential customers only. For any of them loss compensation is not required because metering installations are located physically close to the point of connection.

### Audit commentary

Compliance confirmed based on the type of metering installation traded by energyclubnz and a statement from the company.

### Audit outcome

Compliant

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

### Code reference

*Clause 11.15B*

### Code related audit information

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

- the Authority to assign the rights and obligations of the trader under the contract to another trader if the trader commits an event of default under paragraph (a) or (b) or (f) or (h) of clause 14.41 (clause 11.15B(1)(a)); and*
- the terms of the assigned contract to be amended on such an assignment to—*
- the standard terms that the recipient trader would normally have offered to the customer immediately before the event of default occurred (clause 11.15B(1)(b)(i)); or*
- such other terms that are more advantageous to the customer than the standard terms, as the recipient trader and the Authority agree (clause 11.15B(1)(b)(ii)); and*

- the terms of the assigned contract to be amended on such an assignment to include a minimum term in respect of which the customer must pay an amount for cancelling the contract before the expiry of the minimum term (clause 11.15B(1)(c)); and
- the trader to provide information about the customer to the Authority and for the Authority to provide the information to another trader if required under Schedule 11.5 (clause 11.15B(1)(d)); and
- the trader to assign the rights and obligations of the trader to another trader (clause 11.15B(1)(e)).

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

#### Audit observation

Point 9 (General) of the General Terms and Conditions says,

*“The Electricity Authority may assign our rights and obligations under this agreement to another retailer if we commit an event of default under the Electricity Industry Participation Code 2010.”*

#### Audit commentary

Compliance is confirmed based on a review of the relevant clause in the Terms and Conditions.

#### Audit outcome

Compliant

### 2.9. Connection of an ICP (Clause 10.32)

#### Code reference

Clause 10.32

#### Code related audit information

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

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

#### Audit observation

The current energyclubnz policy is to trade in existing installations only. When energyclubnz decides to take on new connections they will document the process.

#### Audit commentary

We reviewed the LIS file dated 6<sup>th</sup> December 2017 and confirm no new connections were traded by the company.

#### Audit outcome

Compliant

### 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*
- *1 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

As described in the previous section, energyclubnz will not be dealing with new connections for some time.

### Audit commentary

Compliance was not assessed because there were no new connections.

### 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*
- *1 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

As described in section 2.9, energyclubnz will not be trading new connections for some time.

### Audit commentary

Compliance was not assessed because there were no new connections.

### Audit outcome

Non-compliant

## 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**

Point 8 (Network requirements) of the Terms and Conditions covers a customers' responsibility in relation to network companies.

*"On becoming a customer, you agree to comply with the statutory and regulatory requirements and the network company's distribution code or other connection standards and the specific network company requirements set out in these terms and conditions."*

#### **Audit commentary**

Point 8 (Network requirements) of the Terms and Conditions covers arrangements for line functions.

#### **Audit outcome**

Compliant

### **2.13. Arrangements for metering equipment provision (Clause 10.36)**

#### **Code reference**

*Clause 10.36*

#### **Code related audit information**

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

#### **Audit observation**

energyclubnz has signed agreements with Metrix and AMS to provide the MEP services.

#### **Audit commentary**

All ICPs traded by energyclubnz have a MEP assigned in the registry. Compliance confirmed based on sighting signed agreements with MEPs.

#### **Audit outcome**

Compliant

### 3. MAINTAINING REGISTRY INFORMATION

#### 3.1. Obtaining ICP identifiers (Clause 11.3)

##### Code reference

Clause 11.3

##### Code related audit information

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

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

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

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

##### Audit observation

As already described in previous sections, energyclubnz does not trade new connections. The LIS file dated 6<sup>th</sup> of December 2017 confirmed it.

##### Audit commentary

energyclubnz's business model is to trade only already established connections. Compliance was not assessed.

##### 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

The business process adopted by energyclubnz is to evaluate each ICP against their business model. The company only accepts connections metered by remotely read smart meters. The company check each ICPs information in the registry and corrects if necessary.

#### **Audit commentary**

We analysed the LIS file dated 6 December 2017 and confirm that the company provided all information for installations at which they trade energy to the registry.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10 Schedule 11.1*

#### **Code related audit information**

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

#### **Audit observation**

We reviewed the EDA file for the period 19/06/17 to 06/12/17. There were eight trader's transactions and one status update.

#### **Audit commentary**

All updates to the registry were made within 5 business days. Compliance confirmed

#### **Audit outcome**

Compliant

### **3.4. Trader responsibility for an ICP (Clause 11.18)**

#### **Code reference**

*Clause 11.18*

#### **Code related audit information**

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

*A trader ceases to be responsible for an ICP if:*

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

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

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

#### **Audit observation**

energyclubnz understands that as soon as they are recorded in the registry as accepting responsibility, the responsibility will cease only when an ICP switches out to another trader.

The company started trading in June 2017. There are no ICPs with the status “ready for decommissioning” in the registry for which they are responsible. The process is understood but not documented yet; the priority for the company was to document the switching processes.

According to the LIS file all ICPs have MEPs recorded.

#### **Audit commentary**

Compliance was assessed using the LIS file and a review of documentation describing additional processes.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 9 Schedule 11.1*

#### **Code related audit information**

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

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

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

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

#### **Audit observation**

To assess compliance, we examined the EDA file for the period 19/6/17 to 6/12/17 and the LIS file. We checked the accuracy of information provided to the registry.



#### Audit commentary

We confirm that the information provided to the registry for ICPs traded by energyclubnz is correct.

#### Audit outcome

Compliant

### 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

All customers traded by energyclubnz are category 1 metering installations, residential customers. The ANZSIC code assigned is "0".

#### Audit commentary

Compliance is confirmed based on a review of the LIS file. As a part of the sign-up process, the company validates the correctness of the ANZSIC code recorded by a losing trader once a switch is finalised.

#### Audit outcome

Compliant

### 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

energyclubnz does not plan to take on unmetered ICPs. If there is UML found later, the company will discuss with the customer, the option to have metering put in place or switch to another retailer. energyclubnz will update the registry with the required (or as much as we have to hand) UML information immediately on finding any UML. Engage will use daily kWhs to calculate monthly volume.

#### Audit commentary

The LIS confirmed that UML ICPs are not traded by energyclubnz. Compliance confirmed based on a review of the LIS file and the company's policy.

#### Audit outcome

Compliant

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

#### Code reference

Clause 17 Schedule 11.1

#### Code related audit information

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

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

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

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

#### Audit observation

The LIS file dated 6 December 2017 was examined to identify any ICPs with the status “inactive”. There were none. All ICPs had the status “Active” and were metered by certified installations.

#### Audit commentary

Engage assigns only one customer per ICP. ICPs with the status “active” are reconciled.

#### Audit outcome

Compliant

### 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

At the time of this audit, energyclubnz did not have any ICPs with the status “inactive”.

#### Audit commentary

Compliance confirmed based on a review of the LIS file and a review of the document describing the company’s policies.

#### Audit outcome

Compliant

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

#### Code reference

Clause 15 Schedule 11.1

**Code related audit information**

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

**Audit observation**

It is a distributor's obligation to monitor an ICP which has had the status of "New" or "Ready" for 24 calendar months or more. It is expected that a trader be able to respond to such queries from distributors.

**Audit commentary**

energyclubnz has been trading since 19<sup>th</sup> of June 2017 therefore this clause is not applicable.

**Audit outcome**

Not applicable

## 4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

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

#### Code reference

Clause 2 Schedule 11.3

#### Code related audit information

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

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

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

#### Audit observation

The switch gain process was examined. energyclubnz had 77 initiated standard switches in the period covered by this audit. Customers sign up on line. As soon as credit checks (about 10 minutes) are complete Engage send the NT file to the registry. In most cases it is the same day, or following, depending on what time a customer fills in a form on the website.

#### Audit commentary

We reviewed the timing of NT files for all standard switches. No requests for standard switches were backdated except ICP 0444724257LC9E7 for which NT was sent on 20/06/17 at 08:52 asking for a switch date 19/06/17, which was accepted by Mercury Energy.

#### Audit outcome

Compliant

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

#### Code reference

Clauses 3 and 4 Schedule 11.3

#### Code related audit information

*Within 3 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 5 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 2 calendar months (clause 4(2) of Schedule 11.3).*

#### **Audit observation**

According to the EDA file, energyclubnz lost one ICP 0180367811LCEDC using the standard switch process.

#### **Audit commentary**

We checked the timing of the AN file and confirm that it was sent within 3BD. A proposed event date was the date within 5 BD after the NT file was received. energyclubnz has been trading for less than 12 - months therefore compliance with clause 4(1)(b) can't be assessed. The company policy is to switch away a customer promptly after NT notification.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 5 Schedule 11.3*

#### **Code related audit information**

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

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

#### **Audit observation**

We reviewed three ICPs lost by energyclubnz. We followed all transactions (AN and CS file) and confirm that the switches were finalised within five business days. CS files were sent on the day of a switch event date.

#### **Audit commentary**

We validated three CS files by comparing the reading in Engage with the readings in the CS files. There was a 100% match between the two sets of information.

#### **Audit outcome**

Compliant

### **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 2 validated meter readings.*

- *the losing trader can choose not to accept the reading, however must advise the gaining trader no later than 5 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**

According to the EDA file, energyclubnz sent four RR files for standard switches. Two files were entered manually to the registry using the web interface and two RR files were generated by Engage. energyclubnz has not received any RR files.

ICP	Losing trader read	CLUB switch read	Difference
0000123295UN908	84747	84539	-208
0397503040LC8A7	34120	34190	70
0444724257LC9E7	88470	89052	582
0723049701LC833	40729	40697	-32

#### **Audit commentary**

We walked through the process of RR file creation. At the time of audit two files were created manually and of two of them were created by Engage. We checked the calculations for the switch event read for ICP 0444724257LC9E7, it was incorrect. The reading given to a losing trader was at the end of a switch date not at the end of the previous day and not at the beginning of a switch event date.

Compliance with this clause is confirmed but we noted it as non-compliance in section 2.1.

#### **Audit outcome**

Compliant

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

##### **Code reference**

*Clause 6(2) and (3) Schedule 11.3*

#### Code related audit information

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

- *the gaining trader will trade electricity from a meter with a half hour submission type in the registry (clause 6(2)(b));*
- *the gaining trader within 5 business days after receiving final information from the registry manager, may provide the losing trader with a switch event meter reading from that meter. The losing trader must use that switch event meter reading.*

#### Audit observation

energyclubnz lost three NHH ICPs using the standard switch process. We checked all of them and confirm that, for all switches, data (CS file) was sent on the day of the switch event.

#### Audit commentary

Engage sends the CS file automatically. The code is written in such a way that the CS file is sent on the day of the switch.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 7 Schedule 11.3*

#### Code related audit information

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

#### Audit observation

There were no disputes with a losing trader. If such a situation were to occur in the future it would be resolved in accordance with this clause.

#### Audit commentary

energyclubnz confirmed that no disputes occurred in the period covered by this audit, which would require a resolution.

energyclubnz stated that they will not decline to accept another traders' validated meter reading or permanent estimate if they are reasonable and appropriate in the applicable circumstances. The company will also provide a reasonable explanation to the other participant where it does decline to accept their validated meter reading or permanent estimate.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 9 Schedule 11.3*

### Code related audit information

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

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

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

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

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

### Audit observation

energyclubnz gained 114 ICPs using the switch move process. At the time of signing up a customer they must specify if they are moving into a premises and the date of move in. The website does not allow them to specify a date in the past. Switch moves account for 63 % of all switches.

The EDA file for the period 19/6/17 to 6/12/17 showed that for ICP 0262610035LC9A4 NT switch move asked for a date in the past (29 BD). A customer was incorrectly signed to ICP 0298415828LCAE5 on 20/10/2017. energyclubnz received a withdrawal from Mercury on 16/11/2017, which triggered their investigation into locating the correct site for their customer. energyclubnz located the correct ICP 0262610035LC9A4 and sent the new NT on 30/11/2017.

### Audit commentary

We identified two switches which originally were sent as standard switches, but they were switch move. NW was sent to withdraw the initial NT and start the switching process again. It happened in the early stages of energyclubnz's operation, when customers did not always understand the difference between a standard switch and switch move.

### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.7 With: 9 of Schedule 11.3  From: 21-Oct-17 To: 30-Nov-17	Registry was informed late of switch request of ICP 0262610035LC9A4. The delay was 29 BD  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Moderate  Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating



Low	Controls are rated as moderate because there are some improvements that can be made to them. There are still early days of trading for energyclubnz. It is a common occurrence during switching that NT is sent for incorrect. There was no impact on settlement. The audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
A self-breach was submitted as soon as the actual breach was found; other retailer notified, and actions agreed.		November 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
On this occasion the SFTP link to the registry had stopped working and no one noticed. The breach report was only being run once a week and therefore when the issue was discovered, the ICP in question was already in breach. The breach was self-reported and resolved, the breach report is now run at least twice a week at regular intervals, and Agility has a process in place to check and report on the status of the Registry SFTP link on a bi-weekly basis.		December 2017	

#### 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 5 business days after receiving notice of a switch move request from the registry manager—

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

##### Audit observation

energyclubnz lost three ICPs 0227102800LC3CA, 0239396352LC911, and 0324154046LC782 using switch move.

##### Audit commentary

We walked through the three switches and confirm compliance with this clause. The switch event read was sent on the day of the switch event date.

#### Audit outcome

Compliant

#### 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 subclause (1)(a):*

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

##### Audit observation

For all three switches energyclubnz accepted a date requested by a gaining trader.

##### Audit commentary

Compliance confirmed based on analysis of the EDA file.

#### Audit outcome

Compliant

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

##### Code reference

*Clause 11 Schedule 11.3*

##### Code related audit information

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

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

##### Audit observation

The EDA file was analysed to assess if compliance was met.

##### Audit commentary

We confirm that compliance was met for all switches. The process is documented.

#### Audit outcome

Compliant

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

## Code reference

### Clause 12 Schedule 11.3

## Code related audit information

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

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

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

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

## Audit observation

We compared switch event reads contained in CS files provided by losing traders with information recorded in Engage. It was a 100% match.

energyclubnz sent 2 RR files, as below

ICP	Losing trader read	CLUB switch read	Difference
1001269882LCDE6	17753	17610	-143
1001286529LCA38	13359	13359	0

## Audit commentary

RR file for 1001286529LCA38 was sent by mistake and was rejected by the losing trader.

## Audit outcome

Compliant

#### 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 3 business days after the arrangement comes into effect.*

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

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

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

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

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

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

##### Audit observation

energyclubnz trades NHH customers only.

##### Audit commentary

This clause is not applicable.

##### Audit outcome

Not applicable

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

##### Code reference

Clause 15 Schedule 11.3

##### Code related audit information

*Within 3 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**

energyclubnz trades NHH customers only.

#### **Audit commentary**

This clause is not applicable.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 16 Schedule 11.3*

#### **Code related audit information**

*The gaining trader must complete the switch no later than 3 business days, after receiving the valid switch response code, by advising the registry manager of the event date.*

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

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

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

#### **Audit observation**

energyclubnz trades NHH ICPs only.

#### **Audit commentary**

This clause is not applicable.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clauses 17 and 18 Schedule 11.3*

#### **Code related audit information**

*A losing trader or gaining trader may request that a switch request be withdrawn at any time until the expiry of 2 calendar months after the event date of the switch.*

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

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

#### **Audit observation**

energyclubnz sent two NW files for ICPs 0227102800LC3CA and 1001303459LCA08. The first one was (WS) incorrect switch type, the second one (DF), incorrect date.

#### **Audit commentary**

Both NW files were sent within the time frame specified by this clause.

#### **Audit outcome**

Compliant

### **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**

We examined the meter reading process in relation to the switching process. energyclubnz has lost six ICPs in the period covered by this audit. In all cases actual reads were available from MEPs. The company understands that it would be their responsibility to obtain an additional read and pay for it.

#### Audit commentary

energyclubnz received daily readings from MEPS. If actual read is not available, the read will be estimated by Engage. It was not required for the six CS files sent to gaining traders.

#### Audit outcome

Compliant

#### 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

Energy 's policy is not to contact customers if they wish to switch to another trader. According to the EDA file, only two NW files were sent and none of them with the code "CX".

##### Audit commentary

Compliance is confirmed on review of the EDA file and a statement made by the company.

##### Audit outcome

Compliant

## 5. MAINTENANCE OF UNMETERED LOAD

### 5.1. Maintaining shared unmetered load (Clause 11.14)

#### Code reference

Clause 11.14

#### Code related audit information

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

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

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

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

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

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

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

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

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

#### Audit observation

energyclubnz does not trade shared UML ICP.

#### Audit commentary

Engage has a functionality to reconcile an UML ICP if the need arises. Compliance confirmed based on Engage's functionality.

#### Audit outcome

Compliant

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

#### Code reference

Clause 10.14 (2)(b)



### Code related audit information

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

### Audit observation

energyclubnz does not trade UML ICPs.

### Audit commentary

Compliance was not assessed.

### 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

energyclubnz does not trade UML ICP.

### Audit commentary

Compliance was not assessed.

### 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**

Engage's functionality allows it to reconcile distributed unmetered load but energyclubnz does not wish to trade distributed unmetered load.

**Audit commentary**

Compliance was not assessed because it is not applicable.

**Audit outcome**

Not applicable

## 6. GATHERING RAW METER DATA

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

#### Code reference

*Clause 10.13, Clause 10.24 and Clause 15.13*

#### Code related audit information

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

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

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

- *there is 1 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

All installations traded by energyclubnz are metered. No subtraction method is used to determine submission information provided to the reconciliation manager.

#### Audit commentary

energyclubnz has one ICP 0125034571LC417, at which solar panels of 1.58 Kw are installed. It was examined in detail in the relevant section of this report.

The energyclubnz policy is that if an ICP is switched in with bridged metering, the company will instruct the MEP to arrange a reconnection and provide notification of how long the bypass had been in place to be able to arrange for estimated readings for the period affected. Since they started trading energyclubnz has not come across bridged meters. The fact that customers are billed weekly, “forces” the company to closely monitor the metering data received from MEPs.

The company stated that it will not instruct the bridging of meters.

#### Audit outcome

Compliant

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

#### Code reference

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

#### Code related audit information

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

- *provide to the grid owner a copy of the metering installation design (before ordering the equipment)*
- *provide at least 3 months for the grid owner to review and comment on the design*
- *respond within 3 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 clause is not applicable to energyclubnz.

#### **Audit commentary**

This clause is not applicable to energyclubnz.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

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

#### **Code related audit information**

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

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

#### **Audit observation**

The LIS file analysis showed that energyclubnz submits volumes to the reconciliation manager using the RPS profile. No control devices are needed therefore they have never approached a MEP asking for a control device to be certified.

#### **Audit commentary**

Compliance confirmed based on a review of the LIS file dated 6<sup>th</sup> December 2017 and reconciliation files.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.43(2) and (3)*

#### **Code related audit information**

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

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

#### **Audit observation**

In the document, “Additional process information” provided by energyclubnz, the company states that they will notify the MEP if they suspect a metering installation is inaccurate, defective or not fit for purpose.

#### **Audit commentary**

Since trading started energyclubnz has not identified any metering installations not fit for purpose.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 2 Schedule 15.2*

#### **Code related audit information**

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

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

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

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

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

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

*2(6) – The interrogation systems must record:*

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

#### **Audit observation**

Meter readings are collected by Metrix and AMS and passed to energyclubnz. Metrix provides register read data and AMS provides HERM files which contain HHR data and register reads. energyclubnz does not use HHR data for reconciliation purposes. Only register reads are extracted from HERM files.

#### **Audit commentary**

Only part of this clause is applicable to energyclubnz. Some parts are applicable to HHR data. energyclubnz can request AMS to send them only register reads but they decided not to ask for it.

#### **Audit outcome**

Compliant

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

#### **Code reference**

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

#### **Code related audit information**

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

*All validated meter readings must be derived from meter readings.*

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

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

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

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

#### **Audit observation**

energyclubnz does not receive manual NHH reads. There is an agreement in place with WELLS to provide reads but, to date, it has not been used. The company does not receive customer reads.

#### **Audit commentary**

The company preference is to receive remotely read meters from MEPs, which go through their own audits. All metering data received from MEPs is validated when imported to Engage.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 6 Schedule 15.2*

#### **Code related audit information**

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

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

#### **Audit observation**

Agility CIS demonstrated compliance with this clause by showing a comparison between reads received from MEPs and reads used for reconciliation purposes.

#### **Audit commentary**

Compliance confirmed based on the Agility CIS demonstration.

#### **Audit outcome**

Compliant

### **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**

Metering data is received daily. energyclubnz closely monitors this to see if any of the ICPs were not read.

#### **Audit commentary**

energyclubnz lost six ICPs, all of them were read at least once during the period of supply by energyclubnz.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 8(1) and (2) Schedule 15.2*

#### **Code related audit information**

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

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

#### **Audit observation**

The company has not been trading for a full year yet.

#### **Audit commentary**

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 9(1) and (2) Schedule 15.2*

#### **Code related audit information**

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

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

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

#### **Audit observation**

energyclubnz started trading in June 2017. A Meter frequency report was first submitted to the Market Administrator in November 2017, which was after exactly 4 months of trading. All meters were read within 4 months.

#### **Audit commentary**

We checked the report provided to the Market administrator and Agility CIS does not exactly understand the requirement of this clause. It would appear that the software incorrectly calculates ICPs which are traded continuously for 4 months. After discussion with Agility CIS our understanding is that smart meters are not included in the monthly report. At the moment this is not a big issue for energyclubnz because all ICPs are read remotely but as the business grows this could change.

Our recommendation is to request Agility CIS to fix the report. If it is not possible, create a manual process.

#### **Audit outcome**

Compliant

Description	Recommendation	Audited party comment	Remedial action
-------------	----------------	-----------------------	-----------------



Incorrect information in Meter Frequency report	Request Agility CIS to fix report. If it is not possible, create a manual process		
---	---	--	--

#### 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

All NHH ICPs are read by Metrix and AMS. Assessment of compliance with this clause was conducted during their MEP audit. AMS provides a log of interrogation but not Metrix.

##### Audit commentary

energyclubnz does not read meters themselves.

##### Audit outcome

Compliant

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

##### Code reference

Clause 11(1) Schedule 15.2

##### Code related audit information

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

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

##### Audit observation

energyclubnz does not trade HHR ICPs.

##### Audit commentary

This clause is not applicable to energyclubnz.

##### 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

energyclubnz does not trade HHR ICPs.

##### Audit commentary

This clause is not applicable to energyclubnz.

##### 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**

energyclubnz does not trade HHR ICPs.

**Audit commentary**

This clause is not applicable to energyclubnz.

**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  $\pm 0.1\%$  ( $\pm 2$  seconds).*

#### Audit observation

energyclubnz does not trade HHR ICPs.

#### Audit commentary

This clause is not applicable to energyclubnz.

#### 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

NHH data is received from MRTX and AMS, who archives raw meter data. energyclubnz keeps a copy of all metering data.

#### Audit commentary

We observed the uploading of data to Engage and confirm that the software does not allow the modification of meter readings without an audit trail. The readings in MEPs files match data in Engage.

#### 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**

energyclubnz only uses the RPS profile for reconciliation submissions. No external control equipment is used.

**Audit commentary**

Compliance was not assessed because this clause is not applicable to the energyclubnz's operation.

**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

We reviewed the process of correction of NHH readings performed by Engage. energyclubnz makes sure it has daily reads for all NHH sites. If such a situation occurs that errors are detected, an additional meter read will be requested from an MEP. Engage validates meter readings when imported but there is no report visible to energyclubnz's operators if any errors were identified. Our recommendation is to request Agility CIS to give energyclubnz access to the report which will summarize the validation of reads from MEPs.

#### Audit commentary

We confirm compliance of the correction of NHH meter readings. energyclubnz confirmed that no data had to be corrected in the period covered by this audit.

#### Audit outcome

Compliant

Description	Recommendation	Audited party comment	Remedial action
Lack of visibility of results of validation of meter readings imported by Engage	Request Agility CIS to provide such report		

### 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**

energyclubnz does not trade HHR ICPs.

#### **Audit commentary**

This clause is not applicable to energyclubnz.

#### **Audit outcome**

Not applicable

### **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**

energyclubnz trades only metering installations of category 1. There are no error and loss compensations applied to these installations.

#### **Audit commentary**

Compliance was not assessed because energyclubnz does not have any ICPs for which error or loss compensation needs to be applied.

#### **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**

energyclubnz does not store raw meter data. They receive a copy of raw meter data from Metrix and AMs daily

#### **Audit commentary**

When data needs to be corrected within Engage, a journal of correction is recorded. There has been no need to correct data since the first switch. Engage demonstrated this functionality in the test system.

#### **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

Data received from MEPs is marked as actual. Any estimated data is marked as estimates. Once actual data is received, it replaces estimates.

#### Audit commentary

Compliance is confirmed based on viewing meter readings in Engage's database.

#### 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

Volume information provided to the reconciliation manager is calculated based on validated meter readings or estimates. All data stored in Engage and used for reconciliation purposes is validated at the time of uploading to the system.

#### Audit commentary

NHH register reads are received daily from MTRX and AMS. Volume information used to create reconciliation files are validated meter readings.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 3(5) Schedule 15.2*

#### Code related audit information

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

#### **Audit observation**

Metering data received from MTRX and AMS is not rounded or truncated after being imported to the system.

#### **Audit commentary**

Compliance was confirmed by randomly choosing ten register reads from MEPs's files and comparing with values stored in the system.

#### **Audit outcome**

Compliant

### **9.4. Half hour estimates (Clause 15 Schedule 15.2)**

#### **Code reference**

*Clause 15 Schedule 15.2*

#### **Code related audit information**

*If a reconciliation participant is unable to interrogate an electronically interrogated metering installation before the deadline for providing submission information, the submission to the reconciliation manager must be the reconciliation participant's best estimate of the quantity of electricity that was purchased or sold in each trading period during any applicable consumption period for that metering installation.*

*The reconciliation participant must use reasonable endeavours to ensure that estimated submission information is within the percentage specified by the Authority.*

#### **Audit observation**

energyclubnz does not trade HHR ICPs.

#### **Audit commentary**

This clause is not applicable to energyclubnz.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 16 Schedule 15.2*

#### **Code related audit information**

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

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

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

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

16(2)(d) - confirmation that there is no obvious corruption of the data, including unexpected 0 values.

#### Audit observation

Agility CIS provided a list of validation criteria used to validate data from the MEPs. Below is a list of the meter validation mechanisms available in Engage.

- Ensure that a read received is assigned to a meter on the correct ICP.
- Ensure that a read received is assigned to a meter with the correct serial number.
- Ensure that a read received is assigned to a channel with the correct channel number, if provided.
- In the absence of a channel number, ensure that a read received is assigned to a channel with the correct direction indicator.
- Ensure that our retailer is responsible for the ICP for the day of the read.

In addition, there is configurable validation within the billing engine itself which is able to detect some discrepancies in the reads received. These include exceptions such as checking if a bill is significantly higher (or lower) than previous bills. Though this does not validate the reads themselves, this can indicate where invalid reads have been received.

#### Audit commentary

Compliance confirmed based on a list of validation parameters provided by Agility CIS.

#### Audit outcome

Compliant

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

#### Code reference

Clause 17 Schedule 15.2

#### Code related audit information

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

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

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

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

*17(4)(c) - checks of unexpected 0 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

energyclubnz does not trade HHR ICPs.

#### **Audit commentary**

This clause is not applicable to energyclubnz.

#### **Audit outcome**

Not applicable

## 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 clause is not applicable to energyclubnz.

#### Audit commentary

This clause is not applicable to energyclubnz.

#### 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 clause is not applicable to energyclubnz.

#### Audit commentary

This clause is not applicable to energyclubnz.

#### 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 clause is not applicable to energyclubnz.

#### Audit commentary

This clause is not applicable to energyclubnz.

#### 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 clause is not applicable to energyclubnz.

#### Audit commentary

This clause is not applicable to energyclubnz.

#### 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

The LIS file dated 6<sup>th</sup> December 2017 was used to identify which profiles are used by energyclubnz.

#### Audit commentary

energyclubnz only uses the RPS profile for volume submissions to the reconciliation manager.

#### Audit outcome

Compliant

### 11.2. Calculation of ICP days (Clause 15.6)

#### Code reference

Clause 15.6

#### Code related audit information

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

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

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

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

#### Audit observation

energyclubnz calculates ICP days using Engage as part of the submission process. AV-110 files are submitted on the 4th business day and on the 13th business day of each reconciliation period. energyclubnz submits ICP days files for a current month and consecutive wash-ups. The table below shows the accuracy of ICP days for NHH ICPs recorded in Engage against the registry ICP days. The table is based on the GR-100 provided by the reconciliation manager.

Month	Number of NSP	R0	R1	R3	R7	R14
Jun-17	2	0	0	0		
July-17	8	-1.19%	-1.19%			
Aug-17	12	-6.22%	-6.22%			
Sept-17	15	8.14%	-0.08%			
Oct-17	19	-0.79%				
Nov-17	19	0.37%				
Dec-17	21	-0.13%				

#### Audit commentary

Overall the ICP days calculation has been improving as energyclubnz gains more experience. In recent months the company introduced a new process to compare the LIS file provided by the registry with data in their system before reconciliation files are submitted.

#### 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

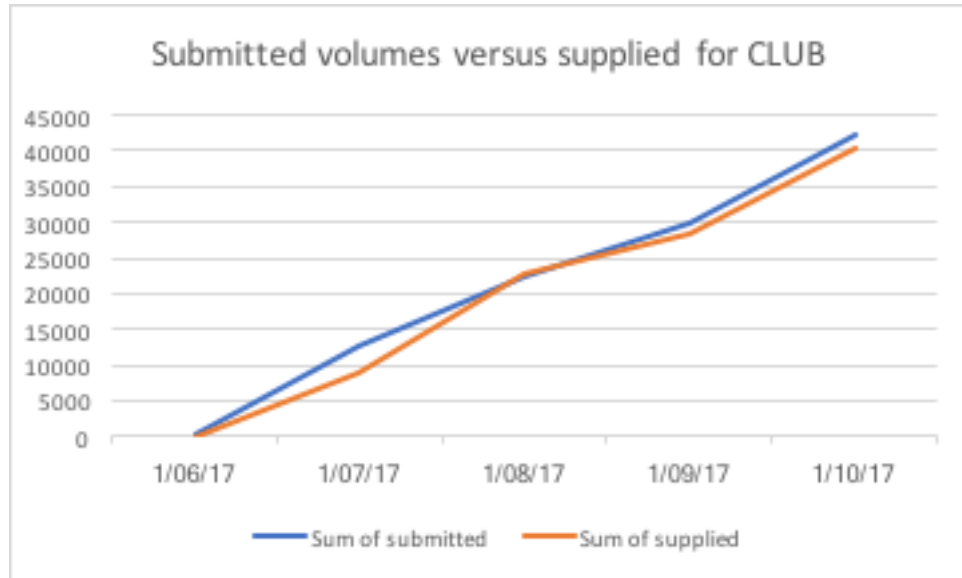
The compliance with this clause was reviewed. Electricity supplied information is aggregated by invoice months from Engage. Files (AV-120) are submitted every month.

The table and graph below represent submissions for five months.

Months	Sum of submitted	Sum of supplied
1/06/17	373.28	0



1/07/17	12,617.72	8,904
1/08/17	22,443.82	22,942
1/09/17	29,888.55	28,393
1/10/17	42,040.51	40,319
Total	107,363.88	100,558



The overall difference between volumes reconciled and submitted was 6.77%, which is rather high.

#### Audit commentary

Compliance confirmed based on a review of AV-120 and the source of information.

#### 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

energyclubnz does not trade HHR ICPs.

#### Audit commentary

This clause is not applicable to energyclubnz.

**Audit outcome**

Not applicable

## 12. SUBMISSION COMPUTATION

### 12.1. Daylight saving adjustment (Clause 15.36)

#### Code reference

Clause 15.36

#### Code related audit information

*The reconciliation participant must provide submission information to the reconciliation manager that is adjusted for NZDT using 1 of the techniques set out in clause 15.36(3) specified by the Authority.*

#### Audit observation

energyclubnz does not trade HHR ICPs.

#### Audit commentary

This clause is not applicable to energyclubnz.

#### Audit outcome

Not applicable

### 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

During the audit we reviewed the submission process and we are fully satisfied with the timeliness of the reconciliation submissions except September'17. The volume files and ICP days were submitted for NHH ICPs installations.

#### Audit commentary

We walked through the process of the submission of reconciliation files and found it robust and compliant.

#### 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

energyclubnz checks data volumes before submission files are sent to the reconciliation manager. The process is robust.

##### Audit commentary

energyclubnz compares the LIS file provided by the registry with each reconciliation participants information in their system.

##### 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

energyclubnz does not trade HHR ICPs.

##### Audit commentary

This clause is not applicable to energyclubnz.

##### 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 clause is not applicable to energyclubnz.

#### **Audit commentary**

Compliance was not assessed because this clause is not applicable.

#### **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 clause is not applicable to energyclubnz.

#### **Audit commentary**

Compliance was not assessed because this clause is not applicable.

#### **Audit outcome**

Not applicable

### **12.7. Accuracy of submission information (Clause 15.12)**

#### **Code reference**

*Clause 15.12*

#### **Code related audit information**

*If the reconciliation participant has submitted information and then subsequently obtained more accurate information, the participant must provide the most accurate information available to the reconciliation manager or participant, as the case may be, at the next available opportunity for submission (in accordance with clauses 15.20A, 15.27, and 15.28).*

#### **Audit observation**

We reviewed the schedule of reconciliation submissions used by energyclubnz. The company also provided the GR-170NHH from the reconciliation manager.

#### Audit commentary

We confirm that energyclubnz submits revision files to the reconciliation manager. We reviewed the initial and revision reconciliation files for July'17 to October'17.

#### 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

At the time of this audit, this clause was not applicable because energyclubnz has not been trading for 14 months yet

#### Audit commentary

This clause is not applicable

#### Audit outcome

Not applicable

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

#### Code reference

*Clause 2 Schedule 15.3*

#### Code related audit information

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

energyclubnz trades only NHH ICPs. energyclubnz has not traded UML therefore data was not submitted.

#### Audit commentary

Review of submission files confirmed that energyclubnz submitted volumes for NHH ICPs only.

#### Audit outcome

Compliant

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

#### Code reference

Clause 3 Schedule 15.3

#### Code related audit information

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

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

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

#### Audit observation

We reviewed the AV-080 for July'17 to November 2017. We confirm that historic estimates were included and identified correctly.

energyclubnz received all NHH reads from remotely read meters. On rare occasions actual read is not available to be included in day4 reconciliation submissions.

We reviewed November'17 submissions from an historic and forward estimates point of view.

It was

11/2017	ALB0331	UNET	CLUB	NHH	1756.96	1731.48	98.55
11/2017	PEN1101	VECT	CLUB	NHH	4564.90	4552.53	99.73
11/2017	SVL0331	UNET	CLUB	NHH	3088.65	3076.32	99.60

discussed with

energyclubnz and Agility CIS. We received the following comments:

*The forward estimate that was generated for ALB0331 was due to the multi-register ICP 0000610413UND0C. Because all reads are received on the first channel, we are incorrectly forward-estimating on the second channel. We are in the process of fixing this and estimate delivery to UAT in 6 weeks. The market corrections will go through in the 7-month wash-up file (June 2018).*

*The forward estimate that was generated for PEN1101 is due to the switch out on ICP 0029293761LC3C0. This is a known issue where we are generating forward estimate for sites where the ICP has switched out. We are in the process of fixing this and estimate delivery to UAT in 6 weeks. The market corrections will go through in the 7-month wash-up file (June 2018).*

*The forward estimate that was generated for SVL0331 is due the timing of when reads were processed for ICP 1001240571UNB40. We received a register read for 2017-11-30 and a subsequent one for 2017-12-03 which was processed on 2017-12-05. As the AV-080 report was run prior to the 2017-12-03 read being processed, a forward estimate was generated until the end of November 2017. I have rerun the AV-080 report for SVL0331 and can confirm that forward estimates are no longer generated for this GXP.*

We also reviewed the breakdown of volumes submitted for WEL0331 for Nov'17. We are satisfied with how it is calculated.

For the assessment of compliance with this clause we provided energyclubnz with a set of scenarios to validate the accuracy of the calculation of historic and forward estimation for NHH ICP days. Some scenarios were excluded from testing because actual reads always received during the month due to remotely read meters. The company used December'17 reconciliation period to calculate volumes for scenarios.

Ref	Test	Comments	Result of Audit
1	Switch in during the month with estimated switch read, actual read gained in the next month, full profile data available.	Confirm that HE is calculated for the relevant part of the month, even though the switch in read is an estimate, and calculation begins on correct day	1001254744LCF85
2	Switch in during the month with actual switch read, actual read gained in the next month, full profile data available.	Confirm that HE is calculated for the relevant part of the month, and calculation begins on correct day	No examples, actual reads always received during the month due to remotely read meters
4	Switch out on estimate during the month	Confirm that HE is calculated even though the reading is an estimate Confirm that HE calculation ends on the correct day.	Always switches out on actual
5	Switch out on actual during the month	Confirm that HE is calculated for the relevant part of the month, and calculation ends on correct day	Always switches out on actual
6	Complete month without a read in the month	Read in the previous month and the month after, confirm correct HE for the month	No examples, actual reads always received during the month due to remotely read



			meters
7	Complete month with a read during the month	Confirm the two calculations for the month are correct	0000188596UN3C2
8	GXP change during the month	Confirm submission against one GXP for part month then the other GXP for part month, with correct HE/FE balance on each	No example
9	Proportion of HE	Confirm the proportion of HE in the AV080 is correct	see all
10	Switch in 2 months ago, first actual read gained in current month, profile data not available for current month	Confirm estimation is shown as forward, not historic	No examples, actual reads always received during the month due to remotely read meters
11	Meter change during month	Confirm estimation is calculated for both meters, and summed correctly	0414562798LCAF9
12	Half-hour meter installed during month	If NHH read is added to meter, and site class is 'DEEMED', then estimation should be calculated for HH meter according to the same rules as NHH meter	N/A, energyclubnz trades only NHH ICPs
13	Two reads in the same month	Confirm usage between two reads is 'Historic' even if no profile data is available	As scenario 7
14	FE based on default value	Confirm the default multiplied by correct number of days	Not used, always calculated for each ICP individually
15	FE based on daily kWh from CS file	Confirm CS value multiplied by correct number of days.	0005617324RN615 Engage recalculated daily kWh using actual reads. and in the absence of actual reads will use the Average Monthly Bill as entered by the customer
16	FE based on historic consumption	Confirm methodology for calculation	0005617324RN615
17	ICP days for all HE scenarios above	Confirm ICP days calculations are correct	See all
19	Consumption submitted for a given revision then changed for	Confirm that if a reading is changed, the change flows through to the	0005617324RN615 *

	a subsequent revision.	revision for the relevant month	
20	CS read modified by RR	Confirm that consumption is updated to match RR read replacing CS	0404590187LCDDDB
21	GXP change backdated	Confirm usage is shown against correct GXP for the time of usage	Updated from the registry uploaded to Engage
22	Unmetered load submission	Check that this works the same as a normal meter and is considered HE	No example but it will be calculated from Registry Daily UML/day value

\* For this scenario Engage incorrectly select most recently received meter reads when two exist for the same date. It was a switch event read and the read received from the MEP. The switch event applies from 0000 hours on the day of the relevant event date and the read from the MEP shows reading at the end of the day. In this case the difference was only 4 kWh. The revised submission accounted for “missing” 4 kWh. Agility has been reminded that a switch event read always take a precedence unless it is replaced by RR read. Agility will be correcting the system ASAP. This was the only example found of this issue.

#### Audit commentary

Compliance confirmed based on a review of reconciliation files and analysis of methodology.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.10 With: 3 of Schedule 15.3  From: 19-Jun-17 To: 31-Dec-17	Number of small issues related to calculation of submission volumes which needs fixing by AgilityCIS  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	Controls are rated as moderate because there are some improvements that can be made to them. There was no impact on settlement outcome as issued was identified and volumes re-submitted as revisions. The audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
All issues raised with the system provider (Agility) as they were found and had been rectified as highest priority.		Ongoing	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Agility have resolved all issues raised with them previously and are in the process of resolving the latest issue identified. All RM submission files will be subjected to spot checking of one or more random ICPs to ensure compliance with the Code.	March 2018	

#### 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

If the seasonal adjustment file (GR-30) is not available, Engage does not create their own shape file. It will calculate a forward estimate, which will be replaced by historic estimates once a shape file provided by the reconciliation manager is available. The most common scenario is that an MEP will provide actual catch-up data by day 13.

##### Audit commentary

All reads provided to energyclubnz come from remotely read meters. NHH register reads are received daily therefore a calculation of historic estimates is rare. We analysed reconciliation files submitted in the period covered by this audit which confirm the case.

##### Audit outcome

Compliant

#### 12.12. Forward estimate process (Clause 6 Schedule 15.3)

##### Code reference

Clause 6 Schedule 15.3

##### Code related audit information

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

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

### Audit observation

We reviewed the process of forward estimates with Agility CIS. Using GR170NHH we checked variances between submission day 4 and day 13. The variances were non-existent because energyclubnz receives actual reads for NHH ICPs daily.

### Audit commentary

If forward estimation is required Engage uses the daily consumption from the CS file or it calculates the daily average consumption between two register reads in a corresponding period.

### Audit outcome

Compliant

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

### Code reference

Clause 7 Schedule 15.3

### Code related audit information

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

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

### Audit observation

energyclubnz has changed the profile for many of their ICPs. They gave an example of a meter being removed because it was faulty, ICP 0414562798LCAF9. The MEP was Metrix. The faulty meter was removed, and a final read provided.

### Audit commentary

We reviewed the JobExecutionResult file provided from Metrix, which gives details of the meter replacement.

### Audit outcome

Compliant

## 13. SUBMISSION FORMAT AND TIMING

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

#### Code reference

*Clause 8 Schedule 15.3*

#### Code related audit information

*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

energyclubnz provided NHH submission data for 3 months to assist in the assessment of compliance.

#### Audit commentary

The review of the provided files proved that they meet compliance with the above clause. The RM portal validates data provided to the reconciliation manager and checks the correctness of the format and information contained in the files.

#### 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 2 decimal places.*

*If the unrounded digit to the right of the second decimal place is greater than or equal to 5, the second digit is rounded up, and*

*If the digit to the right of the second decimal place is less than 5, the second digit is unchanged.*

#### Audit observation

Engage rounds submission information to two decimal places. It is done after all data aggregation per NSP and loss code is complete.

#### Audit commentary

Agility CIS confirmed that rounding methodology used by Engage is compliant.

#### 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

energyclubnz creates and submits reconciliation files for NHH ICPs. energyclubnz has been trading since 19<sup>th</sup> June 2017. Revision 3 files were submitted for June'17, July'17, and Aug'17.

#### Audit commentary

We reviewed submission files and confirm that energyclubnz meet compliance with this clause, the target of 80% was achieved for all NSPs. In fact, for all of them except ROS1101 for Aug'17, historic estimates were 100%. Such a good result is the outcome of receiving daily reads from MEPS.

#### Audit outcome

Compliant

## CONCLUSION

## PARTICIPANT RESPONSE