

ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT

For



CONTACT ENERGY LIMITED

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EXECUTIVE SUMMARY

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

Contact uses the CTCT, CTCS and CTCX participant codes.

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

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

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

CTCT

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

- The timeliness of updates for new connections and switching has improved.
- Registry data and switching data accuracy has generally improved, and issues relating to the calculation of average daily kWh in the CS files were resolved during the audit.
- Progress is being made with confirming historic unmetered loads and investigating long term unmetered BTS ICPs to determine whether they should be metered.
- Previous issues relating to incorrect MEP mapping in ORB have been resolved, and in almost all cases the correct MEP was nominated.

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

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

The following key areas require some improvement to increase compliance:

- **Delays in resolving data discrepancies and processing BPEMs**
There can be delays in processing some BPEMs (Billing Process Exception Management), where they are considered to be lower priority such as failed MEP nominations. Not all discrepancies are checked and resolved each time validation reports are run, and some validation reports are not reviewed at all. The decrease in monitoring has occurred because of staffing changes, workloads and other work being prioritised above resolving the exceptions.
- **Distributed unmetered load**
Some distributed unmetered load issues are still existing, leading to incorrect submission information. Some audit reports are overdue. Many of the databases have now moved to CTCS.
- **Proportion of HE at 14 months**
Not all estimated reads are replaced by actual reads or permanent estimates by the 14-month revision.

CTCS and CTCX

For registry activities, I found that the exceptions are not consistently reviewed and actioned promptly, largely due to an increase in workloads, staff, and staff responsibility changes. There has been an increase in ICP numbers and ICP complexity with the incoming ICPs from CTCT. In addition to this Simply Energy has been switching customers between its own codes, which has caused an increase in workloads. There have also been staffing changes within the operations area, with some temporary and new staff being responsible for operations.

For switching, most files were on time and most file content was accurate. I have recommended changes to the AN code hierarchy to ensure that the correct codes are applied, and Simply Energy is investigating issues relating to the accuracy of average daily kWh in CS files.

There are a significant number of issues causing inaccurate submissions, mostly for the CTCS code. The main issues are as follows:

- When revisions occur, zeroing of previously submitted combinations has not been occurring. The process for this is manual but there is insufficient resource to ensure this occurs.
- Variances between revisions are large due to the high number of estimates conducted during early revisions. A forward default estimate of 55 kWh per day is used regardless of customer size.
- Readings used for submission do not always reflect readings agreed in the RR process.
- Replacement HHR data does not always get loaded to replace estimates.
- Unmetered load submissions were checked. The Code requires the calculation to be based on the daily unmetered load figure recorded in the registry multiplied by the number of days in the month. The Madras system does not have an unmetered load capability; therefore, Simply Energy was creating dummy meters for each ICP and was calculating and sending EMS meter readings for the dummy meters to ensure submission was correct. Now that the quantity of unmetered load ICPs has increased into the hundreds, this step is not undertaken. All unmetered load ICPs, except those with the DST profile, have default submission created by Madras based on 55 units per day. This has led to over submission of standard unmetered load of 1,300,000 kWh since October 2020, over submission of shared unmetered load of 119,000 kWh since October 2020 and under submission of distributed unmetered load, where the profile is not DST, of 822,000 kWh since October 2020.

The high-level controls have been strengthened to ensure all ICPs have submission information and aggregation is correct; however, the controls to ensure the accuracy of submission information are still either not developed or are still in development stage.

Material change audits were conducted prior to the switching of ICPs to the CTCS and CTCX codes, but when these audits were conducted, there was no intention to switch unmetered load ICPs. Contact proceeded with switching unmetered load ICPs without first determining whether there were systems, processes and appropriately trained personnel to be able to ensure accurate submissions could occur. A material change audit should have been conducted and it would have identified that the capability to manage unmetered load did not exist. Inaccurate unmetered load submissions have caused a large number of the non-compliances.

The two most urgent actions, which were also identified in the previous audit, are to increase the level of appropriately trained personnel and to strengthen the controls. The other important point to note is that implementing controls will only lead to improvements if there are personnel available to run the control reports and deal with discrepancies.

Conclusion

The audit found 48 non-compliance issues and 15 recommendations are made.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a

future risk rating score of 137, which is much higher than the previous score of 101, and which results in an indicative audit frequency of three months.

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

Contact's audit responses indicate that they accept the non-compliances and recommendations and intend to undertake corrective action. In many cases, investigations and improvements are already in development. To improve CTCS and CTCX compliance, additional experienced operational staff will be hired, processes will be reviewed and improved, and training will be carried out.

In recommending the next audit date, I have considered three issues:

1. The level of compliance has reduced considerably since the last audit.
2. There is a lot of work required to improve the CTCS and CTCX operation and this is expected to take time.
3. Many of the issues found have led to inaccurate submissions over many months, which need to be addressed by the 14-month revision.

Although the audit process takes time away from addressing issues, I recommend the next audit is completed in time for the 14-month revision for October 2020 (when many of the ICPs switched to CTCS), which is December 2021.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Provision of information	1.11	16A.4	CTCS and CTCX Information not provided within 15 business days of the request.	Moderate	Low	2	Identified
Material change audit	1.12	16A.11	Material change audit not conducted for the management of unmetered load by Simply Energy.	Weak	High	9	Identified
Relevant information	2.1	10.6, 11.2, 15.2	CTCT, CTCS and CTCX Some inaccurate data is recorded and was not updated as soon as practicable.	Weak	High	9	Identified
Electrical connection of a point of connection	2.11	10.33A	CTCT 34 new ICPs had no certification details recorded, and 44 new ICPs had certification details recorded more than five business days after connection. 181 ICPs reconnected without having metering certified within 5 business days. 11 ICPs' meters were not recertified on un-bridging. CTCS ICP 0000163173CKED6 was not certified within five business days of connection.	Moderate	Low	2	Investigating
Provision of information on dispute resolution scheme	2.19	11.30A	CTCS and CTCX There is not currently a system wide approach to providing information on Powerswitch for outbound communications and responses to customer queries. This is intended to be developed by the end of May 2021.	Weak	Low	3	Identified
Provision of information on electricity plan comparison site	2.20	11.30B	CTCS and CTCX There is not currently a system wide approach to providing information on Powerswitch for outbound communications and responses to customer queries. This is intended to be developed by the end of May 2021.	Weak	Low	3	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Changes to Registry	3.3	10 Schedule 11.1	CTCT 928 late updates to active status. 649 late updates to inactive status. 1,912 late trader updates. CTCX One late trader update. CTCS 11 late updates to active status. 29 late trader updates.	Moderate	Low	2	Identified
Trader responsibility for an ICP	3.4	11.18	CTCT The audit compliance report found two ICPs where the MEP had been nominated but no response had been received within 14 days of the nomination.	Strong	Low	1	Identified
Provision of information to the registry	3.5	9 Schedule 11.1	CTCT 306 late updates to active status and MEP nominations for new connections. 13 new ICPs had incorrect active dates recorded, and ten of those were corrected during the audit. The following ICPs still have incorrect active dates recorded 1002108203LCA64 (22/11/20 instead of 21/11/20), 0007197288RN34C (8/11/20 instead of 8/9/20), 0007197493RN133 (23/9/20 instead of 22/9/20). 112 late ANZSIC code updates. CTCS Five late updates to active status for new connections. Three late MEP nominations for new connections.	Moderate	Low	2	Identified
ANZSIC codes	3.6	9 (1(k) of Schedule 11.1	CTCT 52 ICPs which were confirmed to have incorrect ANZSIC codes were corrected during the audit. CTCS Five ICPs which were confirmed to have incorrect ANZSIC codes were corrected during the audit.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Changes to unmetered load	3.7	9(1)(f) of Schedule 11.1	<p>CTCT</p> <p>18 ICPs had incorrect unmetered daily kWh or unmetered load details recorded, and 15 of those were corrected during the audit. The following ICPs still have incorrect unmetered load data:</p> <p>ICP 0005301922TU192 had the correct unmetered daily kWh on the registry, but the trader unmetered load details were incorrectly recorded as “126;11.9;2 x UVL” instead of “526;11.9;2 x UVL”. The data was updated in SAP on 1/1/21 but not transferred to the registry.</p> <p>ICP 0015822016EL2B1 should have had unmetered load of 3.45 kWh recorded in the registry instead of 3.57 kWh. The data was updated in SAP but not transferred to the registry.</p> <p>ICP 0016096677ELF31 was downgraded from three to two under veranda lights from 6/4/21. The daily unmetered kWh was updated, but the trader unmetered load details were not.</p> <p>ICP 0014600240EL713 had its unmetered load removed by the distributor on 27/10/20. No BPPEM was generated for the unmetered load removal, and CTCT’s historic unmetered load of 1.18 kWh remains recorded on the registry and in SAP.</p>	Moderate	Low	2	Identified
Management of Active	3.8	17 Schedule 11.1	<p>CTCT</p> <p>13 new ICPs (of a sample of 63) had incorrect active dates recorded, and ten of those were corrected during the audit. The following ICPs still have incorrect active dates recorded 1002108203LCA64 (22/11/20 instead of 21/11/20), 0007197288RN34C (8/11/20 instead of 8/9/20), and 0007197493RN133 (23/9/20 instead of 22/9/20).</p> <p>CTCS</p>	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			ICP 0000016378HR527 had an incorrect status date, which was corrected during the audit.				
Management of Inactive	3.9	19 of schedule 11.1	<p>CTCT</p> <p>0009544560CN3E5 was disconnected effective from 25/6/13, but 7/12/12 was applied.</p> <p>0007103286RN193 was disconnected at the pillar but had inactive status reason code 10 (electrically disconnected at meter box fuse) applied.</p> <p>ICP 0000366150MP46C was updated to inactive status in error on 28 August 2019.</p> <p>CTCS</p> <p>0000040548WEC86 was updated to inactive from 26/10/20 but should have been updated from 29/10/20.</p>	Moderate	Low	2	Identified
Inform registry of switch request for ICPs - standard switch	4.1	2 Schedule 11.3	<p>CTCX</p> <p>One NT file was issued more than two business days after pre-conditions were cleared.</p>	Weak	Low	3	Identified
Losing trader must provide final information	4.3	5 Schedule 11.3	<p>CTCT</p> <p>One late CS file.</p> <p>One CS file for a HHR AMI ICP contained an incorrect average daily kWh, reading, and read type.</p> <p>Three CS files had had incorrect daily average kWh recorded.</p> <p>CTCS</p> <p>For non-AMI meters average daily kWh is calculated as the daily average between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. Where these reads are not at least 21 days apart, average daily kWh will not be calculated as required by the Registry Functional Specification.</p> <p>Four CS files had incorrect daily average kWh recorded.</p> <p>The CS for 0086146103WRE02 (event date 13/11/20) had an</p>	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<p>incorrect average daily kWh, and event read type, and the event reading did not reflect the best estimate of consumption on the event date.</p> <p>CTCX</p> <p>For non-AMI meters average daily kWh is calculated as the daily average between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. Where these reads are not at least 21 days apart, average daily kWh will not be calculated as required by the Registry Functional Specification.</p>				
Retailers must use the same reading	4.4	6(1) and 6A Schedule 11.3	<p>CTCT</p> <p>Seven late RR files.</p> <p>One late AC file.</p> <p>CTCS</p> <p>Three late RR files.</p> <p>The RR for 0000800124TP205 (event date 5/6/20) was not supported by at least two validated actual readings.</p> <p>MADRAS did not reflect the outcome of the RR process for 0000800124TP205 (event date 5/6/20).</p>	Moderate	Medium	4	Identified
Gaining trader informs registry of switch request	4.7	9 of Schedule 11.3	<p>CTCT</p> <p>Switch move was applied for three transfer switches to ensure that they were transferred from the correct date. Two of the ICPs migrated from Club Energy and one ICP switched in from Genesis at the end of its contract term.</p> <p>Switch move was applied for approximately 10,000 ICPs which transferred from Club Energy to CTCT.</p> <p>CTCS</p> <p>Switch move was applied for ICPs which transferred from CTCT to CTCS.</p> <p>Switch move was applied for three ICPs with metering category</p>	Weak	Low	3	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<p>three or four, which should have been requested as HH switches.</p> <p>Switch move was incorrectly applied for the sample of 29 switch move NT files checked.</p> <p>28 NT files were issued more than two business days after pre-conditions were cleared.</p> <p>CTCX</p> <p>Four NT files were issued more than two business days after pre-conditions were cleared.</p>				
Losing trader must provide final information	4.10	11 Schedule 11.3	<p>CTCT</p> <p>Seven switch move CS files had an incorrect switch event read type "E" was recorded instead of "A".</p> <p>CS files for four metered ICPs did not contain CSMETERCHANNEL, CSMETERCOMPONENT or CSMETERINSTALL lines. All of the switches were withdrawn.</p> <p>CS files for three ICPs had an incorrect average daily kWh.</p> <p>CTCS</p> <p>For non-AMI meters average daily kWh is calculated as the daily average between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. Where these reads are not at least 21 days apart, average daily kWh will not be calculated as required by the Registry Functional Specification.</p> <p>The CS for ICP 0007106716RNC51 (event date 1/10/20) had an incorrect event read type. The event reading was estimated with a read type of actual because the user had not ticked the estimate box when manually entering the read.</p> <p>The CS files for ICPs 0005960665RND53 (event date 1/1/21) and 0000121314HB04C (event date 3/12/20) had an incorrect average daily kWh because Salesforce was not correctly updated by Datahub.</p>	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<p>CS files for five ICPs had an incorrect average daily kWh.</p> <p>CTCX</p> <p>For non-AMI meters average daily kWh is calculated as the daily average between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. Where these reads are not at least 21 days apart, average daily kWh will not be calculated as required by the Registry Functional Specification.</p>				
Gaining trader changes to switch meter reading	4.11	12 of Schedule 11.3	<p>CTCT</p> <p>28 late RR files.</p> <p>CTCS</p> <p>Two RR files were issued in error.</p> <p>Three RR files were not supported by at least two actual validated readings including the two RR files issued in error.</p> <p>Three ICPs MADRAS and/or Datahub readings did not reflect the outcome of the RR process.</p> <p>One late AC file.</p>	Moderate	Low	2	Identified
Gaining trader informs registry of switch request - gaining trader switch	4.12	14 of Schedule 11.3	<p>CTCS</p> <p>One late HH NT.</p> <p>Two PT breaches for one HH ICP.</p> <p>Switch move was applied for three ICPs with metering category three or four, which should have been requested as HH switches.</p>	Moderate	Low	2	Investigating
Gaining trader to advise the registry manager - gaining trader switch	4.14	16 of Schedule 11.3	<p>CTCS</p> <p>Three HH CS files contained CSMETERINSTALL, CSMETERCOMP and CSMETERCHANNEL rows as well as a CSPREMISES row. For all three ICPs the daily average kWh and readings for all registers were populated as zeros.</p>	Strong	Low	1	Investigating
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	<p>CTCT</p> <p>Two NWs did not have the NW code with the best fit applied.</p> <p>16 SR breaches.</p>	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<p>112 NA breaches.</p> <p>CTCS</p> <p>ICPs 0001952200TGF2E (event date 1/11/2020) and 0004670202AL515 (event date 2/6/2020) had date failure codes applied but were withdrawn because they should not have been included in the tranche of ICPs from CTCT because they had switched to another trader.</p> <p>Two NW breaches.</p>				
Metering information	4.16	21 Schedule 11.3	<p>CTCT</p> <p>One CS file did not reflect the actual reading or best estimate of an actual reading on the event date.</p> <p>CTCS</p> <p>One CS file did not reflect the actual reading or best estimate of an actual reading on the event date.</p>	Strong	Low	1	Investigating
Unmetered threshold	5.2	10.14 (2)(b)	<p>CTCT</p> <p>One standard unmetered ICP had an estimated annual consumption over 6,000 kWh per annum and has now been metered.</p>	Strong	Low	1	Identified
Unmetered threshold exceeded	5.3	10.14 (5)	<p>CTCT</p> <p>One standard unmetered ICP has estimated annual consumption over 6,000 kWh per annum was not resolved within 20 business days.</p>	Strong	Low	1	Identified
Distributed unmetered load	5.4	11 of schedule 15.3	<p>CTCT and CTCS</p> <p>The monthly database extracts used to derive submission from are provided as a snapshot and do not track changes at a daily basis as required by the code.</p> <p>Inaccurate submission information for several databases. Significant variances for CTCS databases submitted with a default 55 kWh per day.</p> <p>Some streetlight audits not submitted by the due date.</p>	Moderate	High	6	Investigating
Electricity conveyed &	6.1	10.13	<p>CTCT</p>	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
notification by embedded generators			While meters were bridged, energy was not metered and quantified according to the code for 95 ICPs. Generation not quantified for 25 ICPs. CTCS One meter was bridged during the audit period.				
Responsibility for metering at GIP.	6.2	10.26 (6), (7) and (8)	Late certification expiry updates for two points of connection.	Strong	Low	1	Identified
Reporting of defective metering installations	6.4	10.43(2) and (3)	CTCT The MEP was not advised of one bridged meter.	Moderate	Low	2	Identified
Derivation of meter readings	6.6	3(1), 3(2) and 5 Schedule 15.2	Meter condition information is not routinely reviewed to identify issues with seals, tampering, phase failure or safety.	Weak	Low	3	Investigating
NHH meter reading application	6.7	6 Schedule 15.2	CTCT Incorrect labelling of switch event meter readings. CTCS Incorrect labelling of switch event meter readings. Some readings not reflective of the readings agreed through the RR process	Moderate	Medium	4	Identified
Interrogate meters once	6.8	7(1) and (2) Schedule 15.	CTCT For at least nine ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met. CTCS For at least four ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met.	Weak	Low	3	Investigating
Identification of readings	9.1	3(3) Schedule 15.2	CTCT 7 incorrectly labelled switch event meter readings. CTCS 2 incorrectly labelled switch event meter readings.	Moderate	Low	2	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Meter data used to derive volume information	9.3	3(5) of schedule 15.2	CTCS and CTCX EDMI provides HHR interval data for some ICPs rounded to two decimal places. NHH raw meter data received from all MEPs and agents except FCLM and WASN is rounded upon receipt into Datahub and not when volume information is created if it is provided with decimal places. Any NHH data recorded with decimal places in Datahub is rounded to the nearest whole number when exported to EMS' MADRAS for reconciliation.	Weak	Low	3	Investigating
Half hour estimates	9.4	3(5) of schedule 15.2	CTCS Some HHR volumes estimates for CTCS did not meet the reasonable endeavours requirements. Some estimates are not replaced with actual data when it arrives.	Moderate	Medium	4	Identified
Electronic meter readings	9.6	17(4)(f)&(g) of schedule 15.2	CTCS & CTCX AMI event logs are not routinely reviewed	Weak	Low	3	Investigating
Calculation of ICP days	11.2	15.6	CTCT ICP days were not reported correctly where settlement unit information was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. Contact has been working to resolve these issues before revision 14, and the ICP days differences are generally small. CTCS DUMML ICPs do not have ICP days submitted.	Moderate	Low	2	Investigating
Electricity supplied information provision to the reconciliation manager	11.3	15.7	CTCX The Mar-20 to Nov-20 billed volumes are inconsistent with the Mar-20 to Nov-20 submission volumes.	Moderate	Low	2	Investigating
HHR aggregates information	11.4	15.8	CTCT	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
provision to the reconciliation manager			<p>HHR aggregates file does not contain electricity supplied information.</p> <p>Some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data. Revised data will be provided through the revision process.</p> <p>CTCX</p> <p>HHR aggregates file does not contain electricity supplied information.</p> <p>CTCS</p> <p>HHR aggregates file does not contain electricity supplied information</p>				
Creation of submission information	12.2	15.4	<p>CTCT</p> <p>Some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data.</p> <p>CTCS</p> <p>Submission did not occur for both ICPs at KAI1101 for the DST profile for the Day-4 submission for October 2020.</p>	Moderate	Medium	4	Identified
Allocation of submission information	12.3	15.5	<p>CTCT</p> <p>ICP 0000014413HB0E4 was missing from the April 2020 aggregates file until the 3-month revision in July 2020, then it was submitted against the incorrect NSP.</p> <p>CTCS</p> <p>Zeroing did not occur for July and October 2020 for 19,317 kWh in total.</p>	Moderate	Medium	4	Investigating
Accuracy of submission information	12.7	15.12	<p>CTCT, CTCX and CTCS</p> <p>Some submission data was inaccurate and was not corrected at the next available opportunity.</p>	Moderate	High	6	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Permanence of meter readings for reconciliation	12.8	4 Schedule 15.2	CTCT Some estimates were not replaced by revision 14.	Moderate	Low	2	Identified
Reconciliation participants to prepare information	12.9	2(1)(c) of schedule 12.3	CTCS Unmetered load consumption is not calculated from the daily kWh figure in the registry multiplied by the number of days.	Weak	High	9	Investigating
Historical estimates and forward estimates	12.10	3 Schedule 15.3	CTCS and CTCX Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Moderate	Low	2	Investigating
Forward estimate process	12.12	6 Schedule 15.3	CTCT Inaccurate FE caused the thresholds not to be met in some instances. CTCS Thresholds were not met for several revisions due to the large number of estimates during early revisions and that most estimates were based on 55 kWh per day which is too high for residential and too low for commercial. When the tranches were switched in, there was no history from CTCT to base the estimates on.	Moderate	Low	2	Investigating
Historical estimate reporting to RM	13.3	10 of Schedule 15.3	CTCT Historic estimate thresholds were not met for some revisions. CTCS Low proportion of HE for many months.	Moderate	Medium	4	Identified
Future Risk Rating					137		
Indicative Audit Frequency					3 months		

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

RECOMMENDATIONS

Subject	Section	Recommendation	Response
Registry validation	2.1	CTCT Expand SAP to registry validation to include the loss factor field.	We will be looking into ways of incorporating these validations into our monthly mismatch reporting.
Monitoring of active ICPs where the metering category is 9 or blank	3.4	CTCS and CTCX I recommend active ICPs where the metering category is 9 or blank and no unmetered load recorded should be checked, to ensure that any load is quantified.	Upon completion and approval of Simply Energy's material change process for unmetered load, a review will be completed to ensure volumes in their systems match the unmetered values in the Electricity Registry for both retailer and distributor events.
Assignment of T9 series ANZSIC codes	3.6	CTCT Investigate the reasons for an increase in assignment of T9 series ANZSIC codes, and delays in correcting these to valid codes where customer industry information is known.	We are investigating into the specific occurrences identified to better understand how the T9 series ANZSIC codes were applied, and whether a more appropriate ANZSIC code could have been identified on customer sign-up. Once the underlying factors causing the non-compliance have been identified we will look to implement process and/or system changes to minimise the opportunity for the non-compliance to arise in the future.
BPEMs for changes to distributor unmetered load	3.7	CTCT Review the criteria for the IE22 BPEM, which appears not to be identifying changes to distributor unmetered load where the unmetered load is removed.	<u>CTCT</u> We will take onboard the Auditors recommendations of completing a review of the criteria behind the creation of the IE22 BPEMs. Upon completion, the necessary system changes will be raised with our SAP consultants and booked for an upcoming release.
Trader unmetered load details on the registry	3.7	CTCT Check why updated trader unmetered load details or kWh in SAP were not transferred to the registry for 0005301922TU192, 0016096677ELF31 and 0015822016EL2B1.	<u>CTCT</u> We will take onboard the Auditors recommendations of reviewing why UNM Load Details and/or kWh details updated in SAP were not also updated in the Electricity Registry. Upon completion, the necessary system changes will be raised with our SAP consultants and booked for an upcoming release.
Long term unmetered BTS ICPs	3.7	CTCS Check ICP 0007174330RN573 to determine whether metering should be installed.	<u>CTCS</u> Simply Energy will work with the client to confirm current status of the site and will make changes accordingly once this information is received.
Monitoring of inactive consumption	3.9	CTCS and CTCX Where exceptions occur for readings after a data stream end date, check the readings to confirm whether	Simply Energy will look to enhance their Third Party Platform (Datahub) to generate new reporting which identifies where active consumption has been recorded (imported)

Subject	Section	Recommendation	Response
		there is consumption during an inactive period, and take corrective action to update the status as necessary.	on an ICP that is marked inactive on the registry (from the date it was inactive).
Monitoring of new and ready ICPs	3.10	CTCS and CTCX A Registry List (type P) with proposed trader = CTCS and CTCX and status = 000 and 999 should be run at least quarterly to identify ICPs which are at new or ready status, and investigation should be completed to determine whether the ICPs are still required.	Simply Energy will implement a new process to run daily LIS files requesting specifically ICPs with a New or Ready status, which will be monitored in Sales Force on a Dashboard by the Operations Team within the Trader Audit Compliance area.
AN response code hierarchy	4.2	CTCS and CTCX Consider adding the OC (occupied premises), PD (premises electrically disconnected), and CO (contracted customer) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable. Prepaid metering is not usually supplied.	Simply Energy will work to improve our Operational workflows in the following areas: <ul style="list-style-type: none"> • If we receive a switch loss with a MI code a new process workflow will be triggered which requires our Ops Team to collaborate with our Customer Facing Team to confirm that the ICP is vacant. If not, then use OC for occupied premises. • If we receive a switch loss and the ICP is within its contracted dates automation will be triggered to return a response code of CO. <p>If not within these two categories it falls to our default process.</p>
Content of CS files for HHR ICPs requested as TR or MI switches	4.3	CTCT Where CS files for HHR ICPs requested as TR or MI switches are processed on the registry, ensure that the data provided reflects the actual values for the ICP and meter wherever possible instead of using default values.	<u>Contact</u> Contact is undertaking the review of this process and are actively engaging with our ToU MEPs to move the data collection from a ToU platform to an AMI data platform to provide this data in CS file for HHR AMI ICPs.
CS estimated daily kWh	4.3	CTCS and CTCX Consider reviewing the estimated daily consumption calculation to ensure compliance with the registry functional specification. Investigate the reasons for the failure to transfer some average daily kWh information from Datahub to Salesforce.	Automation of the Switch Loss process will be investigated: Simply Energy will look to introduce an automated workflow generated off the back of the switch loss record received from Registry. They will use this information to trigger Datahub to generate a final read (estimate or actual, depending on last actual read) which will be validated and sent back to CRM system. Further automation will be to introduced to automatically to generate the correct avg daily kWh based on the last two actual reads in accordance with the code. Simply Energy believes to resolve the inaccuracies we need to completely automate the entire Switch Loss process.

Subject	Section	Recommendation	Response
HHR estimates	9.4	CTCS and CTCX Improve the HHR estimation process so that Datahub can apply estimates where data for an equivalent day is not available.	This issue only impacts new sites to Simply energy. All AMI sites will be switched in and submitted NHH on the RPS code. They will only be adjusted to HHR submission when it is proven we are getting sufficient quality HHR data. For TOU connections, Simply Energy will import any data supplied for the purpose of pricing and calculation of Maximum Annual Quantities. This is traditionally historic volumes if an existing connections, or best estimates for a new connection.
HHR estimates	9.4	CTCS and CTCX If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data, even if register reads are not available.	Ticket raised with Axos Support to confirm how system operates and based on this reply will request change to validate actual data.
HHR estimates	9.4	CTCS and CTCX If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.	Ticket raised with Axos Support to confirm how system operates and based on this reply will request change to validate actual data.
HHR validation	9.6	CTCS and CTCX Validation of HHR consumption patterns should be completed at ICP level as well as aggregate level.	Simply Energy will work with Axos to develop new reporting which utilises DH as a repository of historical information by ICP by timeband. DH will flag ICPs which fail to meet tolerance levels set within acceptance boundaries.

ISSUES

Subject	Section	Description	Issue
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

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

Audit commentary

There are five exemptions currently in place relevant to the scope of this audit:

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

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

ICP identifier	Comments
0001183605HB0B0	Contact still has responsibility for this ICP, under veranda lights with load of 3.7 kWh per day are connected.
0000038627NTADB	Decommissioned 17/5/17
0000557925UND32	Switched out 28/2/14
0000600085HBD8B	Switched out 23/1/13
0000916610TEA3F	Switched out 1/12/16
0005000772HBA61	Switched out 28/8/14
0008801012TP900	Unmetered load details have been removed on the registry effective 23/06/14
0014189134HBC96	Switched out 3/11/15
0016096032EL6DD	Switched out 16/7/16
0018137292HB7F1	Decommissioned 5/2/13
0046054751HBF7	Switched out 8/11/12

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

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

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

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

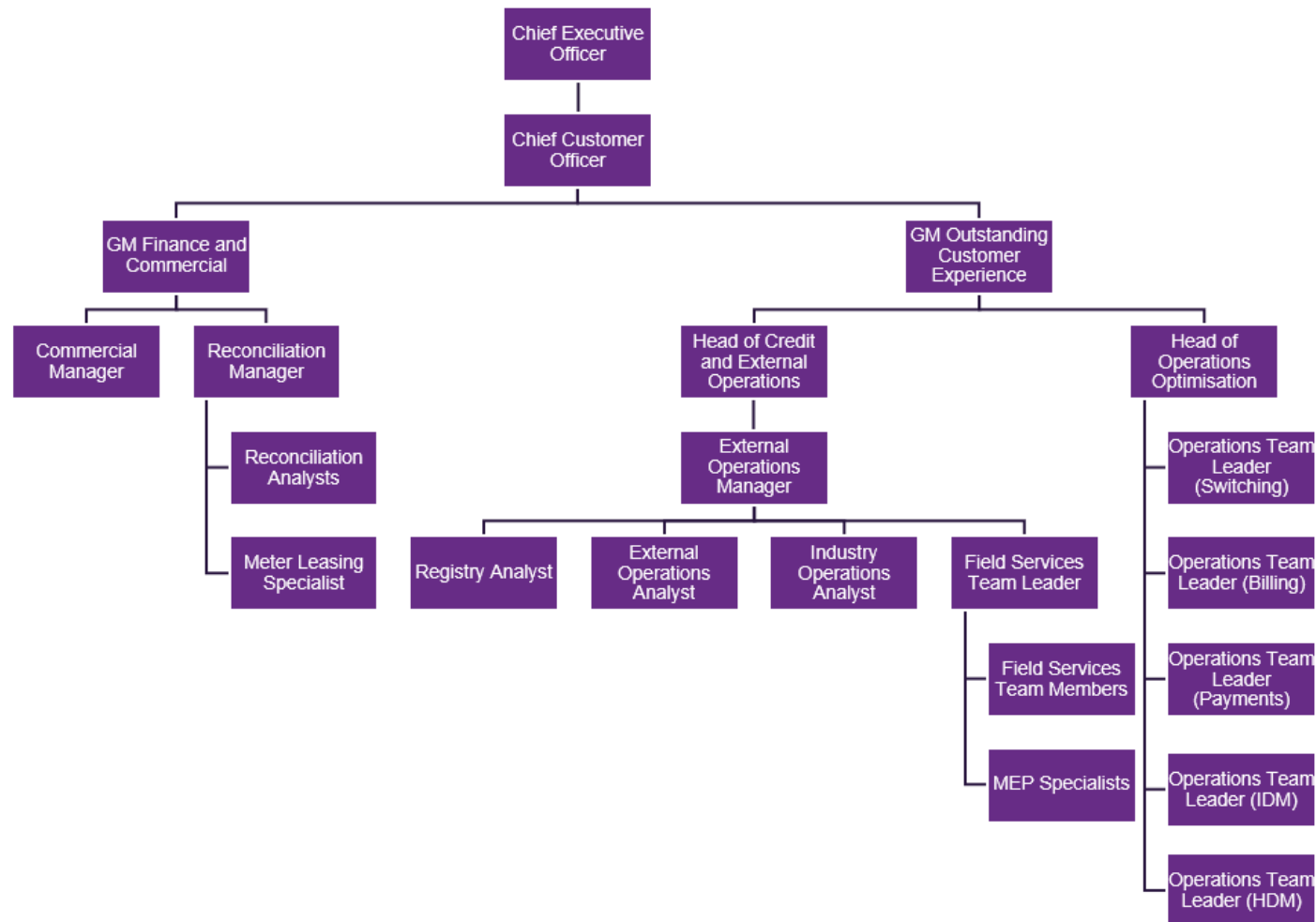
Exemption 293: Exemption to clause 10.24(c) of the Electricity Industry Participation Code 2010 to allow subtraction to determine submission information for ICP 0003133903AA777. This exemption expires on the earlier of:

- the close of 31 December 2030,
- the date when Contact is no longer recorded in the registry as being the trader,
- the date when AccuCal is no longer recorded in the registry as being the MEP,
- the date on which the meter programming, metering or distribution configuration is changed, or
- the date on which any other consumer is connected to the same 11kV distribution substation as ICP 0003133903AA777.

1.2. Structure of Organisation

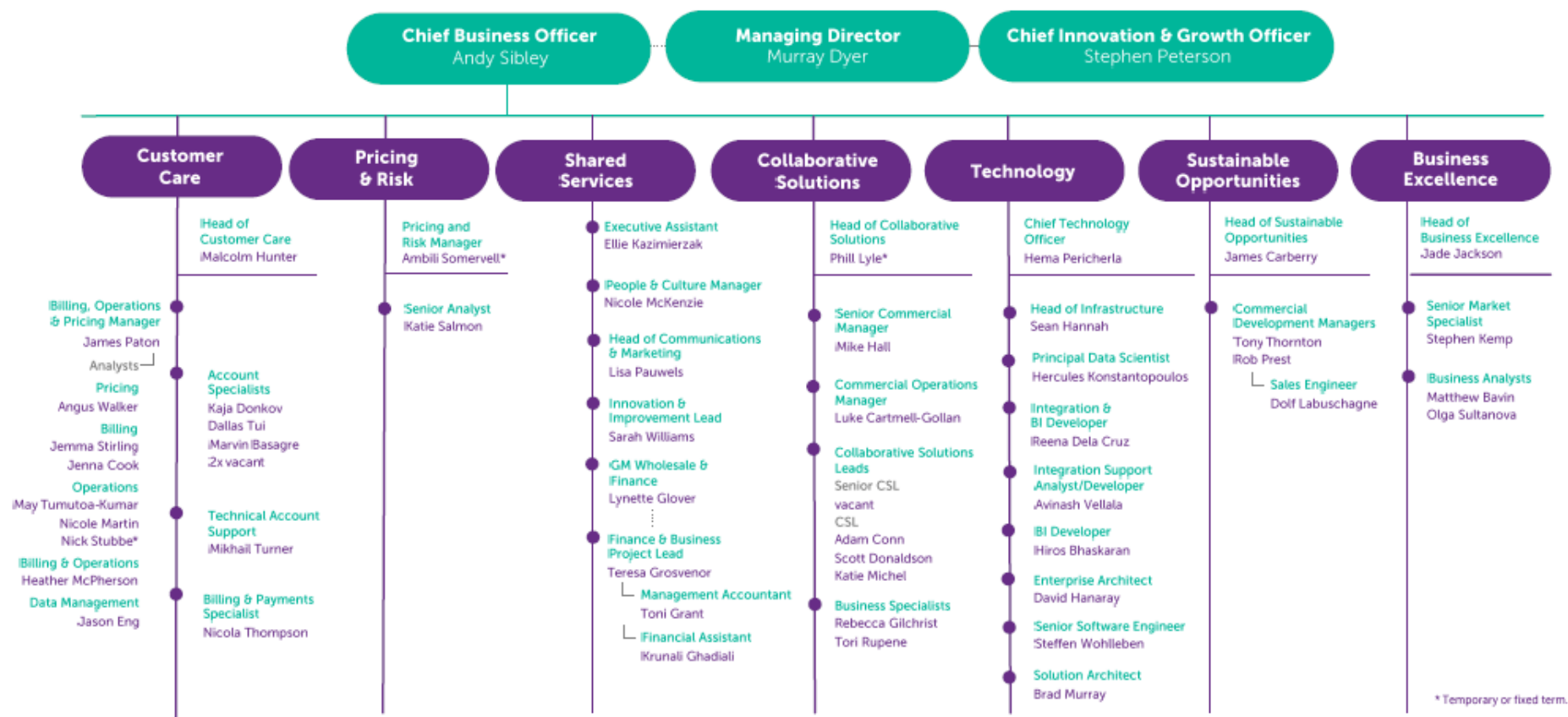
Contact Energy provided a copy of their organisational structure.

Contact Organisational Diagram



Simply Energy Organisation Chart

Our people & structure



* Temporary or fixed term.

1.3. Persons involved in this audit

Auditors:

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

Contact personnel assisting in this audit were:

Name	Title
Aaron Wall	Reconciliation Analyst
Bernie Cross	Reconciliation Manager
Brook Barrington	Head of Operations Optimisation
Caitlin Molenaar	Collections & Assurance Team Member
Chris Golder	Operations Team Member
Darren Law	Field Services Team Leader
Debby Abrahams	Commercial Manager
Joanne Benvenuti	Operations Team Member
Kirstyn Harding	Operations Team Member
KP Chiew	Senior Reconciliation Analyst
Nagham Anayi	MEP Specialist / External Customer Solutions
Nathan Joyce	Network Operations Analyst External Customer Solutions
Rajdeep Kaur	Registry and Reconciliation Analyst
Roy Burne	Operations Team Member
Tina Papadopoulos	Operations Team Member
Torana Dower	Operations Team Member
Paul Robson	Customer Team Member

Name	Title
Stephen Kemp	Senior Market Specialist, Simply Energy
Luke Cartmell-Gollan	Commercial Operations Manager

1.4. Use of Agents (Clause 15.34)

Code reference

Clause 15.34

Code related audit information

A reconciliation participant who uses an agent

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

Audit observation

Use of agents was discussed with Contact.

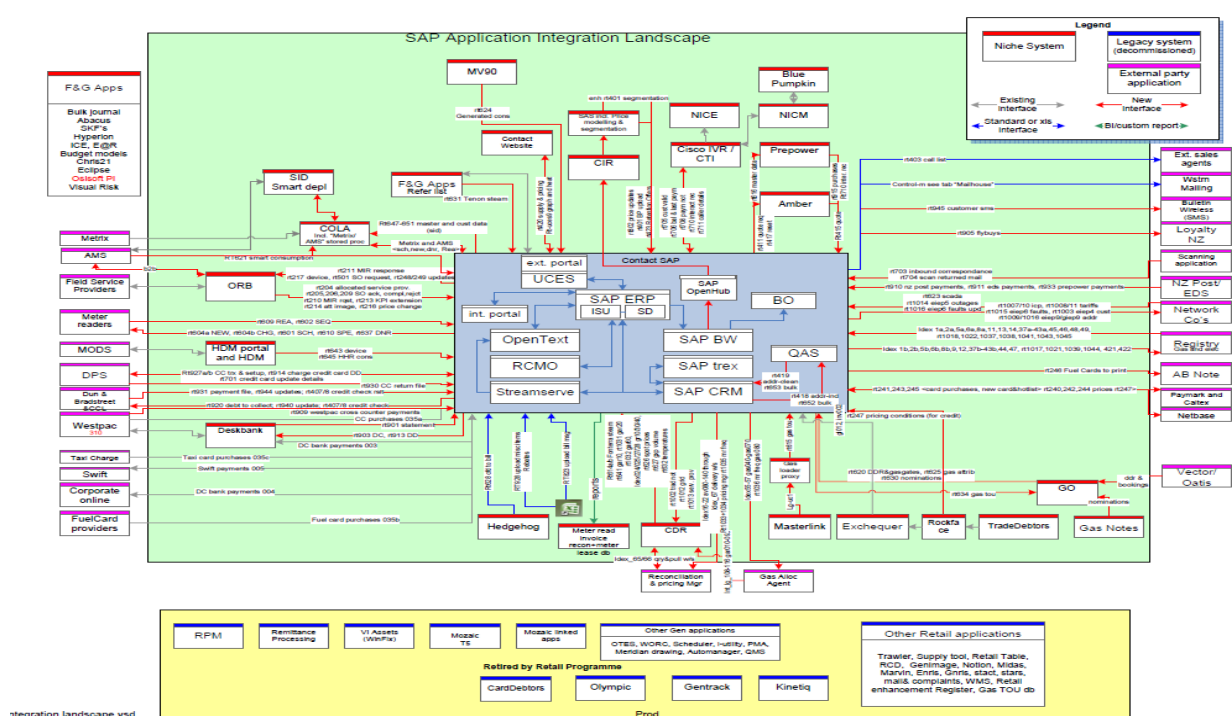
Audit commentary

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

1.5. Hardware and Software

Contact (CTCT)

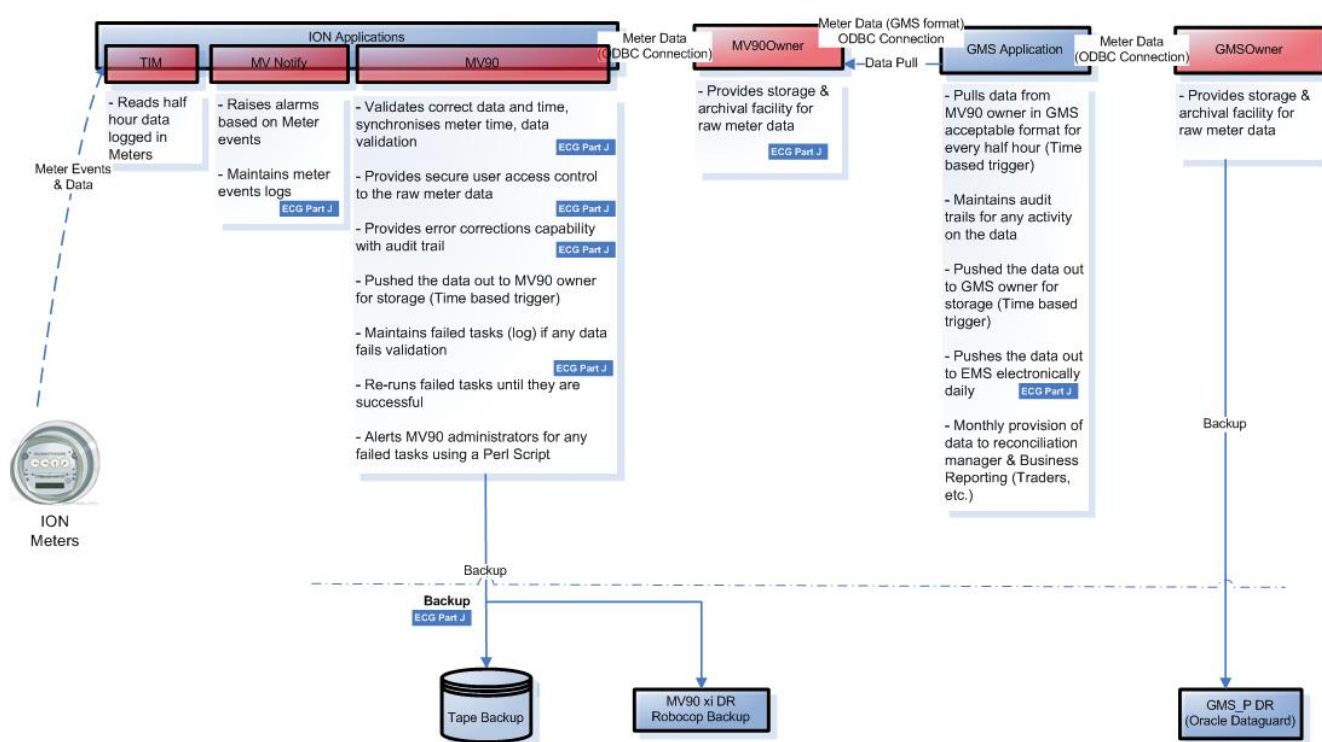
A diagram of Contact's system configuration is shown below.



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

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

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



Simply Energy (CTCT and CTCS)

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

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

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

Agents

Agent systems are discussed in their own audit reports.

1.6. Breaches or Breach Allegations

There have been three breach allegations relevant to the scope of this audit during the audit period.

Reference	Date	Clause	Summary	Status	Result
2101CTCT1	October 2020	Part 15 clause 15.2 (1)	CTCS did not submit volumes for KAI1101 on the DST profile for October 2020 R1.	Fact finding	No result yet
2010CTCT2	June 2020	Part 15 clause 15.2 (1) (a)	CTCT incorrectly submitted NHH volumes for the dedicated Y flag on Line NSPs at HTI0331, NPK0331, OKN0111, ONG0331 and TKU0331 for the washup period of June 2020 R3. CTCT was notified via email at 16:56 of the incorrect submission for the NHH R3 washup file and was asked to revise and resubmit their R3 submission. CTCT proceeded to resubmit their R3 NHH file on 18/9/2020 at 10:02.	Closed	Early Closure
2101CTCT2	March, April and May 2020	Part 10 clause 10.26 (11)	A number of GIP meter certification tasks were needed to be deferred due to the Covid-19 lockdown and social distancing requirements during March / April / May 2020. This meant some recertification tasks were past the inspection / certification expiry.	Fact finding	No result yet

1.7. ICP Data

CTCT

All active ICPs are summarised by metering category in the table below. 270 of the 328 active ICPs with a metering category of 9 or blank have trader unmetered load details recorded. The remaining 58 ICPs are active but have no metering details entered on the registry and are discussed in **section 2.9**.

Metering Category	(2021)	(2020)	(2019)	(2018)	(2017)	(2016)
1	404,012	407,310	408,039	413,110	417,819	419,055
2	2,674	3,956	4774	5,136	5,201	5,460
3	182	530	816	857	942	990
4	81	205	322	337	383	388

5	16	22	35	41	52	49
9	97	112	152	198	250	273
Blank	231	329	453	645	676	1,042

Status	Number of ICPs (2021)	Number of ICPs (2020)	Number of ICPs (2019)	Number of ICPs (2018)	Number of ICPs (2017)	Number of ICPs (2016)
Active (2,0)	407,293	412,464	414,591	420,324	425,323	427,257
Inactive – new connection in progress (1,12)	-	-	2	2	-	-
Inactive – electrically disconnected vacant property (1,4)	6,978	6,954	7,313	7,734	8,135	8,564
Inactive – electrically disconnected remotely by AMI meter (1,7)	3045	2,330	2,208	1,778	1,678	1,283
Inactive – electrically disconnected at pole fuse (1,8)	71	62	62	26	103	2
Inactive – electrically disconnected due to meter disconnected (1,9)	83	81	73	11	1	1
Inactive – electrically disconnected at meter box fuse (1,10)	44	35	24	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	909	970	1,104	1,354	1,951	2,876
Inactive – reconciled elsewhere (1,5)	1	3	3	5	2	4
Decommissioned (3)	52,440	51,096	49,518	47,987	45,670	42,970

CTCX

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

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

Status	Number of ICPs (2021)	Number of ICPs (2020)
Active (2,0)	72	55
Inactive – new connection in progress (1,12)	-	-
Inactive – electrically disconnected vacant property (1,4)	-	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	-	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-
Inactive – reconciled elsewhere (1,5)	-	-
Decommissioned (3)	1	-

CTCS

All active ICPs are summarised by metering category in the table below. All 122 active ICPs with a metering category of 9 or blank have trader unmetered load details recorded.

Metering Category	(2021)	(2020)
1	4,414	41
2	1,033	24
3	380	38
4	129	7
5	5	-
9	45	3
Blank	77	-

Status	Number of ICPs (2021)	Number of ICPs (2020)
Active (2,0)	6,083	113
Inactive – new connection in progress (1,12)	3	-
Inactive – electrically disconnected vacant property (1,4)	1	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	2	-
Inactive – electrically disconnected at pole fuse (1,8)	2	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	1	-
Inactive – reconciled elsewhere (1,5)	3	-
Decommissioned (3)	5	-

1.8. Authorisation Received

Contact provided a letter of authorisation.

1.9. Scope of Audit

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

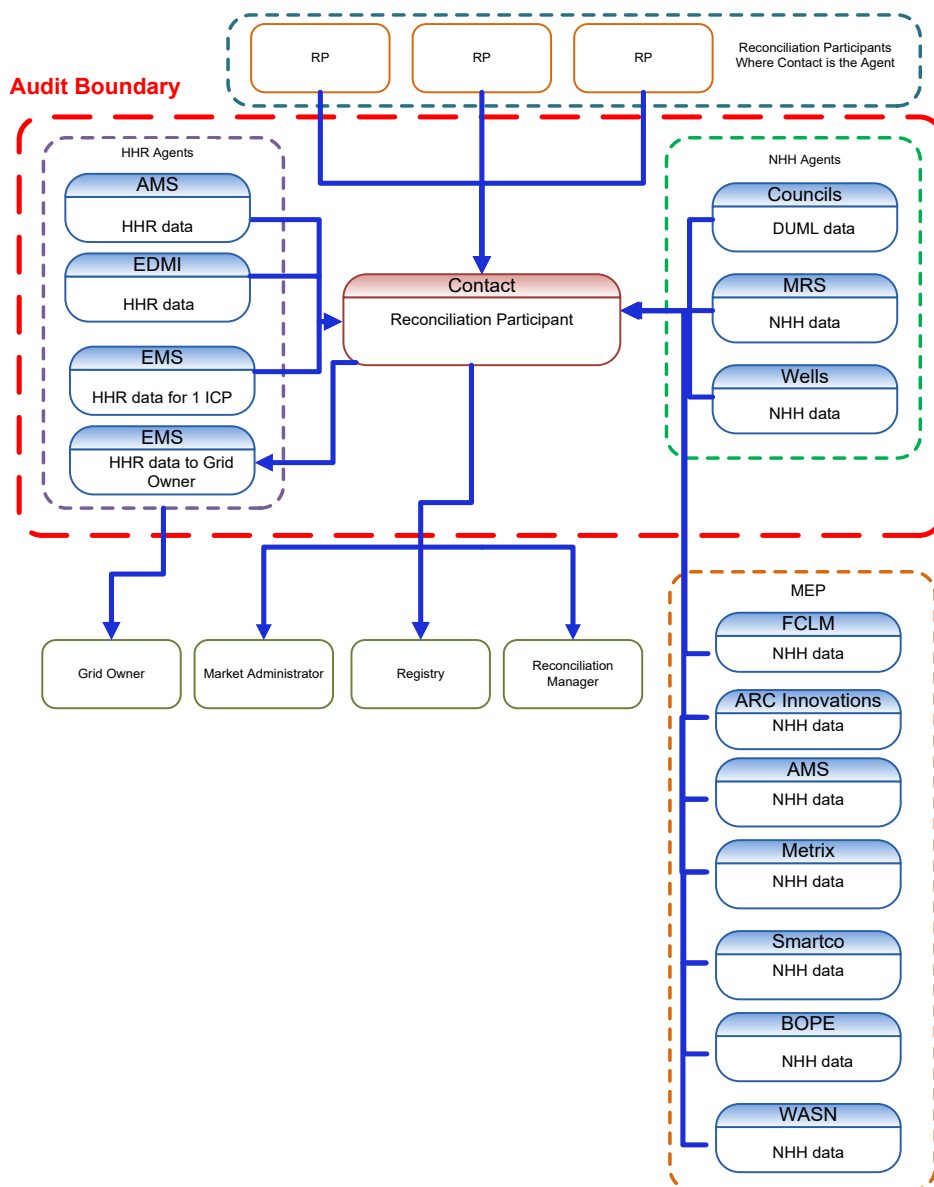
The audit was carried out remotely using Microsoft Teams, and at Simply Energy's office in Wellington between 12 April 2021 and 30 April 2021.

For CTCT a registry list, event detail report and audit compliance report for 1 June 2020 to 26 January 2021 and a registry list snapshot for 26 January 2021 were reviewed.

For CTCS and CTCX registry lists, event detail reports and audit compliance reports for 1 June 2020 to 13 January 2021 and registry list snapshots for 13 January 2021 were reviewed.

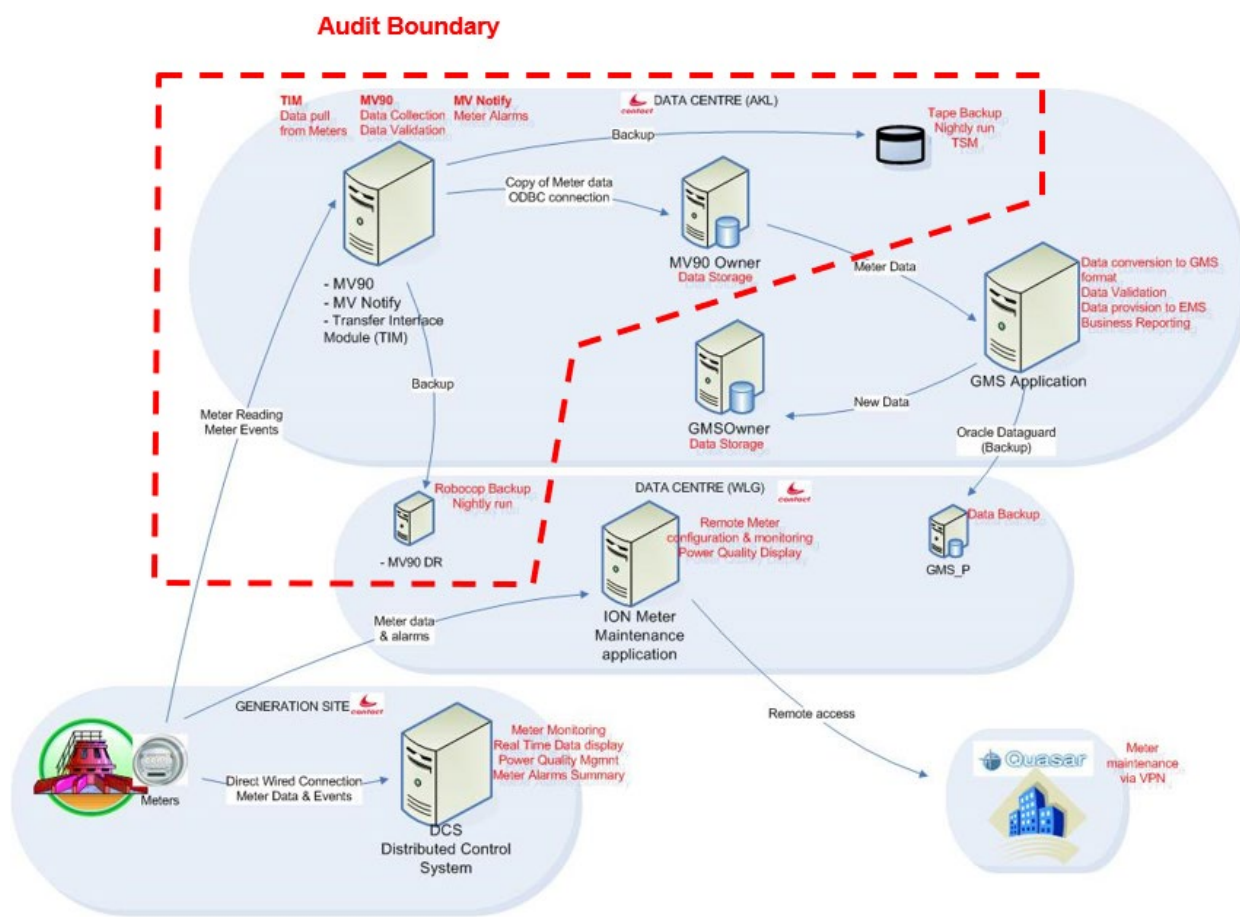
CTCT

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



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

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



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

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs Providing Data to Contact
(a) - Maintaining registry information and performing customer and embedded generator switching		
(b) – Gathering and storing raw meter data	Datacol – NHH (until early 2020) MRS – NHH AMS – HHR EDMi – HHR EMS – HHR	AMS (incl Smartco) ARC Innovations The Lines Company (FCLM) IntelliHUB Ltd (incl Metrix and Counties Power)

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs Providing Data to Contact
(c)(iii) - Creation and management of volume information	AMS – HHR EDMI – HHR EMS – HHR Various Councils – DUML databases	
(d)(i)– Calculation of ICP days		
(d)(ii) - delivery of electricity supplied information under clause 15.7		
(d)(iii) - delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8		
(e) – Provision of submission information for reconciliation		
(f) - Provision of metering information to the Grid Owner	EMS	

CTCX

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

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

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

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
(a) - Maintaining registry information and performing customer and embedded generator switching	Simply Energy	
(b) - Gathering and storing raw meter data	Wells – NHH AMS – HHR EDMI – HHR	AMS (incl Smartco) ARC Innovations The Lines Company (FCLM)

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
		Legacy Metering Group IntelliHUB Ltd (incl Metrix and Counties Power)
(c)(i) - Creation and management of HHR volume information	Simply Energy	
(c)(ii) - Creation and management of NHH volume information	EMS	
(d)(i) - Calculation of ICP days	EMS – NHH Simply Energy – HHR	
(d)(ii) - delivery of electricity supplied information under clause 15.7	Simply Energy	
(d)(iii) - delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8		
(e) - Provision of submission information for reconciliation	EMS – NHH Simply Energy – HHR	

CTCS

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

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

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

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
(a) - Maintaining registry information and performing customer and embedded generator switching	Simply Energy	

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
(b) – Gathering and storing raw meter data	MRS – NHH AMS – HHR EDMI – HHR	AMS Arc Innovations (Arc) Counties Power Intellihub Legacy Metering Group Smartco The Lines Company (FCLM)
(c)(i) - Creation and management of HHR volume information	Simply Energy Various Councils – DUMML databases	
(c)(ii) - Creation and management of NHH volume information	EMS	
(d)(i) - Calculation of ICP days & delivery of a report under clause 15.6	Simply Energy - HHR EMS - NHH	
(d)(ii) - delivery of electricity supplied information under clause 15.7	Simply Energy	
(e) - Provision of submission information for reconciliation	Simply Energy - HHR EMS - NHH	

Agents

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

The remaining agents listed above have been audited in accordance with the Guidelines for Reconciliation Participant Audits V7.2. Their audit reports are expected to be submitted with this audit. EMS' NHH processes are not included in their agent audit, and were reviewed as part of this audit. The MRS, AMS and EDM I audits were completed more than seven months prior to this audit, and the agents confirmed that there have been no changes to their processes which could have a negative impact on Contact Energy's compliance. Comments are included in this report in relation to any issues found.

1.10. Summary of previous audit

Contact provided a copy of their previous reconciliation participant audit report conducted in August 2020 by Tara Gannon (lead auditor) of Veritek Limited. The summary tables below show the statuses of the non-compliances and recommendations raised in the previous audit. Further comment is made in the relevant sections of this report.

Subject	Section	Clause	Non-compliance	Status
Participants to give access	1.11	16A.4	CTCS and CTCX Information not provided within 15 business days of the request.	Still existing
Relevant information	2.1	10.6, 11.2, 15.2	CTCT, CTCS and CTCX Some inaccurate data is recorded and was not updated as soon as practicable.	Still existing
Data Transmission	2.3	20 Schedule 15.2	CTCS June 2020 volume data for ICP 0000018218HRB13 was provided by email.	Cleared
Audit Trails	2.4	21 Schedule 15.2	CTCS and CTCX SalesForce user IDs are shared, and the audit trails do not record the individual user who made the change.	Cleared
Electrical connection of a point of connection	2.11	10.33A	CTCT 18 ICPs' meters were not recertified on unbridging. 209 ICPs reconnected without having metering certified within 5 business days. Six HHR new connections not certified within five days.	Still existing
Changes to Registry	3.3	10 Schedule 11.1	CTCT Registry information not provided within 5 business days of change.	Still existing
Trader responsibility for an ICP	3.4	11.18	CTCT Three incorrect MEP nominations (ICPs 0000326268TPB75, 0000234047MPE57 and 0000543111TU747) not actioned to ensure that an MEP is recorded on the registry.	Still existing
Provision of information to the registry	3.5	9 Schedule 11.1	CTCT 1,083 late changes to Active. Contact was not recorded as the responsible participant in the registry on the active date for 1,083 ICPs.	Still existing

Subject	Section	Clause	Non-compliance	Status
			328 late ANZSIC code updates. Incorrect active dates for some ICPs due to processing errors.	
ANZSIC codes	3.6	9 (1(k) of Schedule 11.1	CTCT, CTCS and CTCX Some incorrect ANZSIC codes.	Still existing
Changes to unmetered load	3.7	9(1)(f) of Schedule 11.1	CTCT Daily unmetered kWh values are incorrect for 37 ICPs on the registry and five ICPs with the incorrect unmetered load description recorded.	Still existing
Management of Active	3.8	17 Schedule 11.1	CTCT Some incorrect Active dates.	Still existing
Management of Inactive	3.9	19 of schedule 11.1	CTCT ICP 0000366150MP46C0 incorrectly recorded as disconnected on the registry but is active.	Still existing
Losing trader response to switch request	4.2	3(a)(ii) of schedule 11.3	CTCT “MU” AN code incorrectly being sent when metering is not loaded at the time of the AN being sent.	Cleared
Losing trader must provide final information	4.3	5 Schedule 11.3	CTCT One late CS file. The average daily consumption calculation was not calculated from the validated read to read period until March 2020. Some incorrect last read dates provided. One instance of the an actual read for the event date sent as an estimate read. CTCS The average daily consumption calculation was not calculated from the validated read to read period.	Still existing
Retailers must use the same reading	4.4	6(1) and 6A Schedule 11.3	CTCT 45 late RR files.	Still existing
NHH switch event meter reading	4.5	6(2) and (3) Schedule 11.3	CTCT 2 RR requests incorrectly rejected resulting in the gaining trader submitting 3,063 kWh more than their gain reads.	Cleared

Subject	Section	Clause	Non-compliance	Status
Gaining trader informs registry of switch request	4.7	9 of Schedule 11.3	CTCS Incorrect switch type used for 3 DUML ICPs switching in.	Still existing
Losing trader provides information	4.8	10(1) of Schedule 11.3	CTCT A small number of late CS files sent. CTCS No AN sent for one ICP.	Cleared
Losing trader must provide final information	4.10	11 Schedule 11.3	CTCT The average daily consumption calculation was not calculated from the read to read period until March 2020. Incorrect last read date provided for at least one ICP. CTCS The average daily consumption calculation was not calculated from the validated read to read period.	Still existing
Gaining trader changes to switch meter reading	4.11	12 of Schedule 11.3	CTCT 99 late RR files.	Still existing
Losing trader provision of information	4.13	15 of Schedule 11.3	CTCT "CO" AN code sent incorrectly.	Cleared
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	CTCT Six switch withdrawals not resolved within ten business days of the withdrawal being initiated. At least one incorrect NW code sent.	Still existing
Metering information	4.16	21 Schedule 11.3	CTCT One CS file did not reflect the actual reading or best estimate of an actual reading on the event date.	Still existing
Maintaining shared unmetered load	5.1	11.14	CTCT One ICP with missing shared unmetered load due the BTS supply being removed.	Cleared
Unmetered threshold	5.2	10.14 (2)(b)	CTCT	Still existing

Subject	Section	Clause	Non-compliance	Status
			One standard unmetered ICP has an estimated annual consumption over 6,000 kWh per annum.	
Unmetered threshold exceeded	5.3	10.14 (5)	CTCT One standard unmetered ICP has estimated annual consumption over 6,000 kWh per annum and has not been resolved within 20 business days.	Still existing
Distributed unmetered load	5.4	11 of schedule 15.3	CTCT The monthly database extracts used to derive submission from are provided as a snapshot and do not track changes at a daily basis as required by the code. Inaccurate submission information for several databases. Four streetlight audits not submitted by the due date.	Still existing
Electricity conveyed & notification by embedded generators	6.1	10.13	CTCT While meters were bridged, energy was not metered and quantified according to the code for 164 ICPs.	Still existing
Reporting of defective metering installations	6.4	10.43(2) and (3)	CTCT The MEP was not advised of six bridged meters.	Still existing
NHH meter reading application	6.7	6 Schedule 15.2	CTCT Incorrect switch event meter reads sent. NHH meter readings not applied at 2400 on the day of the meter reading for NHH to HHR upgrades and downgrades. Where a reading is not received for all registers on the meter read order date SAP retrieves the nearest actual reading within the last three days for AMS, Smartco, Metrix and FCLM and the nearest actual reading within the last two days for all other providers, and records it as an actual reading against the meter read order date. This resulted in readings for two registers for ICP 0000017802EAAC8 being recorded with incorrect read dates. CTCS Simply Energy supplied NHH end readings to EMS for ICP 0000022997EA768, which did	Still existing

Subject	Section	Clause	Non-compliance	Status
			not correspond to the end of the last NHH day for the ICP.	
Interrogate meters once	6.8	7(1) and (2) Schedule 15.	CTCT For at least ten ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met.	Still existing
NHH meters interrogated annually	6.9	8(1) and (2) Schedule 15.2	CTCT For at least seven ICPs supplied for over 12 months, exceptional circumstances did not exist, and the best endeavours requirements were not met. There are some meter read frequency report accuracy issues.	Cleared
NHH meters 90% read rate	6.10	8(1) and (2) Schedule 15.2	CTCT For at least eight ICPs supplied for over four months, exceptional circumstances did not exist, and the best endeavours requirements were not met.	Cleared
Identification of readings	9.1	3(3) Schedule 15.2	CTCT Where a reading is not received for all registers on the meter read order date SAP retrieves the nearest actual reading within the last three days for AMS, Smartco, Metrix and FCLM and the nearest actual reading within the last two days for all other providers, and records it as an actual reading against the meter read order date. This resulted in readings for two registers for ICP 0000017802EAAC8 being recorded with incorrect read dates and types. One incorrect actual read labelled as an estimate in a CS file. CTCS Simply Energy supplied NHH end readings to EMS for ICP 0000022997EA768, which did not correspond to the end of the last NHH day for the ICP.	Still existing
Meter data used to derive volume information	9.3	3(5) of schedule 15.2	CTCS and CTCX EDMI provides HHR interval data for some ICPs rounded to two decimal places. NHH raw meter data received from all MEPS and agents except FCLM and WASN is rounded upon receipt into Datahub and not	Still existing

Subject	Section	Clause	Non-compliance	Status
			<p>when volume information is created if it is provided with decimal places.</p> <p>Customer readings are not consistently entered into Datahub with decimal places where this information is provided by the customer.</p> <p>Any NHH data recorded with decimal places in Datahub is rounded to the nearest whole number when exported to EMS' MADRAS for reconciliation.</p>	
Half hour estimates	9.4	3(5) of schedule 15.2	<p>CTCS and CTCX</p> <p>HHR estimates were not consistently created where HHR trading period data was missing. Estimates were created for revision submissions.</p> <p>CTCS</p> <p>Some HHR volumes estimates for CTCS did not meet the reasonable endeavours requirements for June 2020. The estimated data was replaced by revision 1.</p>	Still existing
Calculation of ICP days	11.2	15.6	<p>CTCT</p> <p>ICP days were not reported correctly where settlement unit information was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. Contact has been working to resolve these issues before revision 14, and the ICP days differences are generally small.</p> <p>CTCX</p> <p>EMS omitted ICP 0158947339LC9D1 from all revision submissions after Simply Energy commenced producing HHR aggregates and volumes from June 2020. EMS reinstated the ICP on 6/7/20 and will ensure it is included in future revision submissions for periods up to May 2020.</p> <p>CTCS</p> <p>HHR ICP days were not reported correctly where temporary estimates were not inserted for ICPs with missing days of data up to June 2020 revision 1.</p> <p>NHH ICP days were not reported correctly because some ICPs were not set up in MADRAS, data issues prevented ICPs being sent to MADRAS, and/or incorrect start dates were applied. The issues were resolved through the revision process.</p>	Still existing

Subject	Section	Clause	Non-compliance	Status
Electricity supplied information provision to the reconciliation manager	11.3	15.7	<p>CTCT</p> <p>Alleged breach 2005CTCT1 recorded that CTCT submitted volume for a GD NSP (BDE0111-SOLE) in their AV-120 202004 initial submissions on BD4.</p> <p>CTCX</p> <p>The Mar-20 to Jun-20 billed volumes are inconsistent with the Mar-20 to Jun-20 submission volumes.</p>	Still existing
HHR aggregates information provision to the reconciliation manager	11.4	15.8	<p>CTCT</p> <p>HHR aggregates file does not contain electricity supplied information.</p> <p>Some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data. Revised data will be provided through the revision process.</p> <p>CTCX</p> <p>HHR aggregates file does not contain electricity supplied information.</p> <p>EMS omitted ICP 0158947339LC9D1 from all revision submissions after Simply Energy commenced producing HHR aggregates and volumes from June 2020. EMS reinstated the ICP on 6/7/20 and will ensure it is included in future revision submissions for periods up to May 2020.</p> <p>One ICP was missing from the May 2020 initial submission because of a Datahub profile discrepancy, which was corrected prior to revision 1.</p> <p>CTCS</p> <p>HHR aggregates file does not contain electricity supplied information.</p> <p>HHR submissions were understated for the May and June 2020 initial submissions because some ICPs were not set up in time, and temporary estimates were not created where data was missing. Revised data will be provided through the revision process.</p>	Still existing
Creation of submission information	12.2	15.4	<p>CTCT</p> <p>Some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data.</p> <p>CTCX</p> <p>ICP 0158947339LC9D1 was missing from some HHR revision submissions.</p>	Still existing

Subject	Section	Clause	Non-compliance	Status
			CTCS CTCS HHR submissions were understated for the May and June 2020 initial submissions because some ICPs were not set up in time, and temporary estimates were not created where data was missing. Some ICPs were not created in MADRAS in time for inclusion in the June 2020 initial submission.	
Grid connected generation	12.6	15.11	CTCT Alleged breach 2004CTCT1 recorded that CTCT submitted some incorrect NSP volumes information to the RM for the March 2020 initial allocation.	Cleared
Accuracy of submission information	12.7	15.12	CTCT, CTCX and CTCS Some submission data was inaccurate and was not corrected at the next available opportunity.	Still existing
Permanence of meter readings for reconciliation	12.8	4 Schedule 15.2	CTCT Some estimates were not replaced by revision 14.	Still existing
Historical estimates and forward estimates	12.10	3 Schedule 15.3	CTCS and CTCX Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Still existing
Forward estimate process	12.12	6 Schedule 15.3	CTCT Inaccurate FE caused the thresholds not to be met in some instances.	Still existing
Historical estimate reporting to RM	13.3	10 of Schedule 15.3	CTCT Historic estimate thresholds were not met for some revisions.	Still existing

Subject	Section	Recommendation	Status
Trader responsibility for an ICP	3.4	CTCT Review MEP naming protocols in ORBS to align with MEPs.	Cleared.
Provision of information to the registry	3.5	CTCT Review unmetered new connection process.	Cleared, the process has been reviewed and updated.

Subject	Section	Recommendation	Status
ICPs at new or ready status for greater than 24 months	3.10	CTCT Review the process in place to confirm ICPs where Contact is the nominated trader are still required after 24 months.	There is currently no monitoring of ICPs which have been at new or ready status for more than 24 months, but this is in the process of being developed.
AN response code hierarchy	4.2	CTCS and CTCX Consider adding the MU (unmetered supply) and OC (occupied premises) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.	Partially implemented, further codes need to be added to the hierarchy.
CS estimated daily kWh	4.3	CTCS and CTCX Consider reviewing the estimated daily consumption calculation to ensure compliance with the registry functional specification.	Partially implemented, some further issues are being investigated.
Electricity conveyed & notification by embedded generators	6.1	CTCT Check the Distributor's indicated fuel type for all distributed generating ICPs. Confirm the fuel types for the following ICPs so that the correct generation profile can be determined: 0011006802PCDFA (PV1/wind) 0000029336HRC55 (PV1/other) 0000950408LNEF9 (PV1/other) 0005070279RNF1D (PV1/other) 0005441773RN1BA (PV1/other) 0006204224TUB94 (PV1/other) 0007138276RNF48 (PV1/other) 0007160293RN6C9 (PV1/other) 0008813385ML931 (PV1/other) 0080280200WR39C (PV1/other).	Contact will engage with the relevant distributors to encourage them to populate the registry with more accurate fuel type information for these ICPs plus any additional ICPs that are flagged as having some form of generation installed in the future
Meter condition information	6.6	CTCS and CTCX Ensure that meter condition information is received from MRS and reviewed to identify any events which could affect the accuracy of metering information. Review all meter condition information provided by Wells to identify any meter events which could affect accuracy.	Simply Energy will work with Contact on how we obtain a copy of the MRS report. Monthly reports from Wells are monitored for any inaccuracies.
Meter read frequency reporting	6.9	CTCS and CTCX Ensure that only ICPs supplied at the end of the period being reported are included in the meter read frequency reporting.	The incorrect reporting of ICPs in the NHH Read Reports has been resolved.
HHR estimation process	9.4	CTCS and CTCX	HHR midnight readings are taken into consideration on all received AMI data. We

Subject	Section	Recommendation	Status
		Take HHR midnight readings into account (if available) when calculating HHR estimates.	are currently investigating the issue that the auditor raised around actuals not replacing estimates.
HHR estimation timeliness	9.4	CTCS and CTCX Complete the HHR estimation process prior to business day 4, to ensure that estimates are included in submission data.	Process has been updated to run now on the end of day Business Day 3.
HHR estimation for new ICPs	9.4	CTCS and CTCX Improve the HHR estimation process so that Datahub can apply estimates where data for an equivalent day is not available.	A ticket has been raised with our Service Provider to investigate and resolve this issue.
Replacement of estimates with actual data	9.4	CTCS and CTCX If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data.	This is currently under investigation with our Service Provider to investigate and resolve.
Replacement of actual data with actual data	9.4	CTCS and CTCX If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.	We are revisiting this issue with both FCLM and our Service Provider.
NHH metering information data validation	9.5	CTCS and CTCX Review the validation process for reads that fail validation because they are lower than previous estimates. In these situations, if the actual readings are confirmed to be accurate, they should be applied. Where revision 14 has already been issued, the permanent estimate process should be used to ensure that all consumption is captured.	This is currently being investigated by our Service Provider and we are looking at a resolution by 30 September 2020.
Generation data validation	9.6	CTCT I recommend strengthening generation data checks, to ensure that generation data is accurate.	Contact has strengthened our validation and verification checks around generation data to ensure this issue does not reoccur
HHR validation of consumption patterns	9.6	CTCS and CTCX Validation of HHR consumption patterns should be completed at ICP level as well as aggregate level.	A change on process will allow this to occur on BD3 of September.
HHR data validation timeliness	9.6	CTCS and CTCX Complete full HHR validation prior to each submission.	A change in process and other raised enhancements will allow this to occur by 31 October 2020.
AV080 zeroing process	12.3	CTCS and CTCX The zeroing process is currently completed for the AV110 but also needs	Processes have been updated to check for previous submissions in the AV080.

Subject	Section	Recommendation	Status
		<p>to be completed for the AV080 to ensure future compliance.</p> <p>Identify instances where an AV080 aggregation line has been reported in a previous revision, but not the current revision and add a zero line.</p>	

1.11. Participants to give access (Clause 16A.4)

Code reference

Clause 16A.4

Code related audit information

(1) A participant must give the Authority or an auditor full access to all information that may be required for the purposes of carrying out an audit.

(2) The participant must provide the information—

(a) at no charge; and

(b) no later than 15 business days after receiving a request for the information from the Authority or an auditor, as the case may be.

Audit observation

The code requires that information requested by the auditor be provided within 15 business days of the request. Veritek provided an information request to Contact and their agent for the purposes of this audit.

Audit commentary

Whilst most information was provided within the required timeframe (by 29 January 2021), some information was not provided by Simply Energy until after this date. This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 1.11</p> <p>With: Clause 16A.4</p> <p>From: 29-Jan-21</p> <p>To: 13-Apr-21</p>	<p>CTCS and CTCX</p> <p>Information not provided within 15 business days of the request.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate as most information was generally provided as requested but it there is a resource constraint at Simply hence overall control rating.</p> <p>The audit risk rating is low as the information was eventually provided but this impacted analysis time.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCS & CTCX</u> Simply Energy is appointing additional staff to their Operations Team which will allow sufficient resources to be available to support the audit process, including the provisions of information.		Proposed or actual date: 06/08/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<u>CTCS & CTCX</u> In the next audit Simply Energy will have additional dedicated staff members (Operations Team Leader and Specialist) who will be responsible for covering the Registry and Switching audit requests.		Proposed or actual date: 14/05/2021	

1.12. Material Change Audits

Code reference

Clause 16A.11

Code related audit information

If there is a material change to any of a participant's systems or processes that are the subject of regular audits under clause 10.17A, 11.8B, 11.10, 15.37A or 15.37B, the participant must arrange for an additional audit, which must be completed in accordance with this Part no later than 5 business days before the change is implemented.

(2) For the purposes of subclause (1), a material change to a system or process is a change that is likely to affect the ability of the participant to comply with any relevant provision of this Code.

Audit observation

I checked whether there were any material changes to operations where a material change audit was required.

Audit commentary

Material change audits were conducted prior to the switching of ICPs to the CTCS and CTCX codes, but when these audits were conducted, there was no intention to switch unmetered load ICPs. Contact proceeded with switching unmetered load ICPs without first determining whether there were systems, processes and appropriately trained personnel to be able to ensure accurate submissions could occur. A material change audit should have been conducted and it would have identified that the capability to manage unmetered load did not exist.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 1.12</p> <p>With: Clause 16A.11</p> <p>From: 01-Oct-20</p> <p>To: 30-Apr-21</p>	<p>Material change audit not conducted for the management of unmetered load by Simply Energy.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 9</p>		
Audit risk rating	Rationale for audit risk rating		
High	<p>The controls are recorded as weak because it was not identified that this change was a risk and that an audit was required.</p> <p>The impact on settlement is major with inaccurate submissions of over 1 GWh; therefore, the audit risk rating is high.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Simply Energy will submit a material change process to Veritek in relation to their management of unmetered load within the current NHH submission process.		<p>Proposed or actual date:</p> <p><u>CTCS</u></p> <p>30/06/2021</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As part of our post project Lessons Learned review we have identified a number of areas where we can improve our approach to large scale migrations and in the future Contact Energy will ensure the appropriate change audit is completed where required in future.		<p>Proposed or actual date:</p> <p>N/A</p>	

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 10.6, 11.2, 15.2

Code related audit information

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

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

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

Audit observation

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

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

Audit commentary

CTCT

Registry and static data accuracy

Current registry data values are validated against SAP using SAS queries, which generate reports of mismatches. The queries are run several times at the beginning and middle of each month, and include:

Query name	Description
CONNECTION_MISMATCH_RPT	This report shows current status discrepancies between SAP and the registry, which are investigated to confirm the correct status and passed to the appropriate team for further action, such as the operations team to re-disconnect.
SUPPLY_SCEN_MISMATCHES	This report shows discrepancies between the registry trader and expected trader based on SAP information. Exceptions most commonly occur because of switch timing, or ICPs not being completely closed down or loaded in SAP. Exceptions are referred to the switching or operations team for action.
UNMETERED_REPORTING_1	This report shows discrepancies between the unmetered load information in SAP and the registry. The correct details are confirmed and the registry and SAP are updated as required.
GENERATION_MONITORING	This report shows installation type discrepancies. Where a job for import/export metering has been raised, no action is taken. Where no job has been raised the exception is passed to the distributed generation team.
NETWORK_GRID_MISMATCH	This report shows NSP, network, and reconciliation type discrepancies, which are investigated and resolved.

Separate SAS queries are run weekly to check and update T99 ANZSIC codes, and ICP profiles which are inconsistent with the ICP submission type. There is also a periodic check of discrepancies between registry and SAP ANZSIC codes, and a consistency check between ANZSIC codes and the billing class. This was last completed in March 2021 by the reconciliation team.

During the audit period, the analyst who was responsible for registry validation was seconded to another role, and another staff member has taken this on in addition to her normal role. This has resulted in less time spent on validation. Not all exceptions are checked in each review cycle, and the new reviewer of these reports has not been trained to review UNMETERED_REPORTING_2 (which shows active ICPs with no metering or unmetered load installed), electricity event reporting, and electricity events not CTCT reporting.

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

Description	Recommendation	Audited party comment	Remedial action
Registry validation	Expand SAP to registry validation to include the loss factor field.	We will be looking into ways of incorporating these validations into our monthly mismatch reporting.	Investigating

Analysis of the AC020 report and registry list found:

Issue	2021 Qty	2020 Qty	2019 Qty	2018 Qty	2017 Qty	Comments
ICP at status "new connection in progress" (1,12)	0	0	2	2	0	Compliant
Active date variance with Initial Electrical Connection Date and/or meter certification date	630	102	41	11	50	13 new ICPs had incorrect active dates recorded, and ten of those were corrected during the audit. See section 3.5 .
Active ICPs with metering category 3 or higher with NHH submission flag	0	0	0	0	0	Compliant
Active ICPs with blank ANZSIC codes	0	0	0	0	0	Compliant
Active ICPs with ANZSIC "T994" or "T994000" don't know	43	1	140	183	524	See section 3.6 .
Active ICPs with ANZSIC "T997" "response unidentifiable"	0	0	0	0	0	Compliant
Active ICPs with ANZSIC "T998" "response outside of scope"	0	0	0	0	1	Compliant
Active ICPs with ANZSIC "T99", "T999" or "T999999" not stated	4	0	28	30	161	See section 3.6 .

Issue	2021 Qty	2020 Qty	2019 Qty	2018 Qty	2017 Qty	Comments
Active ICPs with metering category 3 or above with a residential ANZSIC code	0	0	0	0	1	Compliant
Active ICP with no MEP and unmetered flag set to N	58	32	302	97	116	See sections 2.9 and 3.4
Active ICP with meter category 9 or blank and unmetered flag set to N	58	32	170	-	-	See sections 2.9, 3.4 and 3.8
ICPs with Distributor unmetered load populated but retail unmetered load is blank or 0	3	1	15	17	31	See section 3.7
ICPs with unmetered load flag Y but load is recorded as zero, excluding SB ICPs	0	1	2	6	0	See section 3.7.
ICP with incorrect standard unmetered load	18	72	184	1	0	18 ICPs had incorrect unmetered daily kWh or unmetered load details recorded, and 15 of those were corrected during the audit. See section 3.7.
ICPs with incorrect shared unmetered load	0	1	0	2	7	See section 5.1
Submission against the RPS profile where the registry has a controlled profile.	214	310	1,918	16,816	19,821	Contact's reconciliation process applies RPS if a profile requiring a certified control device is recorded on the registry and the ICP does not meet the metering or certification requirements for that profile to be applied. 214 ICPs have a controlled profile recorded on the registry but are submitted as RPS. See section 6.3.
Active ICPs with invalid NHH and/or HHR profiles recorded on the registry.	194	26	1,373	396	10	194 ICPs had an incorrect HHR profile included in the registry. These are all now resolved.

Issue	2021 Qty	2020 Qty	2019 Qty	2018 Qty	2017 Qty	Comments
						HHR and NHH submission flags = Y 192 ICPs had the HHR and NHH submission flags set to Y. 151 were HHR metered ICPs with some unmetered load which is settled as NHH. The 40 remaining ICPs are exceptions.
Incorrect generation profiles recorded on the registry.	28	1	10	45	-	Refer to section 6.1 .
Arc category 2 meters submitted as HHR	-	-	10	-	-	CTCT has 6,161 active ARCS HHR settled ICPs. All have metering category 1, and have the multiplier flag = N.
Incorrect status recorded on the registry	16	1	5	-	-	13 new ICPs had incorrect active dates recorded, and ten of those were corrected during the audit. See section 3.5 . 0009544560CN3E5 which was disconnected effective from 25/6/13, but 7/12/12 was applied. See section 3.9 . 0007103286RN193 which was disconnected at the pillar but had inactive status reason code 10 (electrically disconnected at meter box fuse) applied. See section 3.9 . ICP 0000366150MP46C was updated to inactive status in error on 28 August 2019.

The following registry discrepancies were not updated as soon as practicable:

Field	Discrepancy	Report section
Status	The following ICPs still have incorrect active dates recorded: 1002108203LCA64 (22/11/20 instead of 21/11/20), 0007197288RN34C (8/11/20 instead of 8/9/20), 0007197493RN133 (23/9/20 instead of 22/9/20).	3.5/3.8
Status	0009544560CN3E5 which was disconnected effective from 25/6/13, but 7/12/12 was applied. 0007103286RN193 which was disconnected at the pillar but had inactive status reason code 10 (electrically disconnected at meter box fuse) applied. ICP 0000366150MP46C was updated to inactive status in error on 28 August 2019.	3.9
Trader ANZSIC	0005602083EN958 which had an ANZSIC code update effective 28/8/20 which should have coincided with the customer's move in date of 26/8/20.	3.3
Trader unmetered load	ICP 0005301922TU192 had the correct unmetered daily kWh on the registry, but the trader unmetered load details were incorrectly recorded as "126;11.9;2 x UVL" instead of "526;11.9;2 x UVL". The data was updated in SAP on 1/1/21 but not transferred to the registry. ICP 0015822016EL2B1 should have had unmetered load of 3.45 kWh recorded in the registry instead of 3.57 kWh. The data was updated in SAP but not transferred to the registry. ICP 0016096677ELF31 was downgraded from three to two under veranda lights from 6/4/21. The daily unmetered kWh was updated, but the trader unmetered load details were not. ICP 0014600240EL713 had its unmetered load removed by the distributor on 27/10/20. No BPEM was generated for the unmetered load removal, and CTCT's historic unmetered load of 1.18 kWh remains recorded on the registry and in SAP.	3.7

Examination of the NHH to HHR and HHR to NHH meter changes, discussed in **section 6.7**, found that whilst the NHH meter reading is applied correctly, the registry cannot reflect that an ICP is both HHR and NHH on the same day, therefore causing a discrepancy between the profile recorded on the day of meter change. This has no material impact on reconciliation.

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

Issue	Description	Section
The registry profile does not reflect the profile applied for reconciliation	As discussed above a decreasing number of ICPs have a different profile recorded on the registry to the profile applied for submission. Some corrections were processed during the audit, and the remaining exceptions have been left to maintain visibility of the affected ICPs.	2.1
Settlement unit data	ICP days were not reported correctly where settlement unit information was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. Contact has been working	11.2, 11.4

Issue	Description	Section
	<p>to resolve these issues before revision 14, and the ICP days differences are generally small.</p> <p>Some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data. Revised data will be provided through the revision process.</p>	

Read and volume data accuracy

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

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

The correction is then processed in SAP by either:

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

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

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

Defective meters	<p>I checked 10 examples of suspected stopped or faulty meters. In all cases corrections had been appropriately processed, and the full correction was within the 14-month period.</p> <p>During Smartco's 2019 audit, a failed CT was identified for ICP 0003860754TP8CD and its certification was cancelled. The meter is remotely located and rural, and field services jobs were raised to check and recertify the meter in March 2019 and May 2019. This ICP has now been recertified.</p>
Incorrect multipliers	<p>Multiplier corrections are processed by reversing invoices for the affected period, correcting the master data and then re-invoicing. Nine examples of incorrect multipliers were identified during the audit period, and all were processed correctly.</p>
Bridged meters	<p>Contact is working with the MEPs to reduce the number of bypasses necessary.</p> <p>Bridged meters requiring correction are identified by searching for field services jobs with the word or part word "bridge" in the description, or through the zero consumption validation process. Consumption during the bridged period is estimated based on the daily average consumption while unbridged. For new switch ins this is calculated based on the daily average consumption in the CS file, and for existing customers it is based on the actual daily average consumption before or after the bridged period occurred. If there is insufficient history to estimate, 25 kWh per day will be applied as a default value.</p> <p>Up until March 2019, Contact monitored ICPs believed to be bridged fortnightly, and processed corrections. Following an ORB system upgrade, it is no longer possible to efficiently obtain</p>

	<p>information on ICPs which have been bridged, and each field services job type must be searched through individually. The process is run quarterly, and the ORB release to update the reporting is currently on hold.</p> <p>I reviewed ten examples of bridged meters and all corrections were conducted accurately.</p>
Consumption while inactive	<p>BPEMs are generated for the assurance team when consumption occurs on an inactive site. A robot initially validates the consumption to determine whether it is likely to be genuine, then it is reviewed by a user who will correct the status, add disconnection and reconnection reads and/or invalidate misreads as necessary.</p> <p>Contact also maintains a report of inactive sites with consumption, which is refreshed every month. Contact's reconciliation team uses this report to identify ICPs with consumption during periods with inactive status which have not already been corrected through the BPEM process. Depending on the volume of consumption, a correction is processed by either:</p> <ul style="list-style-type: none"> • correcting the ICP to active the status from the day before consumption was detected with a reconnection read which matches the disconnection read, or • adding the inactive consumption to an existing reconciliation period record which allows the change to be independent of billing to the customer. <p>The review of ICPs with inactive consumption sometimes identifies switched ICPs which were reconnected by the gaining trader prior to the effective switch date. Contact periodically sends lists of affected ICPs to other retailers, requesting that they ensure reconnection does not occur until the effective switch date in future. Early reconnection sometimes occurs where MEPS receive forward dated reconnection requests, but process the reconnection before the requested date.</p> <p>Contact provided a report of inactive ICPs with consumption recorded. The report contained 304 ICPs, and comments indicated that all of the ICPs with inactive consumption had been investigated. The inactive consumption still to be resolved at the time the report was run totalled 3,582 kWh, a significant reduction from earlier years. I excluded those ICPs under investigation where the issue was clearly a meter rollover.</p>
Unmetered load corrections	<p>Corrections occur as required for unmetered load data. The unmetered load data for billing and reconciliation have been uncoupled, so it is possible to process an unmetered load correction without reversing billing.</p> <p>If unmetered wattage for a time slice or on hours are updated in SAP, the revised data will flow through to revision submissions.</p>

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

CTCX and CTCs

Registry and static data accuracy

Simply Energy manage information completeness and accuracy as an agent. The same processes are used for all trader codes managed by Simply Energy. Registry updates are processed directly on the registry using the web interface, and Salesforce is updated at the same time.

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

SalesForce's dashboards produce reports which are used to monitor workflows and identify exceptions which require investigation and correction. I found that the exceptions are not consistently reviewed and actioned promptly, largely due to an increase in workloads, staff, and staff responsibility changes. There has been an increase in ICP numbers and ICP complexity with the incoming ICPs from CTCT, and in addition to this Simply Energy has been switching customers between its own codes resulting in an

increase in workloads. There have also been staffing changes within the operations area, with some temporary and new staff being responsible for operations.

The following checks are completed:

Exception	Findings
Don't know ANZSIC codes	<p>The Salesforce Dashboard reports ICPs which have T9 series ANZSIC codes.</p> <p>Checks for T9 series ANZSIC codes decreased from fortnightly to monthly. ICPs with T9 series ANZSIC codes are checked to confirm the correct code and updated.</p>
ICPs with estimated switch in reads with an AMI meter	<p>The Salesforce Dashboard reports ICPs with estimated switch in reads with an AMI meter.</p> <p>These ICPs were checked fortnightly to determine whether a read renegotiation was required. The checks have not been completed since January 2021, and at least 341 ICPs with an estimated switch in read and an AMI meter have been gained this year. The operations team focuses on determining whether RRs are required for ICPs with a gain read much lower or higher than the switch in read, which are identified through the read validation process.</p>
MADRAS workflow issues	<p>The Salesforce Operations Registry Update screen alerts users when data maintained by another participant changes on the registry, including distributor and MEP populated data. The user then checks and updates Salesforce and DataHub as necessary and ensures that changes flow through to MADRAS. This process identifies any changes to unmetered load, NSP, or distributed generation details.</p> <p>The Salesforce Dashboard produces a series of reports for ICPs which have missing MADRAS workflows, are not set up in MADRAS, or are end dated by a Simply Energy code is still responsible for the ICP.</p> <p>The exceptions are checked before the initial and revision submissions. I found there were currently four ICPs with RRs in progress which were being monitored, and 22 ICPs which required status updates in MADRAS. It is expected that these exceptions will be resolved when the report is checked at the beginning of the next month.</p>
Unmetered load on metered ICPs	<p>The Salesforce Dashboard reports unmetered load on metered ICPs.</p> <p>These ICPs are expected to be reviewed monthly to ensure that all unmetered load is recorded and reconciled. Seven ICPs have been present since 1/2/21. Data streams for unmetered load are expected to be added by the end of April 2021.</p>
ICPs with inactive new connection in progress status	<p>The Salesforce Dashboard reports ICPs with inactive new connection in progress status.</p> <p>This report shows all ICPs at new connection in progress status, and includes initial electrical connection dates and MEP details if populated on the registry. This report is expected to be reviewed daily, and any ICPs with initial electrical connection dates or meter certification details should be checked and updated to active status once the correct connection date is confirmed. The report is also used to track MEP nominations.</p> <p>38 ICPs were on the list as of 27/4/21 and 19 of those had a meter owner or initial electrical connection date. Some ICPs had connection dates as early as 2019, but these mostly related to backdated Electricity Ashburton ICP de-consolidations.</p> <p>The report has not been being reviewed at all. Procedural documentation is available and it is expected that this report will be reviewed in the future.</p>

Exception	Findings
ICPs with inactive status	<p>The Salesforce Dashboard reports ICPs with inactive status.</p> <p>This report shows all ICPs with inactive status, which was reviewed at least twice each month to confirm that the inactive status was correct and genuine. The report has not been reviewed since 21/1/21, and 107 ICPs are to be checked.</p>
ICPs with an initial electrical connection date populated and inactive new connection in progress status	<p>A report is run from the registry approximately every six months and has not been completed for the CTCS or CTCX codes to date. Simply Energy plans to complete this monthly in the future. This report was monitored at least twice each month to identify ICPs which may have become active without having their status updated.</p>
Metering details changes	<p>Metering changes are identified through the daily read validation process. Where a ICP – meter – register match cannot be found for imported meter reading and volume information, and exception is generated for review. The operations team is advised by the Data Management Analyst where metering details need to be checked and updated.</p> <p>The Salesforce NHH meter registry dashboard detects changes to metering details on the registry, and prompts users to check the data and process updates as necessary.</p>
Distributed generation	<p>The Salesforce Dashboard reports ICPs with a “B” or “G” installation type. The ICPs are checked daily to determine whether generation is present, compliant metering is installed, and profiles are correct.</p> <p>Currently NT files default to RPS for NHH ICPs, and the profile needs to be corrected to RPS PV1 or EG1 for ICPs with distributed generation as soon as possible after switching in.</p>

Analysis of the AC020 report and registry list found:

Issue	CTCS 2021 Qty	CTCX 2021 Qty	Comments
ICP at status “new connection in progress” (1,12)	3	0	Compliant
Active date variance with Initial Electrical Connection Date and/or meter certification date	4	0	See section 3.5 , none of the exceptions were genuine.
Active ICPs with metering category 3 or higher with NHH submission flag	0	0	Compliant
Active ICPs with blank ANZSIC codes	0	1	See section 3.6 .
Active ICPs with ANZSIC “T994” or “T994000” don’t know	0	0	Compliant
Active ICPs with ANZSIC “T997” “response unidentifiable	0	0	Compliant

Issue	CTCS 2021 Qty	CTCX 2021 Qty	Comments
Active ICPs with ANZSIC "T998" response outside of scope	0	0	Compliant
Active ICPs with ANZSIC "T99", "T999" or "T999999" not stated	0	0	Compliant
Active ICPs with metering category 3 or above with a residential ANZSIC code	0	0	Compliant
Active ICP with no MEP and unmetered flag set to N	0	0	Compliant
Active ICP with meter category 9 or blank and unmetered flag set to N	0	0	Compliant
ICPs with Distributor unmetered load populated but retail unmetered load is blank or 0	0	0	Compliant
ICPs with unmetered load flag Y but load is recorded as zero, excluding SB ICPs	1	0	See section 3.7 .
ICP with incorrect standard unmetered load	0	0	See section 3.7 .
ICPs with incorrect shared unmetered load	0	0	Compliant
Submission against the RPS profile where the registry has a controlled profile.	0	0	Compliant
Active ICPs with invalid NHH and/or HHR profiles recorded on the registry.	0	0	Compliant
Incorrect generation profiles recorded on the registry.	0	0	Compliant
Arc category 2 meters submitted as HHR	0	1	One ICP had an ARC meter submitted as HHR for one day.
Incorrect status recorded on the registry	2	0	CTCX ICP 0000016378HR527 had an incorrect status date, and was corrected during the audit. See section 3.8 . 0000040548WEC86 was updated to inactive from 26/10/20 but should have been updated from 29/10/20. See section 3.9 .

The following registry and static data accuracy issues were identified during the audit for CTCS, which were not resolved as soon as practicable:

Issue	Description	Section
ANZSIC codes	ICP 0900087526PC4A8 has an incorrect ANZSIC code.	3.6

Read and volume data accuracy

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

No NHH corrections were completed for CTCS or CTCX during the audit period, and I walked through the correction process for each correction type.

Defective meters	Where a meter is found to be stopped or faulty it will be replaced. Estimated consumption during the stopped or faulty period will be calculated based on the consumption of the replacement meter, or historic consumption prior to the stopped or faulty period. The consumption is typically added as permanently estimated meter removal read, and sent to EMS. No examples were identified.
Incorrect multipliers	<p>Multipliers are stored in Salesforce and DataHub based on the metering information held on the registry. I viewed examples of the reading files sent to EMS and historic estimates calculated by MADRAS, and confirmed that the meter multiplier accompanies the reading and is applied when historic estimate is calculated.</p> <p>Where a meter multiplier correction is required, the original meter is archived in MADRAS from the date of the change. A new meter is created with the correct multiplier, and readings during the affected period are transferred to the new meter.</p>
Bridged meters	ICP 0007166559RN975 was bridged between its switch in on 23/10/20 and 17/12/20, and was recertified on unbridging. The ICP was disconnected by the losing trader, and Simply Energy issued a remote reconnection service order to AMS. AMS' contractor attended the site and reconnected the meter using a bypass without Simply Energy's knowledge. Upon identification and investigation of the issue, Simply Energy arranged for the bypass to be reviewed. A correction for consumption during the bridged period is still to be processed.
Consumption while inactive	<p>An end date is entered in DataHub and MADRAS when ICPs are disconnected, and an import error will be created for any reads received after disconnection. Simply Energy request that Wells stop manually reading meters once they become disconnected, but do not routinely ask the MEPs to stop reading ICPs. I note that reads are often unable to be obtained by the MEPs where the meter is disconnected.</p> <p>Read import exceptions for readings after the data stream end are not specifically monitored to identify consumption during disconnected periods. Simply Energy has also stopped its monitoring of ICPs with inactive status, which was checked at least twice each month to confirm that the inactive status was correct and genuine. The report has not been reviewed since 21/1/21, and 107 ICPs are to be checked.</p>
Unmetered load corrections	<p>Simply Energy normally records unmetered load by manually calculating and entering meter readings against an unmetered load register. The readings are calculated as previous reading + (daily unmetered kWh x number of days between reading dates). Where a correction is required, the reads are invalidated and recalculated and then resent to EMS using the read replacement process discussed in section 12.3.</p> <p>This process is not used for CTCS standard, shared or distributed unmetered load. Instead, MADRAS calculates submission based on 55 kWh per day. Further details are recorded below.</p>

Zeroing	Zeroing did not occur for July and October 2020 for 19,317 kWh in total.
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The following read and volume issues were identified during the audit for CTCS, which were not resolved as soon as practicable:

Issue	Description	Section
Correction of consumption for bridged meter.	ICP 0007166559RN975 was bridged between its switch in on 23/10/20 and 17/12/20, and a correction for consumption during the bridged period is still to be processed.	2.1, 12.7
Unmetered load submission	Unmetered load submissions were checked. The Code requires the calculation to be based on the daily unmetered load figure recorded in the registry multiplied by the number of days in the month. The Madras system does not have an unmetered load capability; therefore, Simply Energy was creating dummy meters for each ICP and was calculating and sending EMS meter readings for the dummy meters to ensure submission was correct. Now that the quantity of unmetered load ICPs has increased into the hundreds, this step is not undertaken. All unmetered load ICPs, except those with the DST profile, have default submission created by Madras based on 55 units per day. This has led to over submission of standard unmetered load of 1,300,000 kWh since October 2020, over submission of shared unmetered load of 119,000 kWh since October 2020 and under submission of distributed unmetered load, where the profile is not DST, of 822,000 kWh since October 2020.	2.1, 12.7
Zeroing	Zeroing did not occur for July and October 2020 for 19,317 kWh in total.	2.1, 12.7

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

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 2.1</p> <p>With: Clause 10.6, 11.2, 15.2</p> <p>From: 01-Jul-20</p> <p>To: 30-Apr-21</p>	<p>CTCT, CTCS and CTCX</p> <p>Some inaccurate data is recorded and was not updated as soon as practicable.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 9</p>

Audit risk rating	Rationale for audit risk rating		
High	<p>The controls are rated as weak. Controls are moderate for the CTCT operation. Validation processes are in place for CTCS and CTCX, but their manual nature and increased workloads resulted in some errors not being detected and resolved as soon as practicable.</p> <p>The audit risk rating is high, because of the major impact on submission accuracy, mainly due to the CTCS unmetered load errors.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>Active date variance with Initial Electrical Connection Date:</p> <p>Contact has made further reporting changes that include implementing the AC020Trader21 report alongside existing internal weekly reports that monitor the date variances between the Status event date, IED, and certification dates, to assist with pick up the variances much earlier in the process.</p> <p>We continuously work with Distributors, MEPs, and our field service providers to resolve date variances between status event dates, IED, and certification date.</p> <p>Active ICPs with a “T9” series ANZSIC code:</p> <p>Contact has robust reporting in place to identify any ICPs with a “T9” series ANZSIC code applied in the registry and corrections are made via a manual process on a regular basis.</p> <p>We will be actively working with our front-line staff to ensure the customers end use is validated on signup, and the appropriate ANZSIC code is applied.</p> <p>We will also be looking into what system fixes can be implemented to remove the capability for selecting a ‘T9’ series ANZSIC code on customer sign-up.</p> <p>UNM non-compliances:</p> <p>Contact has made steady improvements with monitoring UNM data since the last audit. We continue to actively work with our customers and distributors to determine current UNM load details to resolve these non-compliances.</p> <p>A review of the current reporting will be completed to identify where improvements can be made to the existing UNM reporting to increase accuracy and ensure updates/corrections are made as soon as practicable.</p> <p>Submission against the RPS profile where the registry has a controlled profile:</p>		<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS & CTCX</u></p> <p>06/08/2021</p>	<p>Identified</p>

<p>We will continue to work with the MEPs as the cost to traders, such as Contact, of having to submit controlled load as RPS is significant and we believe also has the ability to distort the accurate application of UFE to all traders.</p> <p>Incorrect generation profiles recorded on the Registry:</p> <p>Contact has robust reporting in place to pickup any discrepancies. We are actively working with customers, distributors, and MEPs, to ensure the ICPs identified via the 2021 RP Audit and via our Monthly reporting as having incorrect generation related data applied within SAP or the Registry is being investigated/corrected.</p> <p>Incorrect Status data:</p> <p>Contact is actively working through all status discrepancies identified via the 2021 RP Audit to ensure the required corrections have been made. Our teams will also be completing a review to identify where the data was inaccurate, that the effected ICPs were picked up in our monthly reporting. Where the scenarios were not picked up, we will identify the reasons why an make the necessary fixes to our monthly mismatch reporting.</p> <p>We will continue to provide refresher training courses to internal staff members to decrease the opportunity of incorrect status data being applied in the Registry due to a human error and will continue to work collaboratively with our field service providers to ensure the information returned to Contact Energy via service order are returned with accurate information and on a timely manner.</p> <p><u>CTCS & CTCX</u></p> <p>Simply Energy have hired two additional staff with previous electricity industry knowledge to add urgent focus to the Operations key processes.</p>		
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>Contact acknowledges the non-compliances identified by the auditors, and the underlying factors causing the late or incorrect notifications to the Registry. We are reviewing our existing registry reconciliation processes and reporting to extend the capabilities to assist in minimising non-compliances arising, and ensuring updates and corrections to data are being completed within the required timeframes.</p> <p><u>CTCS & CTCX</u></p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing.</p> <p><u>CTCS & CTCX</u></p> <p>31/08/2021</p>	

Along with Simply Energy hiring additional industry experienced personnel, a project focussed on the Operations team which will include a refresher and regular training has been created to assist in improving the overall compliance.		
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2.2. Provision of information (Clause 15.35)

Code reference

Clause 15.35

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

2.3. Data transmission (Clause 20 Schedule 15.2)

Code reference

Clause 20 Schedule 15.2

Code related audit information

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

Audit observation

CTCT

NHH read data is transferred via SFTP. I traced a sample of readings and AMI data received from Contact's agents and MEPs for 14 ICPs from the source files to SAP (via the COLA database for AMI data). The sample included all NHH reading providers.

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

BDE0111SOLEG has Transpower metering and is read by EMS, and the data is received via SFTP. The reconciliation team receives HHR data from EMS which is used to settle 0000037884WE3A6, which is the only ICP connected.

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

CTCX and CTCS

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

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

Up to 31 May 2020 HHR volumes were collected by EMS. EMS created HHR submissions for CTCX, and provided validated data including permanent estimates for CTCS so that Simply Energy could create HHR submissions. From 1 June 2020 AMS and EDM I have provided HHR data directly to Simply Energy.

Audit commentary

CTCT

NHH

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

I checked a sample of readings received from AMS, Arc, FCLM, Smartco, Metrix, and Intellihub and confirmed the source data matched the data recorded in SAP. Where a read is not obtained on the meter read order date, SAP retrieves the nearest actual reading within the last three days for AMS, Smartco, Metrix and FCLM and the nearest actual reading within the last two days for all other providers and records it as actual against the meter read order date. An exception is generated where the read dates do not match, but they are bulk closed without investigation. Development has started to resolve this issue by interrogating the SAP midnight read table directly for scheduled meter reads – this will ensure the reads are assigned to the correct date. This is recorded as non-compliance in **sections 6.7, 9.1 and 12.7**.

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

HHR

For all meters with category 3 and above, or category 1 and 2 HHR meters which are commercial or industrial, EDM I provides HHR data via Contact's portal and AMS provides data using TIBCO Virtual FTP. The sample of data checked was transferred completely and accurately.

Generation

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

CTCX and CTCS

NHH

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

HHR

EMS was responsible for HHR data collection up to 31 May 2020 and compliance is recorded in their agent audit report.

For CTCS, EMS provided validated HHR data and permanent estimates in EIEP3 format, which Simply Energy imported into Datahub and the datawarehouse. I traced volumes for two ICPs from the EIEP3 files provided by EMS through to the submission files, and confirmed that the data was recorded accurately.

From 1 June 2020 AMS and EDM I have provided HHR data. I traced a sample of data from the raw meter data files provided by AMS and EDM through to the submission files, and confirmed that the data was recorded accurately.

Audit outcome

Compliant

2.4. Audit trails (Clause 21 Schedule 15.2)

Code reference

Clause 21 Schedule 15.2

Code related audit information

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

The audit trail must include details of information:

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

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

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

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

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

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

Audit observation

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

Audit commentary

CTCT

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

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

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

CTCS and CTCX

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

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

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

Agent systems

Compliance is recorded in the agent audit reports.

Audit outcome

Compliant

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

Code reference

Clause 10.4

Code related audit information

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

The trader must use its best endeavours to provide access:

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

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

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

Audit observation

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

Audit commentary

The terms and conditions include consent to access for authorised parties for the duration of the contract.

Contact supports requests for access to metering by providing customer contact details on request. Contact and Simply Energy confirmed that they have been able to arrange access for other parties when requested. This was observed with the meter reading process and with the field services process.

Audit outcome

Compliant

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

Code reference

Clause 10.35(1)&(2)

Code related audit information

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

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

- a) *if practical in the circumstances, ensure that the metering installation is located at a point of connection; or*

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.15B

Code related audit information

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

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

Audit observation

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

Audit commentary

CTCT

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

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

Once the service order is raised, responsibility for the new connection is passed from the IDM team to the operations team. Once the work completion paperwork for the connection and meter installation is received, workflows update SAP and the registry to “active” status, and a trader update including MEP nomination is made.

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

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

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

No HHR connections have been initiated since January 2021. Applications for HHR new connections are provided by the sales team, and a work order for meter installation is raised once signed approval is received from the network. The ICP is moved to “active” status once work completion paperwork is received. If there are discrepancies between the active date provided on the work completion paperwork, meter certification date and initial electrical connection date, CTCT relies on the meter data download to confirm the correct connection date. All future HHR new connection applications are expected to be initiated by the CTCS or CTCX code.

I checked 25 NHH ICPs and nine HHR new connections. In all cases, Contact had accepted responsibility.

The audit compliance report found 58 “active” ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. All were checked:

Count	Comment
43	Meter details or the status was updated on the registry after the list report was run.
14	MEP nomination made and accepted, awaiting meter details.
1	ICP 1000002829BP476 was disconnected and had its meter removed in February 2019. CTCT investigated and discovered that a new meter has been installed and reconnected, possibly by the customer. Investigation is underway, and the ICP has been restored to “active” status in the meantime.

CTCX and CTCS

Simply Energy manages new connections as an agent. Contact provides Simply Energy with the customer and ICP information required to complete the new connection. The ICP is then added to a workflow and this raises a job for the new connection to be completed. The workflow is monitored to ensure that the job is completed, and Salesforce, Datahub, the registry, and MADRAS (if NHH settled) are updated.

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

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

No new connections were completed for CTCX, and I checked all six new connections for CTCS including two HHR new connections and four NHH new connections. In all cases, Contact had accepted responsibility.

The audit compliance report found:

- no active ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no for CTCS or CTCX, and
- no ICPs where the MEP had been nominated but no response had been received within 14 days of the nomination for CTCS or CTCX.

Audit outcome

Compliant

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

Code reference

Clause 10.33(1)

Code related audit information

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

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

Audit observation

The new connection process was examined in detail.

Audit commentary

CTCT

CTCT confirmed that they have not been advised of any temporary electrical connections during the audit period.

When investigating differences between meter certification dates and initial electrical connection dates as part of their active date validation process, CTCT has sometimes found a mismatch where the network and MEP both insist that their date is correct. Having additional information including how the meter was tested will help CTCT to confirm the correct date. The operations team is working with the field services team to add fields to ORB to make it clearer when electrical connection occurred if the meter certification and network connection do not occur on the same day.

CTCT does not claim ICPs at 1,12 “inactive - new connection in progress” status. If temporary electrical connection occurs they are unlikely to be recorded as the trader on the registry.

CTCX and CTCS

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

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

Audit outcome

Compliant

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

Code reference

Clause 10.33A(1)

Code related audit information

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

- *for a point of connection to the grid – the grid owner has approved the connection*
- *for an NSP that is not a point of connection to the grid - the relevant distributor has approved the connection.*
- *for a point of connection that is an ICP, but is not as NSP:*
 - o *the trader is recorded in the registry as the trader responsible for the ICP or has an arrangement with the customer and initiates a switch within 2 business days of electrical connection*
 - o *if the ICP has metered load, 1 or more certified metering installations are in place*
 - o *if the ICP has not previously been electrically connected, the relevant distributor has given written approval of the electrical connection.*

Audit observation

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

Audit commentary

CTCT

Active ICPs without metering

The audit compliance report found 58 active ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. 57 were timing differences or had an MEP nomination made and accepted, and one is under investigation.

Count	Comment
43	Meter details or the status was updated on the registry after the list report was run.
14	MEP nomination made and accepted, awaiting meter details.
1	ICP 1000002829BP476 was disconnected and had its meter removed in February 2019. CTCT investigated and discovered that a new meter has been installed and reconnected, possibly by the customer. Investigation is underway, and the ICP has been restored to active status in the meantime.
58	

New connections

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

Contact had accepted responsibility for all newly electrically connected ICPs. The audit compliance report found 161 NHH ICPs that were not certified within five business days of electrical connection. Where certification details were available, these were confirmed to be NHH ICPs. 83 of these ICPs were for unmetered load, and the remaining 78 ICPs were expected to be metered and certified. 34 ICPs had no certification details recorded, and 44 ICPs had certification details recorded more than five business days after connection.

I checked the 34 ICPs with no meter certification details. 11 were timing differences, and metering details were added after the report was run. I checked the ten ICPs with the oldest status event dates and found nine were unmetered BTS ICPs and the meter was certified upon installation, and the other was certified late.

I checked the ten latest certifications for the 44 ICPs which had certification dates more than five business days after the initial electrical connection date:

- four had an accepted MEP nomination and are awaiting MEP asset data,
- three had genuinely late certifications,
- two were certified on time, but the registry was updated late by the MEP, and
- one had a backdated update to decommissioned status and was never connected.

Reconnections

Weekly to fortnightly, a report is run from SAS of reconnections with expired meter certification. ICPs which switch out between reconnection and the report being run are excluded from the report.

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

The audit compliance report identified 181 reconnected ICPs where the meter has no current certification, two of which were unmetered. This is a decrease from the 209 ICPs identified in the last audit. A diverse sample of 20 ICPs were checked and found:

- for 15 ICPs the MEP advised there was no planned AMI rollout in the area, and they would not recertify the meter at their own cost; re-certification did not occur,
- for three ICPs re-certification jobs were raised by CTCT, but cancelled by the customer, due to a switch, or due to a technical issue, and
- two ICPs switched out between being reconnected and the report being run, and no action was taken.

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

Bridged meters

Contact confirmed 95 ICPs were bridged to reconnect between January and September 2020 and 80 were later unbridged. Meters are required to be certified on unbridging, and CTCT issues field services jobs to “unbridge and certify” to MEPs.

I reviewed the certification details for the 80 ICPs with bridged meters which were unbridged during the audit period. 67 ICPs were recertified on unbridging, two ICPs were confirmed not to be bridged, and eight ICPs switched out or were withdrawn before or close to the reconnection date. The 11 ICPs which were not recertified upon being unbridged are recorded as non-compliance below.

CTCS and CTCX

Active ICPs without metering

The audit compliance report found no active ICPs where the metering category was 9 or blank and the unmetered flag was set to no for CTCX or CTCX.

New Connections

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

CTCX	Review of the AC020 and EDA reports found no new connections were completed for CTCX.
CTCS	The AC020 report found one CTCX HHR ICP 0000163173CKED6 was not certified within five business days of connection.

Reconnections

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

CTCX	Review of the AC020 and EDA reports found no reconnections were completed for CTCX.
CTCS	Review of the AC020 and EDA reports found all CTCX reconnections had certified metering.

Bridged meters

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

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

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 2.11</p> <p>With: Clause 10.33A</p> <p>From: 06-May-20</p> <p>To: 18-Jan-21</p>	<p>CTCT</p> <p>34 new ICPs had no certification details recorded, and 44 new ICPs had certification details recorded more than five business days after connection.</p> <p>181 ICPs reconnected without having metering certified within 5 business days.</p> <p>11 ICPs' meters were not recertified on unbridging.</p> <p>CTCS</p> <p>ICP 0000163173CKED6 was not certified within five business days of connection.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate. Uncertified meters are now identified but there is room for improvement to complete these in a timely manner.</p> <p>The audit risk rating is low as this has no direct impact on reconciliation.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>We acknowledge that reconnections and connecting of ICPs have occurred without the certifying or recertifying of metering, or the certification has occurred after the required timeframes, particularly with legacy metering assets not owned by CTCT.</p> <p>A report is being run weekly to try identify these occurrences before they become non-compliant and to ensure that any parties involved have enough time to recertify the installation. We are reviewing internally and with our field service providers the run frequency of this reporting to identify if increasing the frequency of the report being run (to twice a week or daily) would be beneficial or assist in minimising the possibility for this non-compliance to arise.</p> <p><u>CTCS</u></p> <p>The installation was requested by the Contact Energy Team prior to a migration tranche switch over to CTCS and this work order was overlooked during this process.</p> <p>Full certification is now in place on the non-compliant ICP.</p>		<p>Date:</p> <p><u>CTCS</u></p> <p>13/05/2021</p>	Investigating

Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>Contact are collaboratively working with field service providers to identify the best means of minimising the possibility of metering being left un-certified, or certified after 5 business days.</p> <p>Where there is a no access issues to unbridge and recertify meters, we have asked the MEPs to ensure that we are notified as soon as possible of any problems so that we can discuss further with our customer.</p> <p>We have also requested our primary field service Contractor to contact us immediately if they receive an unbridge metering service order that does not have metering details included. Our Field Service team will investigate the problem for actioning a new service order to the correct MEP.</p> <p><u>CTCS</u></p> <p>No changes to Simply Energy's processes have been made. Simply Energy's current processes requires full compliance when installing Meters.</p> <p>The non-compliance of the ICP identified was an unforeseen outcome as a result of a project failure during the switching of sites from CTCT to CTCS.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p>	

2.12. Arrangements for line function services (Clause 11.16)

Code reference

Clause 11.16

Code related audit information

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

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

Audit observation

The process to ensure an arrangement is in place before trading commences on a Network was examined and controls within each system were checked.

Audit commentary

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

CTCT

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

CTCX and CTCS

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

Audit outcome

Compliant

2.13. Arrangements for metering equipment provision (Clause 10.36)

Code reference

Clause 10.36

Code related audit information

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

Audit observation

The process to ensure an arrangement is in place with the metering equipment provider before an ICP can be created or switched in was checked, and the controls within each system were reviewed.

Audit commentary

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

CTCT

The new connection process contains a step that requires nomination of a valid MEP.

Rejected MEP nominations are identified and actioned using SAP's Business Process Exception Management (BPEM) process. The rejected nominations were reissued where required, as discussed in **section 3.4**.

CTCX and CTCS

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

Audit outcome

Compliant

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

Code reference

Clause 10.33B

Code related audit information

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

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

Audit observation

The process for reconnecting ICPs in the process of switching in was examined.

The event detail report was reviewed to identify reconnections for switch ins where the switch was withdrawn, and the ICP was no longer supplied by the trader. If the ICP is not currently supplied by Contact, it is less likely that the switch was successfully completed at a later date. The ICPs were checked to determine compliance.

Audit commentary

CTCT

All HHR ICPs are required to switch in with an “active” status, and NHH ICPs may switch in with an “active” or “inactive” status.

CTCT has developed a SAS report to identify ICPs which have been reconnected as part of the switching process where the switch is withdrawn. Processes for this report are being developed, and it is intended that the ICPs will be reviewed and re-requested as necessary. If a withdrawal is completed for an ICP reconnected as part of the switch in process, Contact’s policy is to restore the status to disconnected and bear any associated costs if requested by the other trader.

Review of the event detail report identified 59 ICPs reconnected as part of the switching process, the switch was withdrawn and the ICP was no longer supplied by Contact. All of the affected switches were re-processed following withdrawal and the reconnection was valid.

CTCS and CTCX

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

CTCX	Review of the AC020 and EDA reports found no reconnections were completed for CTCX.
CTCS	Switches for 12 ICPs reconnected as part of the switching process by CTCS were later withdrawn. In all cases the switches were successfully completed at a later date, and CTCS had not invalidly reconnected the ICP.

Audit outcome

Compliant

2.15. Electrical disconnection of ICPs (Clause 10.33B)

Code reference

Clause 10.33B

Code related audit information

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

Audit observation

The disconnection process was examined.

Traders are only able to update ICP status for event dates where they are responsible for the ICP on the registry. The event detail reports were reviewed to identify all ICPs which were disconnected during the

audit period where an NT was received from another trader during the audit period. I checked a sample of these ICPs where the disconnection event date was after the NT receipt date and/or NT event date to determine compliance.

Audit commentary

CTCT

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

I checked a sample of 15 ICPs where the disconnection date was after the NT receipt date and/or NT event date and found that the switches were withdrawn, and disconnection occurred within Contact's period of supply.

CTCS and CTCX

Simply Energy checks that CTCS or CTCX is listed as the current trader in the registry before initiating a disconnection.

CTCX	CTCX did not complete any "inactive" status updates during the period reviewed.
CTCS	CTCS completed three updates to "inactive - ready for decommissioning" status, and disconnection occurred within CTCS' period of supply.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

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

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

Audit observation

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

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

Audit commentary

CTCT

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

CTCT liaises directly with Delta for legacy meters, and the MEP for AMI and HHR meters. Any field services jobs which could result in seals being removed or broken are raised in ORB, and rules apply to ensure that jobs are sent to the correct service provider. The only exception to this is where the MEP raises a field serviced job themselves and advises CTCT when work is completed.

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

CTCT receives work completion paperwork from Delta and the MEPs, and uses this information to confirm the correct ICP attributes including status and profile, and update SAP and the registry. Service orders are monitored in ORB, and reports of overdue jobs are generated and provided to Delta or the MEP for action.

For HHR and AMI meters, field services jobs are raised directly to the MEP, which serves as notification. For bridged NHH meters, a field services job to unbridge the meter is raised to the MEP.

I requested information on seals for a sample of 20 reconnections and 24 disconnections. The information was not provided on the returned paperwork and CTCT was unable to confirm the seal details.

CTCS and CTCX

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

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

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

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

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

Audit outcome

Compliant

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

Code reference

Clause 10.33C and 2A of Schedule 15.2

Code related audit information

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

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

If the trader bridges a meter, the trader must:

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

The trader must determine meter readings as follows:

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

Audit observation

The process for bridging meters was discussed and a sample of bridged meters were reviewed.

Audit commentary

CTCT

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

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

I reviewed a sample of 12 bridged meters. For 11, a job was raised for the MEP to unbridge the meter, and for one a job was raised with Delta due to a meter communications issue. In most cases the FWR process was used, but for ICP 0007067208RN7F6 the reconnection contractor did not use the FWR function. The bridged meter was detected as part of stopped meter validation three months later.

Corrections were conducted accurately for all examples checked.

CTCS and CTCX

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

CTCS ICP 0007166559RN975 was bridged between its switch in on 23 October 2020 and 17 December 2020 and was recertified on unbridging. The ICP was disconnected by the losing trader, and Simply Energy issued a remote reconnection service order to AMS. AMS' contractor attended the site and reconnected the meter using a bypass without Simply Energy's knowledge. Upon identification and investigation of the issue, Simply Energy arranged for the bypass to be reviewed. A correction for consumption during the bridged period is still to be processed. This is recorded as non-compliance in **section 2.1**.

Audit outcome

Compliant

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

Code reference

Clause 11.30

Code related audit information

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

Audit observation

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

Audit commentary

CTCT

Review of an invoice and price change, correction, confirmation, and quotation letter templates confirmed that the ICP number is included. Only the account number is included on correspondence relating to payments, as one account can have one or many ICPs attached.

CTCS and CTCX

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

The invoices for all three brands contain the ICP number, and ICP numbers are included in communications relating to the sale of electricity.

Audit outcome

Compliant

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

Code reference

Clause 11.30A

Code related audit information

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

- *on their website*
- *when responding to queries from consumers*

- *in directed outbound communications to consumers about electricity services and bills.*

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

Audit observation

The process to ensure that information on Utilities Disputes is provided to customers was discussed. A sample of invoices, letter templates, emails, messenger correspondence, and recorded greetings for inbound calls were reviewed to determine whether clear and prominent information on Utilities Disputes is provided.

Audit commentary

CTCT

Clear and prominent information on Utilities Disputes is provided:

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

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

CTCS and CTCX

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

All three brands have clear and prominent information on Utilities Disputes displayed on their websites, on their invoices, and in their terms and conditions. Simply Energy’s terms and conditions refer to the Electricity and Gas Complaints Commissioner rather than Utilities Disputes.

There is not currently a system wide approach to providing information on Utilities Disputes for outbound communications and responses to customer queries. This is intended to be developed by the end of May 2021.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.19 With: Clause 11.30A From: 01-Apr-21 To: 19-May-21	CTCS and CTCX There is not currently a system wide approach to providing information on Utilities Disputes for outbound communications and responses to customer queries. This is intended to be developed by the end of May 2021. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as weak as there is not a consistent approach. The audit risk rating is low, because Utilities Disputes information is provided on the websites and invoices, and in the terms and conditions.		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCS & CTCX</u> Please refer to the preventative actions.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<u>CTCS & CTCX</u> Information regarding Utilities Disputes will be added to all Invoices and the automated signature for any communication sent via Simply Energy’s Salesforce system (primary means of communication with all CTCS clients).		Date: <u>CTCS & CTCX</u> 31.05.2021	

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

Code reference

Clause 11.30B

Code related audit information

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

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

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

Audit observation

The process to ensure that information on Consumer Powerswitch is provided to customers was discussed. A sample of invoices, letter templates and emails were reviewed to determine whether clear and prominent information on Powerswitch is provided.

Audit commentary

CTCT

Clear and prominent information on Powerswitch is provided:

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

Contact plans to include clear and prominent information about Powerswitch as part of its annual communication to residential customers regarding low user pricing options each September.

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

CTCS and CTCX

Information on Powerswitch is required to be provided to any customers with a residential ANZSIC code. CTCS supplies 786 ICPs with residential ANZSIC codes and CTCX supplies three ICPs with residential ANZSIC codes. CTCS customers are supplied under the Contact Energy brand, and CTCX customers are supplied under the Simply Energy or Plains Power brands.

All three brands have clear and prominent information on Powerswitch displayed on their websites. Plains Power provide information on Powerswitch on outbound communications and as part of their annual newsletter. Most customers with residential ANZSIC codes are supplied by the Plains Power brand.

There is not currently a system wide approach to providing information on Powerswitch for outbound communications, in responses to customer queries, or annually to residential customers. This is intended to be developed by the end of May 2021.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.20 With: Clause 11.30B From: 01-Apr-21 To: 19-May-21	CTCS and CTCX There is not currently a system wide approach to providing information on Powerswitch for outbound communications and responses to customer queries. This is intended to be developed by the end of May 2021. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as weak as there is not a consistent approach.</p> <p>The audit risk rating is low, because Powerswitch information is provided on the websites and by Plains Power. Most customers with residential ANZSIC codes are supplied by the Plains Power brand.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCS & CTCX</u> Please refer to the preventative actions.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<u>CTCS & CTCX</u> Information regarding Powerswitch will be added to all Invoices and the automated signature for any communication sent via Simply Energy's Salesforce system (primary means of communication with all CTCS clients)		Date: 31/05/2021	

3. MAINTAINING REGISTRY INFORMATION

3.1. Obtaining ICP identifiers (Clause 11.3)

Code reference

Clause 11.3

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.7(2)

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 11.1

Code related audit information

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

Audit observation

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

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

Audit commentary

CTCT

Updates to active status

Status changes to “active” are completed automatically upon the closure of the field service request, providing all the relevant information is provided. This automation has reduced the time to update the registry.

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

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
Active	2015	1,991	81%	8.7
	2016	2,760	85%	7.6
	2017	3,578	91%	12.7
	2018	2,707	86%	10.2
	2019	3,762	90%	5.4
	2020	1,186	91.33%	4.17
	2021	928	91.01%	3.58

127 of the late updates were made more than 30 business days after the event date, and the latest update was made 1,613 business days after the event date. I checked an extreme case sample of all ten late updates over 500 business days after the event date, and ten updates between 20 and 100 business days after the event date:

- 17 ICPs had backdated corrections to active status as a result of the detection of consumption on a disconnected ICP,
- two ICPs were reconnected on meter replacement, and only the meter replacement was initially processed; the error was identified on the mismatch report, and the reconnection was processed late, and
- a site visit confirmed that the other ICP was switched off at the mains but not disconnected, and the status was corrected.

The late updates were made from the correct event date.

Updates to inactive status

All status changes apart from moving an ICP to “inactive - ready for decommissioning” are completed automatically upon the closure of the field service request, providing all the relevant information is provided. This automation has reduced the time to update the registry.

The “inactive - ready for decommissioning” updates are automated except for those that are notified by the network. Contact will only update these ICPs once they have been confirmed to be ready for decommissioning.

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

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
Inactive	2015	794	93%	3.9
	2016	462	96%	9.6
	2017	324	98%	1.2
	2018	461	94%	4.0

Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
	2019	486	98%	2.0
	2020	860	94.44%	5.43
	2021	649	94.51%	3.29

98 of the late updates were made more than 30 business days after the event date, and the latest update was made 2,986 business days after the event date. 49 of the late updates over 30 days were to “inactive - ready for decommissioning” status. I checked an extreme case sample of the ten latest updates, and ten updates between 20 and 100 business days late, and found:

- delays in receiving advice from the network that an ICP should be moved to “inactive - ready for decommissioning” status,
- late receipt of paperwork, or inconsistent paperwork which needed to be followed up before the correct attributes could be confirmed,
- a workflow error delayed entry of an “inactive” status record for an ICP which switched in with “inactive” status; when an ICP switches in with an inactive status, SAP automatically moves the status to “active” effective from the switch in date. if a reconnection document is received with a work completion date after the switch in date, a disconnection document is created to move the ICP to “inactive” status for the days between switch in and the reconnection and the disconnection process document is triggered because the ICP is already “active” when the reconnection paperwork is received, but in this case, the disconnection record did not release, and did not appear in the workflow list and it was identified as a service order in progress but not completed, and was updated, and
- service order and work completion codes are matched and used as inputs to the change pointer process, which updates SAP and then flows to the registry; if there is inconsistency or mismatch, the change pointer process will not work and the ICP appears on the disconnection mismatch report for manual review and update, resulting in some late updates.

The late updates were processed correctly except for:

- 0009544560CN3E5 which was disconnected effective from 25 June 2013, but 7 December 2012 was applied, and
- 0007103286RN193 which was disconnected at the pillar but had inactive status reason code 10 (electrically disconnected at meter box fuse) applied.

The inaccurate data is recorded as non-compliance in **sections 3.9** and **2.1**.

Trader updates

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

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

224 of the late updates were made more than 30 business days after the event date, and the latest update was made 1,802 business days after the event date. I checked an extreme case sample of the ten latest updates, and a diverse sample of a further 25 updates over 50 business days after the event date:

- six ICPs had backdated updates to unmetered load information,
- 12 ICPs had backdated profile and/or submission type corrections, which were delayed by withdrawals, periodic checks of profiles identifying a correction was required, and late receipt of meter exchange paperwork,
- 12 ICPs had backdated MEP nominations, which occurred because the MEP nomination is usually nominated on receipt of work completion paperwork, or the wrong MEP was nominated initially; rejected MEP nominations are discussed in **section 3.4**, and
- five ICPs had backdated ANZSIC code changes or corrections.

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

- 0005602083EN958 which had an ANZSIC code update effective 28 August 2020 which should have coincided with the customer's move in date of 26 August 2020, and
- 0000405423HB7E2 which had a backdated MEP nomination processed effective 4 May 2018, based on a site visit; it was later confirmed that the meter was removed and the ICP was decommissioned on 12 April 2021 after being inactive since 2004.

The inaccurate data is recorded as non-compliance in **section 2.1**.

MEP nominations are processed when job completion paperwork is received for all MEPs apart from FCLM who require an MEP nomination to be made at the time the service order is issued. FCLM MEP nominations are rare, and processed manually using the registry interface. For all other MEPs, the MEP details are transferred to SAP once completion paperwork is received and SAP workflows will automatically process an MEP nomination. If the information is incomplete or inconsistent with expected values for the fields (e.g. a relay owner is recorded in the MEP field) a BPEM is created, and a user will update the required information so that the MEP nomination can be created.

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

CTCX and CTCs

Updates to active status

ICP status is updated to "active" using the registry user interface once the correct status and status date are confirmed. The timeliness of status updates to "active" (for reconnections) is set out on the table below. No "active" status updates were completed for CTCX.

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

All late CTCS updates were made between six and 28 business days after the event date. I checked an extreme case sample of the ten latest updates and found:

- nine were delayed by backdated switches because CTCS could not update the status until the switch was complete; eight of those ICPs had a withdrawal before the switch was completed, and
- one ICP had its Salesforce case closed before the status was updated.

The ICPs were updated to the correct status and date apart from ICP 0000016378HR527, which had its status event date corrected from 3 November 2020 to 2 November 2020 during the audit.

Updates to inactive status

ICP status is updated to “inactive” using the registry user interface once the correct status and status date are confirmed. The timeliness of status updates to “inactive” is set out on the table below. No inactive status updates were completed for CTCX.

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

Both late updates were checked for CTCS and found not to be genuinely late:

- the update to 1,12 “inactive new connection in progress” status for ICP 0000034208EA97E was not genuinely late because it was processed before the initial electrical connection date, and
- ICP 0000040548WEC86 was updated eight business days after the event date because an incorrect event date was applied; the ICP should have been moved to “inactive” status effective 29 October 2020, but 26 October 2020 was applied in error; this is recorded as non-compliance in **section 3.9**.

Trader updates

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

Code	Status	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
CTCS	Trader	2021	29	43.14%	8.76
CTCX	Trader	2021	1	50.00%	8.50

A sample of late updates were checked:

CTCX	The late update for CTCX was made 17 business days after the event date, and corrected the profile and submission type to from HHR to NHH because HHR data was not being consistently received.
CTCS	Two of the late updates for CTCS were made more than 30 business days after the event date, and the latest update was made 53 business days after the event date. I checked an extreme case sample of the 15 latest updates and found they were delayed by: <ul style="list-style-type: none"> meter changes missed in the transition from CTCT to CTCS, an MEP nomination which was missed when processing a meter change, or profile corrections where control devices were uncertified, HHR data was not consistently received, or HHR data was not received until the end of the month after switch in.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 3.3</p> <p>With: Clause 10 Schedule 11.1</p> <p>From: 01-Jul-20</p> <p>To: 20-Jan-21</p>	<p>CTCT</p> <p>928 late updates to active status.</p> <p>649 late updates to inactive status.</p> <p>1,912 late trader updates.</p> <p>CTCX</p> <p>One late trader update.</p> <p>CTCS</p> <p>11 late updates to active status.</p> <p>29 late trader updates.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating
Low	<p>The controls are rated as moderate overall:</p> <ul style="list-style-type: none"> CTCT has an automated process which has improved the timeliness of updates, and the status and trader update process is manual for CTCS and CTCX but only a small number of updates were late. <p>Overall, the level of compliance is high with the majority of updates being completed within five business days of the event. The audit risk rating is low.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<p><u>CTCT</u></p> <p>Contact will continue to investigate paperwork-related delays and errors from the field. These instances are regularly addressed via the contractor performance provisions within the respective agreements.</p> <p>Ongoing training will be provided to staff as required.</p> <p><u>CTCS & CTCX</u></p> <p>Simply Energy have hired two additional staff with previous electricity industry knowledge to add urgent focus to the Operations key processes.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS & CTCX</u></p> <p>06/08/2021</p>	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>Contact acknowledges the non-compliances identified and the underlying factors causing the incorrect and late notifications to the registry. Ongoing training will be provided to staff as required. We will continue to investigate paperwork related delays and errors from the field. These instances are regularly addressed via the contractor performance provisions within the respective agreements.</p> <p><u>CTCS & CTCX</u></p> <p>Along with Simply Energy hiring additional industry experienced personnel, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS & CTCX</u></p> <p>31/08/2021</p>	

3.4. Trader responsibility for an ICP (Clause 11.18)

Code reference

Clause 11.18

Code related audit information

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

A trader ceases to be responsible for an ICP if:

- *another trader is recorded in the registry as accepting responsibility for the ICP (clause 11.18(2)(a)); or*
- *the ICP is decommissioned in accordance with clause 20 of Schedule 11.1 (clause 11.18(2)(b)).*

- *if an ICP is to be decommissioned, the trader who is responsible for the ICP must (clause 11.18(3)):*
 - *arrange for a final interrogation to take place prior to or upon meter removal (clause 11.18(3)(a)); and*
 - *advise the MEP responsible for the metering installation of the decommissioning (clause 11.18(3)(b)).*

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

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

Audit observation

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

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

Audit commentary

CTCT

Retailers Responsibility to Nominate and Record MEP in the Registry

The audit compliance report found 58 active ICPs where the metering category was 9 or blank, indicating that no meters were present, and the unmetered flag was set to no. 57 were timing differences or had an MEP nomination made and accepted, and one is under investigation.

Some metering detail updates were delayed by late acceptance of MEP nominations by the MEP, or MEP events preventing the trader MEP nomination being able to be processed on the same day.

Some status updates to “ready for decommissioning” were delayed by errors when processing meter removals. If the meter is not removed correctly and completely in SAP, and the disconnection document remains open, and the status update will not be processed. Late status updates and MEP nominations are recorded as non-compliance in **section 3.5**.

MEP details are entered into ORB as part of the service order process. I viewed the ORB mapping and confirmed that valid MEPs are assigned by network. When reviewing MEP nominations, I found that some had an incorrect MEP assigned, but this was not due to errors in the current MEP mapping in ORB. Some were timing issues (where LMGL assets were sold to SMCO), and some were contractor data entry issues (where TPCS was selected instead of TPCO, or the meter and external relay are owned by different parties). Incorrectly nominated MEPs are identified when the MEP rejects the nomination, or the correct MEP attempts to load their metering information on the registry.

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

Rejected MEP nominations are also managed through the BPEM process, and missed nominations are either identified through the BPEM process (where SAP information is incomplete) or by the MEP when they attempt to load metering details on the registry but are not listed as the proposed MEP. The switching team monitor these BPEMs which were formerly monitored by the IDM team.

12 (0.1%) of the 8,520 MEP nominations identified on the event detail report were rejections:

- nine MEP nominations were rejected because the contractor had listed an incorrect MEP on the service order paperwork; seven of these were reissued to the correct MEP once the BPEM was

actioned and two did not need to be reissued because the meter change did not coincide with an MEP change,

- two MEP nominations were rejected because the user had selected an incorrect MEP, and there was no MEP change (BPEMs were created for the rejected nominations, but were not actioned until ten days after the BPEM was created as BPEMs are prioritised, and higher impact BPEMs where there are missing meters in SAP are treated with a higher priority), and
- one MEP nomination was created in error because there was no MEP change, and was not required to be reissued after rejection.

The audit compliance report found two ICPs where the MEP had been nominated but no response had been received within 14 days of the nomination:

- the MEP nomination for ICP 0000511423CEBF4 was sent late because an emailed reminder to complete an MEP nomination was missed, and
- the MEP nomination for ICP 0007198304RN57C was sent within three business days of the event date, but there was a delay in the MEP acceptance.

ICP Decommissioning

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

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

A diverse sample of ten ICPs was examined to confirm an attempt to read the meter was made at the time of removal. Actual readings were obtained prior to decommissioning for all ten ICPs.

CTCX and CTCS

Retailers Responsibility to Nominate and Record MEP in the Registry

Simply Energy have changed their process during the audit period and creates MEP nominations for all MEPs when the ICP moves to 1,12 "inactive - new connection in progress" status, or when a field services job is nominated. Previously only FCLM had MEP nominations processed before meter installation paperwork was received. MN responses received from the registry are manually reviewed and actioned, and Salesforce cases are raised to monitor meter and MEP changes in progress.

I checked MEP nominations on the event detail report and found all were accepted by the MEP. One MEP nomination was made by CTCX and 48 nominations were made by CTCS.

The audit compliance report found:

- no active ICPs where the metering category was 9 or blank and the unmetered flag was set to no for CTCS or CTCX, and
- no ICPs where the MEP had been nominated but no response had been received within 14 days of the nomination for CTCS or CTCX.

There are currently no checks for active ICPs where the metering category is 9 or blank and no unmetered load is recorded, and I recommend this is monitored.

Description	Recommendation	Audited party comment	Remedial action
Monitoring of active ICPs where the metering category is 9 or blank	CTCS and CTCX I recommend active ICPs where the metering category is 9 or blank and no unmetered load recorded should be checked, to ensure that any load is quantified.	Upon completion and approval of Simply Energy's material change process for unmetered load, a review will be completed to ensure volumes in their systems match the unmetered values in the Electricity Registry for both retailer and distributor events.	Identified

ICP Decommissioning

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

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

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

CTCX	One CTCX ICP was decommissioned during the audit period and a reading was obtained on meter removal.
CTCS	Five CTCS ICPs were decommissioned during the audit period. Four were metered and a reading was obtained on meter removal.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 3.4</p> <p>With: Clause 11.18</p> <p>From: 18-Jan-21</p> <p>To: 25-Jan-21</p>	<p>CTCT</p> <p>The audit compliance report found two ICPs where the MEP had been nominated but no response had been received within 14 days of the nomination.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>
Audit risk rating	Rationale for audit risk rating
Low	<p>The controls over MEP nomination accuracy are strong; the process is automated and mapping ensures that the correct MEP is usually nominated unless a manual error is made.</p> <p>The impact is low because both MEP nominations were accepted by the MEP.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<u>CTCT</u> Contact are actively working with field contractors to ensure correct MEP is recoded on the field paperwork. We are in process of providing further training to users to ensure exceptions and BPEMs are handled efficiently and in timely manner.	Date: <u>CTCT</u> Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<u>CTCT</u> Further user training will be provided as required.	Date: <u>CTCT</u> Ongoing	

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

Code reference

Clause 9 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

CTCT

New connection timeliness

The table below shows that the registry was updated within five business days for 92.64% of new connections. This is an improvement from 82% the previous year.

Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
2015	1,077	68%	9.7
2016	985	79%	5.6
2017	1,138	89%	3.1
2018	1,239	84%	6.0
2019	784	77%	8.0
2020	1,083	82%	5.4
2021	306	92.64%	3.35

Non-half hour new connection timeliness

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

The previous audit noted that the standard unmetered load new connection process (excluding unmetered BTS supplies) is haphazard as it is not meter driven, and the information back from the field is not always received as expected. In particular, Orion raises their own service orders for unmetered load and then emails the work completion results. These emails were sometimes missed by the operations team who expected to also receive paperwork via ORB. Further training has been completed, and now the switching team adds unmetered load details and claims the ICP.

An extreme sample of all late updates for ICPs with unmetered load and all late updates made 30 or more business days after the event date were examined and I found:

- 11 late updates were due to late receipt of paperwork, or inconsistent paperwork which needed to be followed up before the correct attributes could be confirmed,
- two late updates were for ICP splits,
- four late updates were corrections to the active status date following investigation,
- one ICP underwent a backdated switch immediately following initial electrical connection resulting in a backdated update,
- one ICP was updated late due to a delay in processing the connection, and
- ICP 0000025367DE33D was not connected, and the event was reversed.

The late updates were processed correctly apart from 0000025367DE33D which was processed in error and reversed, because the ICP was not connected.

Half Hour new connection timeliness

No HHR connections have been initiated since January 2021, and all future HHR new connection applications are expected to be initiated by the CTCX or CTCX code.

Applications for HHR new connections are provided by the sales team, and a work order for meter installation is raised once signed approval is received from the network. The ICP is moved to active status once completion paperwork is received. If there are discrepancies between the active date provided on the completion paperwork, meter certification date, and initial electrical connection date, CTCT relies on the meter data download to confirm the correct connection date.

The audit compliance report identified six late HHR new connections, all were delayed by late notification of the meter liveness date. The status updates were processed from the correct event date.

As Contact does not use the “inactive - new connection in progress” status, the nomination of the MEP will be late for any ICPs not updated within the required timeframe.

New connection information accuracy

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

A robot compares the meter certification date and initial electrical connection date to CTCT’s active status date. If the dates are inconsistent it creates a workflow exception which is directed to a user for investigation. If there is no initial electrical connection date, the robot process will not identify a discrepancy so the IE Mismatch report is run monthly which compares the initial electrical connection date, active date, meter certification date and ORB service order completion date. Any discrepancies are investigated.

The AC020 report identified 35 ICPs with an initial electrical connection date populated which had not been made active. All were timing differences and the ICPs were moved to “active” or “decommissioned - set up in error” status before the audit was completed.

Active dates for new connections were compared to the distributor’s initial electrical connection date, and MEP’s certification date using the AC020 report. The AC020 report identified 1,008 ICPs with date discrepancies, and 378 were confirmed not to be genuine at the time of the audit. The remaining 630 were examined and found:

Findings	Quantity	Commentary
No IECD ¹ No MCD ²	6	Five ICPs had the correct status and event date applied. 1002081116LC96C had an incorrect status date applied and was corrected during the audit.
No IECD MCD ≠ active date	10	Eight ICPs had the correct status and event date. Two updates were reconnections for previously inactive ICPs 0000025367DE33D and 0000116110TP6CB, which were the first updates to active status. The event dates were incorrectly entered due to a manual processing error and were corrected during the audit.

¹ Initial electrical connection date

² Meter certification date

Findings	Quantity	Commentary
No IECD MCD = active date	358	The majority of these ICPs are connected to embedded networks which were previously customer networks, which do not have an initial electrical connection date populated. I checked a sample of five ICPs and found four had the correct status and event date. For ICP 0110012245EL861 there was a discrepancy between the network and contractor event dates, and CTCT's information supported the date that was applied.
IECD ≠ active date MCD ≠ active date	5	One ICP had the correct status and event date applied. 0006580330TP5BB and 0000060824NTE64 had an incorrect status date applied and were corrected during the audit. ICP 0007197288RN34C is recorded as active from 8/11/20 but should have been active from 8/9/20. The incorrect date was applied due to an error on paperwork for an unmetered supply, and the ICP has now switched away. ICP 0007197493RN133 is recorded as active from 23/9/20 but should have been active since 22/9/20. The incorrect date was applied when manually processing a BTS connection.
IECD ≠ active date No MCD	1	1002108203LCA64 is recorded as active from 22/11/20, but should have been active from 21/11/20.
IECD ≠ active date MCD = active date	74	A sample of 13 ICPs were checked. Ten had the correct status and event date. 0007304905AL1F0 and 0007304903AL07F had an incorrect status date applied and were corrected during the audit.
IECD ≠ active date ICP is unmetered	7	Four ICPs had the correct status and event date. 0007198197RNC5C, 0007197773RN88A and 0007198878RN031 had an incorrect status date applied and were corrected during the audit.
IECD = active date No MCD	157	I checked a sample of five ICPs and found they had the correct status and event date.
IECD = active date MCD ≠ active date	12	All 12 ICPs had the correct status and event date.

All seven discrepancies between the distributor's initial electrical connection date, and MEP's certification date and active date for HHR ICPs were checked, and in all cases CTCT's active date was correct.

13 new ICPs had incorrect active dates recorded, and ten of those were corrected during the audit. The following ICPs still have incorrect active dates recorded: 1002108203LCA64 (22 November 2020 instead of 21 November 2020), 0007197288RN34C (8 November 2020 instead of 8 September 2020), 0007197493RN133 (23 September 2020 instead of 22 September 2020). The 13 ICPs with the incorrect active dates are recorded as non-compliance below and in **sections 2.1** and **3.8**.

MEP nomination

As Contact does not use the “new connection in progress” status, the nomination of the MEP will be late for any ICPs not updated within the required timeframe. The 306 late new connections identified above have a late MEP nomination and are recorded as non-compliant.

ANZSIC code population

The code requires that the ANZSIC code is populated within 20 days of trading commencing. The audit compliance report identified 112 ANZSIC codes that were updated late. A typical sample of ten new connections and ten ICPs that switched in during the audit period found they were updated late due to corrections, or backdated contract start dates, switch ins, switch withdrawals, receipt of meter installation information. Because trader updates are not completed until the contract, ICP, and meters are set up in SAP if any of these events are backdated they can result in late ANZSIC code updates.

CTCX and CTCS

New connection timeliness

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

During the transition of ICPs from CTCT to CTCS, some new connections initiated by CTCT had CTCS assigned as the proposed trader. Some of these ICPs missed having workflows and cases created, which delayed the processing of the new connections.

The timeliness of status updates to active (for new connections) is set out on the table below. No active status updates were completed for CTCX.

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

The five late status updates were caused by late receipt or processing of connection paperwork, late notification from CTCT that CTCS was to be responsible for the new connection, and corrections to status event dates. The updates were processed from the correct event date.

New connection information accuracy

The AC020 report identified no ICPs with an initial electrical connection date populated which had not been made active for CTCS or CTCX.

Active dates for new connections were compared to the distributor’s initial electrical connection date, and MEP’s certification date using the AC020 report. The AC020 report identified no ICPs with date discrepancies for CTCX and four ICPs with date discrepancies for CTCS. One was a timing difference relating to an initial electrical connection date populated after the report was run. The other three differences were checked:

Exception type	Quantity	Commentary
Active date ≠ initial electrical connection date Active date = meter certification date	2	ICPs 0000034208EA97E and 0004721969TGB9C had correct active status dates.

Exception type	Quantity	Commentary
Active date = initial electrical connection date Active date ≠ meter certification date	1	0000163173CKED6 has the correct active status date.

MEP nomination

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

I found that ICPs 0000047608HR7AB, 0000163173CKED6 and 0000010073TE5D4 had late MEP nominations because the ICPs were not claimed until they became active for CTCS.

ANZSIC code population

The code requires that the ANZSIC code is populated within 20 days of trading commencing. The audit compliance report did not identify any late ANZSIC codes for CTCS or CTCX.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 3.5</p> <p>With: Clause 9 Schedule 11.1</p> <p>From: 01-Jun-20</p> <p>To: 26-Jan-21</p>	<p>CTCT</p> <p>306 late updates to active status and MEP nominations for new connections.</p> <p>13 new ICPs had incorrect active dates recorded, and ten of those were corrected during the audit. The following ICPs still have incorrect active dates recorded 1002108203LCA64 (22/11/20 instead of 21/11/20), 0007197288RN34C (8/11/20 instead of 8/9/20), 0007197493RN133 (23/9/20 instead of 22/9/20).</p> <p>112 late ANZSIC code updates.</p> <p>CTCS</p> <p>Five late updates to active status for new connections.</p> <p>Three late MEP nominations for new connections.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating
Low	<p>The controls are rated as moderate. Compliance has improved since the previous audit.</p> <p>The audit risk rating is low because the number of ICPs affected overall is small. Late changes to active can result in delays in providing submission information and billing the customer.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<p><u>CTCT</u></p> <p>Contact is working through correcting the ICP exceptions identified by the Auditors.</p> <p>We continue to monitor on a daily basis the accuracy and timeliness of status and retailer event data loaded in the Electricity Registry for New Connections through our robust reporting processes. Additional reporting is being implemented (AC020Trader21) and will be run alongside the existing reporting to assist in identifying where there is a non-compliance, as well as assisting in identifying the non-compliance earlier on in the process.</p> <p>Contact continues to investigate issues related to paperwork delays and accuracy from the field. These instances are addressed via the contractor performance provisions within the respective agreements.</p> <p><u>CTCS</u></p> <p>Simply Energy have hired two additional staff with previous electricity industry knowledge to add urgent focus to the Operations key processes.</p>	<p>Date:</p> <p><u>CTCS</u></p> <p>06.08.2021</p>	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>Ongoing reporting and regular discussions with our field service providers are in place to improve the accuracy and timeliness of events being sent from SAP to the Registry. Amendments to the reporting and discussions will occur as the cause for late or inaccurate data becomes clear or frequent.</p> <p><u>CTCS</u></p> <p>Along with Simply Energy hiring additional industry experienced resources, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>31/08/2021</p>	

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

Code reference

Clause 9 (1(k) of Schedule 11.1

Code related audit information

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

Audit observation

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

Audit commentary

CTCT

Contact captures an ANZSIC code for all new connections. For customers switching in, it is expected that the customer service representative will verify the ANZSIC code. The last audit stated that Contact had an initiative in progress where SAP would not display the previous code but require this to be confirmed with the customer in all instances. This initiative has not been implemented.

As discussed in **section 2.1**, SAS queries are run weekly to identify and correct any T99 ANZSIC codes. Based on my findings, there appears to be a delay in processing these exceptions as some have been present since November 2020 but were not corrected until the audit was completed until April 2021. There is a periodic check of discrepancies between registry and SAP ANZSIC codes, and a consistency check between ANZSIC codes and the billing class. This was last completed in March 2021 by the reconciliation team. The audit compliance report found:

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

A sample of ICP ANZSIC codes were reviewed including:

- a sample of 20 ICPs with T99 series ANZSIC codes (including all with T999 and T999999 and 16 with T994 and T994000); nine ICPs had their ANZSIC code updated to unknown on switch in, three new connections were created with unknown codes, three ICPs inherited the unknown code from the previous trader, and ANZSIC codes for five existing ICPs were updated to unknown code (all had T99 series ANZSIC codes invalidly assigned during November or December 2020 and were corrected during the audit), and
- all 16 active ICPs with metering category 2 or above with a residential ANZSIC code; 15 were confirmed to be residential and the other ICP has been vacant since it switched in, and the previous retailer had recorded a residential ANZSIC code which is believed to be correct.

Description	Recommendation	Audited party comment	Remedial action
Assignment of T9 series ANZSIC codes	CTCT Investigate the reasons for an increase in assignment of T9 series ANZSIC codes, and delays in correcting these to valid codes where customer industry information is known.	We are investigating into the specific occurrences identified to better understand how the T9 series ANZSIC codes were applied, and whether a more appropriate ANZSIC code could have been identified on customer sign-up. Once the underlying factors causing the non-compliance have been identified we will look to implement process and/or system changes to minimise the opportunity for the non-compliance to arise in the future.	Investigating

I checked a sample of 100 ICPs with the ten most frequently applied codes to confirm they were correct. I compared the codes applied to google street view and registry property name information, and checked customer industry information for any ICPs I could not verify using registry and google street view information. 68 ANZSIC codes were correct and the other 32 were updated to the correct code during the audit.

I checked ANZSIC codes for DUMML ICPs and confirmed they were correct.

CTCX and CTCS

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

The AC020 report found:

Issue	CTCS 2020	CTCX 2020	Comment
Active ICPs with blank ANZSIC codes	0	1	ICP 0000001000RJ970 is a residual load ICP for an embedded network.
Active ICPs with metering category 2 or above with a residential ANZSIC code	1	0	ICP 0900087526PC4A8 is an amenities block for an industrial site, and the residential ANZSIC code is incorrect. Simply Energy is investigating to confirm the correct ANZSIC code.

A sample of ANZSIC codes were checked:

CTCX	I checked a sample of 15 ICPs with the ten most frequently applied codes to confirm they were correct. I compared the codes applied to google street view and registry property name information, and checked customer industry information for any ICPs I could not verify using registry and google street view information. 11 were confirmed to be correct, and CTCX is investigating ICPs 0000032926EA17E (A019 Other Livestock Farming) and 0000029202EA92E (A016 Dairy Cattle Farming) to confirm the correct ANZSIC codes.
CTCS	I checked a sample of 25 ICPs with the ten most frequently applied codes to confirm they were correct. I compared the codes applied to google street view and registry property

	<p>name information, and checked customer Industry information for any ICPs I could not verify using registry and google street view information.</p> <p>Five ICPs had incorrect codes recorded, and were corrected during the audit.</p> <p>I checked ANZSIC codes for DUML ICPs and found they were correct.</p>
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Active ICPs with the incorrect ANZSIC code are recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.6</p> <p>With: Clause 9 (1(k) of Schedule 11.1</p> <p>From: 01-Jul-20</p> <p>To: 13-Apr-21</p>	<p>CTCT</p> <p>52 ICPs which were confirmed to have incorrect ANZSIC codes were corrected during the audit.</p> <p>CTCS</p> <p>Five ICPs which were confirmed to have incorrect ANZSIC codes were corrected during the audit</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate, based on the proportion of incorrect ANZSIC codes identified.</p> <p>The audit risk rating is low because there is no impact on settlement outcomes and a low impact on the Electricity Authority's reporting accuracy.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>The 52 ICPs which were identified and confirmed as having an incorrect ANZSIC code applied in the Electricity Registry were corrected during the audit.</p> <p><u>CTCS</u></p> <p>The 7 ICPs which were identified and confirmed as having an incorrect ANZSIC code applied in the Electricity Registry have since been corrected.</p>		<p>Date:</p> <p><u>CTCT</u></p> <p>N/A</p> <p><u>CTCS</u></p> <p>05/12/2021</p>	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>We are investigating into the specific occurrences identified to better understand how the incorrect ANZSIC codes were applied during customer sign-up, and whether a more appropriate ANZSIC code could have been identified based on the information provided by the customers.</p> <p>Once the underlying factors causing the non-compliances have been identified we will look to implement process and/or system changes to minimise the opportunity for the non-compliance to arise in the future.</p> <p><u>CTCS</u></p> <p>Simply Energy will be updating their processes related to a customer sign-in to include the selection of an appropriate ANZSIC code as a mandatory field. This will also become part of their customer conversations during the RFP processes.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>31/01/2022</p>	

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

Code reference

Clause 9(1)(f) of Schedule 11.1

Code related audit information

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

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

Audit observation

The processes to manage unmetered load were examined.

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

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

Audit commentary

CTCT

CTCT supplies 1,057 active ICPs with the unmetered flag set to "yes". 296 ICPs are indicated to have shared unmetered load, and 53 ICPs have distributed unmetered load. The remainder have standard unmetered load.

CTCT has not received any requests for connection of unmetered load apart from unmetered builder's temporary supplies in the last 12 months. All unmetered load new connections or capacity changes

require an application to Contact, which then follows the “new connections” process. The process includes checks of whether the ICP can be metered and the daily unmetered kWh.

CTCT is investigating whether improvements can be made to better utilise network information about any potential unmetered load connected to ICPs, from the application for new connection. The formats of these applications differ from network to network.

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

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

When reviewing changes to unmetered load, I found that BPEMs were not consistently being generated where unmetered load details were removed, including for 0014600240EL713 which had its distributor unmetered load details removed on 27 October 2020. I recommend that the IE22 BPEM is reviewed to ensure it is identifying all expected scenarios.

Description	Recommendation	Audited party comment	Remedial action
BPEMs for changes to distributor unmetered load	CTCT Review the criteria for the IE22 BPEM, which appears not to be identifying changes to distributor unmetered load where the unmetered load is removed.	<u>CTCT</u> We will take onboard the Auditors recommendations of completing a review of the criteria behind the creation of the IE22 BPEMs. Upon completion, the necessary system changes will be raised with our SAP consultants and booked for an upcoming release.	Investigating

Ongoing data cleansing is occurring for unmetered load, to resolve historic data discrepancies and follow up long term active BTS ICPs. A letter based customer audit process is followed to determine whether unmetered load is present, confirm the correct values and update the registry and SAP.

There are currently 135 active unmetered BTS ICPs, some of which have been present since 2004.

Year created	Currently active unmetered BTS supplies
2004	1
2005	1
2006	-
2007	-
2008	-
2009	1
2010	-
2011	1
2012	-
2013	1
2014	11
2015	9
2016	4

Year created	Currently active unmetered BTS supplies
2017	3
2018	3
2019	18
2020	82
Total	135

I checked all 16 BTS ICPs created prior to 2015, and found that they were under investigation or had been resolved. CTCT has identified some trends during their investigation of these historic BTS supplies.

- Some networks create separate ICPs at the same address for the builder's temporary and permanent supplies, rather than one BTS ICP which later becomes permanent. Once the permanent supply is active, it is expected that the redundant BTS will be decommissioned, but these ICPs have sometimes remained active in SAP and on the registry. CTCT is working with the networks and customers to determine whether the builder's temporary supplies are ready for decommissioning.
- Some customers advise they wish to close their BTS account, and the ICP becomes active-vacant. Typically the customers do not indicate whether they are intending to move the ICP to permanent with a new trader, or whether it is genuinely no longer required and can be decommissioned. CTCT has sought legal advice and now initiates a disconnection and decommission where there is no customer and building work has not proceeded. CTCT intends to adjust their account finalisation process to ensure that customers are asked of their intentions, so that the correct status can be applied.
- Some ICPs in Christchurch have insurance claims in progress following the earthquakes, which have delayed installation of a permanent supply. Other ICPs had post-earthquake building work start, but the building company went into receivership and no further work has been completed. CTCT is confirming the correct ICP status with the network for these ICPs before decommissioning.

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

Issue	2021 ICPs	2020 ICPs	Comments
Daily kWh difference more than 1.0 kWh per day from the distributor unmetered load details	1	11	There was one genuine difference over 1 kWh and a customer unmetered load audit confirmed that CTCT's value was correct.
Daily kWh difference more than 0.1 kWh per day from the distributor unmetered load details	2	20	In addition to the difference above, there was a difference of 0.156 kWh for 0000552757HB3CE. CTCT is awaiting the results of a customer unmetered load audit and will update SAP and the registry once the correct value is confirmed.
Contact's load value is different to that of their load description	22	52	There were three genuine differences of more than 1 kWh for non DUML ICPs. <ul style="list-style-type: none"> • Two were corrected during the audit. • ICP 0005301922TU192 had the correct unmetered daily kWh on the registry, but the trader unmetered load details were incorrectly recorded as "126;11.9;2 x UVL" instead of

Issue	2021 ICPs	2020 ICPs	Comments
			<p>"526;11.9;2 x UVL". The data was updated in SAP on 1/1/21 but not transferred to the registry.</p> <p>There were 19 genuine differences between 0.1 and 0.9 kWh for non DUMML ICPs.</p> <ul style="list-style-type: none"> • Nine ICPs were BTS supplies which had an incorrect description applied, and the daily unmetered kWh was correct. The descriptions have been corrected for eight ICPs and the other has become a permanent supply and the unmetered load is removed. • Four ICPs had small rounding differences. • Four ICPs had corrections processed during the audit. • ICP 0015822016EL2B1 should have had unmetered load of 3.45 kWh recorded in the registry instead of 3.57 kWh. The data was updated in SAP but not transferred to the registry. • ICP 0016096677ELF31 was downgraded from three to two under veranda lights from 6/4/21. The daily unmetered kWh was updated, but the trader unmetered load details were not.
Trader's unmetered load field is populated but the Distributor has none	53	72	<p>I checked all 53 exceptions, and found CTCT's unmetered load details were incorrect for one ICP. ICP 0014600240EL713 had its unmetered load removed by the distributor on 27/10/20. No BPEM was generated for the unmetered load removal, and CTCT's historic unmetered load of 1.18 kWh remains recorded on the registry and in SAP.</p> <p>Of the remaining 52 exceptions:</p> <ul style="list-style-type: none"> • 34 were BTS ICPs, which are being investigated or will be investigated as part of CTCT's long term BTS review. • Ten were undergoing investigation to determine the correct unmetered load. • Two were private unmetered load divested from the local council's database, and load was based on information provided by the Council. • Three switched out after the registry reports were run. • Two were DUMML ICPs. • One is an electronic gate, with the load calculated on the wattage and estimated hours of usage.
Distributor's unmetered field is populated but the retailer field is not populated	3	1	All affected ICPs have the distributor unmetered load details populated as "x0". CTCT confirmed that these are shopping mall under veranda lights and are believed to be connected to the customer's installation on the Electra network. Electra is conducting a review of all under veranda lights on their network, including these.
Unmetered flag = Y but daily unmetered kWh = 0	-	1	Compliant

Description	Recommendation	Audited party comment	Remedial action
Trader unmetered load details on the registry	CTCT Check why updated trader unmetered load details or kWh in SAP were not transferred to the registry for 0005301922TU192, 0016096677ELF31 and 0015822016EL2B1.	<u>CTCT</u> We will take onboard the Auditors recommendations of reviewing why UNM Load Details and/or kWh details updated in SAP were not also updated in the Electricity Registry. Upon completion, the necessary system changes will be raised with our SAP consultants and booked for an upcoming release.	Investigating

I rechecked the unmetered discrepancies from the 2019 audit report which were still present when the 2020 audit was completed. CTCT is awaiting the results of a customer unmetered load audit for 0000552757HB3CE and will update SAP and the registry once the correct value is confirmed. ICP 0000541168TUF0B has switched out.

Contact has reporting in place to identify when a distributor makes changes to their unmetered field or where there is distributor information, but SAP does not have the unmetered field populated. SAP holds two fields for the unmetered daily kWh, one for reconciliation and one for billing, which are independent. This enables settlement corrections to be processed without reversing and rebilling invoices. It is the reconciliation value that is validated against the registry.

Standard unmetered load corrections are able to be processed in SAP and will flow through to reconciliation submissions. The correction process is discussed in **sections 2.1** and **8.1**.

CTCX and CTCS

The number of unmetered load ICPs supplied by CTCS and CTCX has increased from 25 to 163 as ICPs have switched in from CTCT. Historically, Simply Energy have recorded unmetered load by creating a dummy meter register and calculating “readings” based on the previous reading + daily unmetered kWh x days between readings. This manual process has become unmanageable due to increased workloads, and the reads have not been entered. MADRAS is calculating 55 kWh per day as forward estimate for unmetered ICPs, resulting in some under and over submission for standard and shared unmetered load. DUML is reconciled by EMS.

The Salesforce Dashboard reports unmetered load on metered ICPs. These ICPs are expected to be reviewed monthly to ensure that all unmetered load is recorded and reconciled. Seven ICPs have been present since 1 February 2021. Data streams for unmetered load are expected to be added by the end of April 2021.

The standard and shared unmetered load processes are being reviewed, to make them more efficient and accurate. This will address some limitations in the current process, including unmetered daily kWh not being date ranged, and Salesforce only recording daily unmetered kWh values to one decimal place. A material change audit is expected to be completed before the changes are implemented.

CTCS supplies 161 active ICPs with the unmetered flag set to “yes”. Ten ICPs are indicated to have shared unmetered load, and 39 ICPs have distributed unmetered load. The remainder have standard unmetered load.

Issue	2021 ICPs	Comments
Daily kWh difference more than 0.1 kWh per day	1	ICP 0016010001WA33C has trader unmetered load of 3.72 kWh per day and distributor unmetered load of zero. CTCS is liaising with the distributor to confirm whether unmetered load is connected and will update their details accordingly.
Daily kWh difference more than 1.0 kWh per day	1	ICP 0016010001WA33C above.
Trader's unmetered load field is populated but the Distributor has none	28	15 of the ICPs are DUML, and the daily unmetered kWh is not updated on the registry. The other 13 ICPs are standard unmetered load, and the unmetered load details were inherited from the previous trader. As part of the review of the unmetered load process, CTCS will establish procedures to identify differences between trader and distributor unmetered load and resolve any exceptions.
Trader's load value is different to that of their load description	4	ICP 0016099060EL730 had an incorrect daily unmetered kWh recorded and was updated during the audit. The other three ICPs are standard unmetered load, and the unmetered load details were inherited from the previous trader. As part of the review of the unmetered load process, CTCS will establish procedures to identify differences between trader and distributor unmetered load and resolve any exceptions.
Distributor's unmetered field is populated but the retailer field is not populated	-	
Unmetered flag = Y but daily unmetered kWh = 0	5	Three are DUML ICPs and two are residual load ICPs. Compliance is confirmed.
Unmetered BTS	1	ICP 0007174330RN573 is an unmetered BTS site, which was created in 2016. CTCS has not received confirmation that the ICP is connected but it appears from Google Maps image that a completed house is at the address. CTCS will follow up to determine whether metering should be installed.

Description	Recommendation	Audited party comment	Remedial action
Long term unmetered BTS ICPs	CTCS Check ICP 0007174330RN573 to determine whether metering should be installed.	<u>CTCS</u> Simply Energy will work with the client to confirm current status of the site and will make changes accordingly once this information is received.	Investigating

CTCX supplies two active ICPs with the unmetered flag set to “yes”, and both are residual load ICPs. The unmetered daily kWh is recorded as zero, and no distributor unmetered load details are recorded.

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

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.7</p> <p>With: Clause 9(1)(f) of Schedule 11.1</p> <p>From: 01-Jul-20</p> <p>To: 13-Apr-21</p>	<p>CTCT</p> <p>18 ICPs had incorrect unmetered daily kWh or unmetered load details recorded, and 15 of those were corrected during the audit. The following ICPs still have incorrect unmetered load data:</p> <ul style="list-style-type: none"> ICP 0005301922TU192 had the correct unmetered daily kWh on the registry, but the trader unmetered load details were incorrectly recorded as “126;11.9;2 x UVL” instead of “526;11.9;2 x UVL”. The data was updated in SAP on 1/1/21 but not transferred to the registry. ICP 0015822016EL2B1 should have had unmetered load of 3.45 kWh recorded in the registry instead of 3.57 kWh. The data was updated in SAP but not transferred to the registry. ICP 0016096677ELF31 was downgraded from three to two under veranda lights from 6/4/21. The daily unmetered kWh was updated, but the trader unmetered load details were not. ICP 0014600240EL713 had its unmetered load removed by the distributor on 27/10/20. No BPEM was generated for the unmetered load removal, and CTCT’s historic unmetered load of 1.18 kWh remains recorded on the registry and in SAP. <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate because there are processes in place to identify changes to unmetered load and validate unmetered load details. Historic exceptions are being worked through.</p> <p>The audit risk rating is low because reconciliation is occurring correctly.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>All ICPs identified as having incorrect UNM details in SAP and the Electricity Registry (Trader Event) have been corrected accordingly.</p>		<p>Date:</p> <p><u>CTCT</u></p> <p>24/05/2021</p>	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
<u>CTCT</u> Contact will be putting a priority (more resources) towards resolving UNM mismatches identified to ensure these are corrected in a timely manner and will be increasing the frequency of our UNM mismatch reporting being run (moving from monthly to weekly) to ensure UNM mismatches are identified earlier on in the process.	Date: <u>CTCT</u> Ongoing	

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

Code reference

Clause 17 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

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

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

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

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

Audit commentary

CTCT

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

Before being given an “active” status the trader is required to ensure that the ICP has only one customer, embedded generator, or direct purchaser; and that the electricity consumed is quantified by

a metering installation(s) or other Authority approved method of calculation. SAP will not allow more than one party per ICP nor will it allow an ICP to be set up without either a meter or if it is unmetered, the daily kWh.

Accuracy of status updates

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

As discussed in **section 3.5**, the AC020 report identified 1,008 ICPs with date discrepancies, and 378 were confirmed not to be genuine at the time of the audit. The remaining 630 were examined and a sample of 63 ICPs were checked. 13 new ICPs had incorrect active dates recorded, and ten of those were corrected during the audit. The following ICPs still have incorrect active dates recorded 1002108203LCA64 (22 November 2020 instead of 21 November 2020), 0007197288RN34C (8 November 2020 instead of 8 September 2020), 0007197493RN133 (23 September 2020 instead of 22 September 2020). The 13 ICPs with the incorrect active dates are recorded as non-compliance below.

All seven discrepancies between the distributor's initial electrical connection date, and MEP's certification date and active date for HHR ICPs were checked, and in all cases CTCT's active date was correct.

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

CTCX and CTCS

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

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

The AC020 report identified no ICPs with an initial electrical connection date populated which had not been made active for CTCS or CTCX.

Active dates for new connections were compared to the distributor's initial electrical connection date, and MEP's certification date using the AC020 report. The AC020 report identified no ICPs with date discrepancies for CTCX and four ICPs with date discrepancies for CTCS. One was a timing difference relating to an initial electrical connection date populated after the report was run. The other three differences were checked:

Exception type	Quantity	Commentary
Active date ≠ initial electrical connection date Active date = meter certification date	2	CTCS ICPs 0000034208EA97E and 0004721969TGB9C were confirmed to have correct status dates.
Active date = initial electrical connection date	1	0000163173CKED6 was confirmed to have the correct active status date.

Exception type	Quantity	Commentary
Active date ≠ meter certification date		

I checked a sample of ten reconnections and confirmed that the status event date and status was correct apart from ICP 0000016378HR527, which had its status event date corrected from 3 November 2020 to 2 November 2020 during the audit.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.8</p> <p>With: Clause 17 Schedule 11.1</p> <p>From: 08-Sep-20</p> <p>To: 16-Apr-20</p>	<p>CTCT</p> <p>13 new ICPs (of a sample of 63) had incorrect active dates recorded, and ten of those were corrected during the audit. The following ICPs still have incorrect active dates recorded 1002108203LCA64 (22/11/20 instead of 21/11/20), 0007197288RN34C (8/11/20 instead of 8/9/20), and 0007197493RN133 (23/9/20 instead of 22/9/20).</p> <p>CTCS</p> <p>ICP 0000016378HR527 had an incorrect status date, which was corrected during the audit.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate as the discrepancy reporting has been reinstated but some errors still occur.</p> <p>The audit risk rating is low, as the number of ICPs affected is small.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>Ten of the 13 ICPS identified as having an incorrect status date applied in the Electricity Registry were corrected during the audit.</p> <p>One of the three ICPs identified but not corrected the audit has since been corrected, with the remaining two still being under investigation. We envisage having these two ICPs corrected in the coming weeks.</p> <p><u>CTCS</u></p>		<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>30/04/2021</p>	Identified

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

Audit commentary

CTCT

Management of inactive status

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

When an ICP switches in with an “inactive” status, SAP automatically moves the status to “active” effective from the switch in date. If a reconnection document is received with a work completion date after the switch in date, a disconnection document is created to move the ICP to “inactive” status for the days between switch in and the reconnection. The disconnection process document is triggered because the ICP is already “active” when the reconnection paperwork is received. A “wave” initiative is underway, which will remove the automatic update to “active” when ICPs switch in, and instead update them to “active” based on the reconnection paperwork. The changes are currently being tested.

The timeliness of these updates is detailed in **section 3.3**. Contact continues to read all disconnected ICPs to identify unauthorised reconnections and incorrect statuses.

Review of a sample of 24 updates to “inactive” confirmed that the correct statuses and dates were processed correctly except for:

- 0009544560CN3E5 which was disconnected effective from 25 June 2013, but 7 December 2012 was applied, and
- 0007103286RN193 which was disconnected at the pillar but had inactive status reason code 10 (electrically disconnected at meter box fuse) applied.

The AC020 report identified 267 ICPs that have been recorded as AMI-remote disconnection, but AMI is not indicated. A typical sample of 20 ICPs were checked and found that all were updated to AMI non-communicating post the disconnection date.

The 2020 audit found streetlight audit for NZTA Waimakariri identified that ICP 0000366150MP46C (Ohoka Downs community lighting) was electrically connected from at least 22 August 2017. This was corrected in July 2019 but was moved to electrically disconnected again from 28 August 2019. Veritek and Mainpower have confirmed that the lights are burning and it maybe that one light has been disconnected on 28 August 2019 but the ICP was disconnected in error rather than the streetlight load adjusted. This is recorded as non-compliance below. Revisions have been conducted to correct the consumption.

Inactive - new connection in progress

Contact does not use this status for the new connection process as part of the BAU new connection process. No ICPs currently have “inactive - new connection in progress” status.

Monitoring of consumption on ICPs with inactive status

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

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

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

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

Contact provided a report of inactive ICPs with consumption recorded. The report contained 304 ICPs, and comments indicated that all of the ICPs with inactive consumption had been investigated. The inactive consumption still to be resolved at the time the report was run totalled 3,582 kWh, a significant reduction from earlier years. I excluded those ICPs under investigation where the issue was clearly a meter rollover.

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

CTCX and CTCS

Management of inactive status

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

CTCX did not complete any inactive status updates during the period reviewed.

CTCS completed three updates to inactive ready for decommissioning process. The updates were processed accurately apart from 0000040548WEC86, which was updated to inactive from 26 October 2020 but should have been updated from 29 October 2020. CTCS has asked the network to reverse their decommissioning record so that they can update the status date. I was unable to confirm the correct status date for ICP 0000120211TR570, which was updated to inactive ready for decommissioning status effective from 12/01/2021. The solutions team advised the ICP was inactive from 7/1/21, AMCI advised the meter was removed 11/1/21 and advised that power was disconnected on 4/2/21.

The AC020 report did not identify any ICPs that have been recorded as AMI-remote disconnection, but AMI is not indicated.

Inactive - new connection in progress

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

CTCX did not complete any inactive status updates during the period reviewed, and no ICPs currently have "inactive - new connection in progress" status.

CTCS completed five updates to "inactive - new connection in progress" status for new connections. All were updated to the correct status prior to the initial electrical connection date. Three ICPs currently have "inactive - new connection in progress" status; and none have had this status for more than four months.

Monitoring of consumption on ICPs with inactive status

An end date is entered in DataHub and MADRAS when ICPs are disconnected. Simply Energy request that Wells stop manually reading meters once they become disconnected, but do not routinely ask the MEPs to stop reading ICPs. I note that reads are often unable to be obtained by the MEPs where the meter is disconnected. Where reads are received after disconnection, a read import error will be created.

Read import exceptions for readings after the data stream end are not specifically monitored to identify consumption during disconnected periods. Simply Energy has also stopped its monitoring of ICPs with “inactive” status, which was previously checked at least twice each month to confirm that the inactive status was correct and genuine. The report has not been reviewed since 21 January 2021, and 107 ICPs are to be checked.

Description	Recommendation	Audited party comment	Remedial action
Monitoring of inactive consumption	CTCS and CTCX Where exceptions occur for readings after a data stream end date, check the readings to confirm whether there is consumption during an inactive period, and take corrective action to update the status as necessary.	Simply Energy will look to enhance their Third Party Platform (Datahub) to generate new reporting which identifies where active consumption has been recorded (imported) on an ICP that is marked inactive on the registry (from the date it was inactive).	Investigating

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.9 With: Clause 19 of schedule 11.1 From: 07-Dec-12 To: 30-Apr-21	CTCT 0009544560CN3E5 was disconnected effective from 25/6/13, but 7/12/12 was applied. 0007103286RN193 was disconnected at the pillar but had inactive status reason code 10 (electrically disconnected at meter box fuse) applied. ICP 0000366150MP46C was updated to inactive status in error on 28 August 2019. CTCS 0000040548WEC86 was updated to inactive from 26/10/20 but should have been updated from 29/10/20. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are moderate overall because inactive consumption is not specifically monitored or actioned for CTCS or CTCX. The other controls over management of inactive ICPs are stronger, and help to reduce the risk of incorrect statuses or status dates being applied.</p> <p>The number of ICPs affected is small, therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>We are currently working through to resolve the three discrepancies identified during the audit.</p> <p><u>CTCS</u></p> <p>We are unable to resolve this non-compliance retrospectively as we have requested a reversal of decommissioned Status Event from WEL Networks, however WEL Networks declined to reverse their event to allow the correction of our Inactive – Ready for Decommissioning Status event.</p>		<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>19/05/2021</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>CTCT</u></p> <p>We have recently implemented a system change to how SAP handles ICPs switching-in to Contact with an INACTIVE status applied. Previously a status of ACTIVE would be automatically applied in the Registry, and if this were found to be incorrect a correction would be made. The system change implemented will stop and ACTIVE status from being automatically loaded in the Registry, and instead will identify the correct status to be applied on completion of the switch gain. This fix will result in less late INACTIVE status events being loaded in the Registry.</p> <p>We continue to engage with our field service providers to improve the quality/accuracy of data being returned on completed Service Orders.</p> <p>We will be completing a review of the disconnection codes able to be applied against disconnection service orders to ensure field service providers can only return valid combinations. Where incorrect combinations are identified the relevant service order tables will be updated accordingly.</p> <p><u>CTCS</u></p>		<p>Date:</p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>31/07/2021</p>	

Simply Energy will run through refresher training with staff members to assist in minimising the opportunities for the non-compliance to arise in future.		
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3.10. ICPs at new or ready status for 24 months (Clause 15 Schedule 11.1)

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

Audit observation

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

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

Audit commentary

CTCT

The process is that any requests received from Distributors are expected to be actioned.

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

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

Analysis of the registry list found 114 ICPs at the "new" and "ready" statuses for two years or more, a decrease from 211 during the previous audit. These are detailed in the table below by status and network:

Network	Count of ICPs at new or ready status 2021	Count of ICPs at new or ready status 2020
AIAL	1	-
ALPE	8	6
CKHK	2	2
COUP	12	10
DUNE	26	27
EASH	-	1
EAST	1	-
ELEC	-	2

Network	Count of ICPs at new or ready status 2021	Count of ICPs at new or ready status 2020
ELIN	2	2
HAWK	24	36
LLNW	5	-
MOPO	2	2
MPOW	1	6
NPOW	2	4
OTPO	2	1
POCO	1	-
PPNZ	-	1
TASM	1	-
TOPE	3	36
TPCO	9	12
UNET	6	11
VECT	6	25
WAIK	-	26
WAIP	-	1
Total	114	211

I checked the 20 oldest ICPs with “new” or “ready” status. CTCT had not received an application for seven ICPs, and the ICP was not “ready for connection” for 12 ICPs. ICP 0007907551NVB6A is under investigation, Vector advised that the meter expected to be associated with this ICP is installed against ICP 0000790755NV0F5. CTCT is investigating to confirm the correct status for both ICPs and the registry will be updated.

CTCX and CTCS

New connections in progress are monitored using Salesforce workflows, and cases remain open until the connection is complete. New connections were also monitored using Salesforce dashboard reports, but these have not been actively monitored recently:

Exception	Findings
ICPs with inactive new connection in progress status	<p>The Salesforce Dashboard reports ICPs with “inactive- new connection in progress” status.</p> <p>This report shows all ICPs at “new connection in progress status” and includes initial electrical connection dates and MEP details if populated on the registry. This report is expected to be reviewed daily, and any ICPs with initial electrical connection dates or meter certification details should be checked and updated to “active” status once the correct connection date is confirmed. The report is also used to track MEP nominations.</p> <p>The report is not currently reviewed. Procedural documentation is available and it is expected that this report will be reviewed in the future.</p> <p>38 ICPs were on the report as of 27/4/21 and 19 of those had a meter owner or initial electrical connection date. Some ICPs had connection dates as early as 2019, but these mostly related to backdated Electricity Ashburton ICP de-consolidations.</p>
ICPs with an initial electrical connection	A report is run from the registry approximately every six months and has not been completed for the CTCS or CTCX codes to date. Simply Energy plans to complete this

Exception	Findings
date populated and inactive new connection in progress status	monthly in the future. This report was monitored at least twice each month to identify ICPs which may have become “active” without having their status updated.

Requests for information on ICPs at “new” or “ready” status for more than two years will be responded to as they are received. ICPs at “new” and “ready” status are not monitored.

Description	Recommendation	Audited party comment	Remedial action
Monitoring of new and ready ICPs	CTCS and CTCX A Registry List (type P) with proposed trader = CTCS and CTCX and status = 000 and 999 should be run at least quarterly to identify ICPs which are at new or ready status, and investigation should be completed to determine whether the ICPs are still required.	Simply Energy will implement a new process to run daily LIS files requesting specifically ICPs with a New or Ready status, which will be monitored in Sales Force on a Dashboard by the Operations Team within the Trader Audit Compliance area.	Identified

Audit outcome

Compliant

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

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

Code reference

Clause 2 Schedule 11.3

Code related audit information

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

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

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

Audit observation

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

Audit commentary

CTCT

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

Transfer switch type is applied where a customer is transferring between retailers at an address. This information is collected as part of the customer application process. Switch move is sometimes applied for transfer switches with the other trader's agreement if a certain switch event date is require. This is recorded as non-compliance in **section 4.7**.

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

I checked the metering category for the 5,122 transfer switch ICPs where this information was available on the PR255 report and found none had metering categories of three or above.

CTCX and CTCS

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

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

Where large groups of ICPs are required to be switched at one time, such as tranches of ICPs being transferred in from CTCT, Simply Energy loaded the batch of ICPs directly into Salesforce and arranged for Emersion to load the ICPs over the next two to three days. This prevented NTs from being issued late.

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

Transfer switch type is usually applied where a customer is transferring between retailers at an address. To ensure that the correct switch event date was applied, it was necessary for Simply Energy to request incoming switches from CTCT as switch moves, although they were transfer switches. This is because the requested date would not always be applied for transfer switches.

CTCX	One NT file was issued for a transfer switch. The NT file was sent within three business days of pre-conditions being cleared, and the correct switch type was selected. The ICP had metering category 1.
CTCS	363 transfer NT files were issued, and none had metering categories of three or above. The five NT files checked were sent within two business days of pre-conditions being cleared, and the correct switch type was selected.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.1</p> <p>With: Clause 2 of Schedule 11.3</p> <p>From: 19-Aug-20</p> <p>To: 21-Aug-20</p>	<p>CTCX</p> <p>One NT file was issued more than two business days after pre-conditions were cleared.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>
Audit risk rating	Rationale for audit risk rating
Low	<p>The controls are rated as weak, because 29/35 switch move and transfer switch NT files checked were issued more than two business days after pre conditions were cleared. The delays were caused by workloads and validation checks for groups of ICPs switching in.</p> <p>The impact is low because the file was issued one business day late.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<u>CTCX</u> We do not believe we can resolve these historic identified non compliances, so will put focus on implementing systems and processes to minimise the opportunity for this non-compliance arising in the future.	Date: 20/5/2021	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<u>CTCX</u> Automation of the switch request process is to be deployed.	Date: 31/07/2021	

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

Code reference

Clauses 3 and 4 Schedule 11.3

Code related audit information

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

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

When establishing an event date for clause 4, the losing trader may disregard every event date established by the losing trader for an ICP for which when the losing trader received notice from the registry manager under clause 22(a) the losing trader had been responsible for less than 2 months.

Audit observation

The event detail report was reviewed to:

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

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

Audit commentary

CTCT

AN content

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

The switching process was examined in relation to Contact as the “losing trader” for a diverse sample of 11 NHH ICPs, including at least two (or all) ICPs which had each AN response code applied. All response codes checked were correctly applied.

The event detail report was reviewed for all 1,817 transfer ANs to assess compliance with the setting of event dates requirements:

- 1,799 (99.0%) had a proposed event date within five business days of the NT receipt date, and
- all 1,817 ANs had proposed event dates within ten business days of the NT receipt date.

AN timeliness

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

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

CTCX and CTCX

AN content

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

The process to determine AN codes is automated. The AD (advanced metering) is applied if an AMI meter is present, MU (unmetered load) if the ICP is unmetered, and AA (accept and acknowledge) is applied in all other circumstances. I repeat the recommendation that Simply Energy review the AN code hierarchy and add the following codes so that they are applied in preference to AA to ensure future compliance:

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

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

Description	Recommendation	Audited party comment	Remedial action
AN response code hierarchy	CTCS and CTCX Consider adding the OC (occupied premises), PD (premises electrically disconnected), and CO (contracted customer) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable. Prepaid metering is not usually supplied.	Simply Energy will work to improve our Operational workflows in the following areas: <ul style="list-style-type: none"> • If we receive a switch loss with a MI code a new process workflow will be triggered which requires our Ops Team to collaborate with our Customer Facing Team to confirm that the ICP is vacant. If not, then use OC for occupied premises. • If we receive a switch loss and the ICP is within its contracted dates automation will be triggered to return a response code of CO. • If not within these two categories it falls to our default process. 	Identified

CTCX	One AN file was issued, and had a compliant event date and response code.
CTCS	One AN file was issued, and had a compliant event date and response code.

AN timeliness

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

Audit outcome

Compliant

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

Code reference

Clause 5 Schedule 11.3

Code related audit information

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

- *providing event date to the registry manager (clause 5(a)); and*

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

Audit observation

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

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

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

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

Audit commentary

CTCT

CS timeliness

CS generation is automated. Failures generate a BPEM for the switching team, which is actioned during the day. The switch breach history report is reviewed in parallel to ensure that all switch files expected are received by the registry. In addition a single user reviews the switching breach history report each morning and afternoon and escalates any ICPs which are close to falling due with the individual team member responsible for processing that file type that day.

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

- one CS breach for ICP 0007184693RN135, with the file sent four business days late as a BPEM was generated because the ICP was unread for 365 business days and the proposed switch event date was updated to allow more time to obtain an actual reading, but when no reading was received, the switch was completed from the original requested date making the file late (The process has been changed to prevent recurrence; the user initiates an estimated closing read which is calculated by SAP and does not amend the proposed event date), and
- 22 E2 breaches where the NT proposed transfer date and CS actual transfer date do not match, and the CS actual transfer date is earlier than the NT proposed event date, or more than ten business days after the receipt of the NT; none were genuine.

CS content

CTCT calculates the average daily kWh based on the last two actual readings received, which is compliant with the registry functional specification. During the audit period, two scenarios produced inaccurate average daily kWh:

- where more than one read was recorded in SAP on the latest actual read date, the actual daily kWh would be calculated as zero, and
- where a meter had clocked (rolled over) the average daily kWh would be calculated incorrectly.

Both of these issues were resolved with a system fix implemented on 14 April 2021. I viewed examples of ICPs with two readings on the latest actual read date and clocked meters after the change was implemented, and confirmed that the average daily kWh was calculated correctly.

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

Average daily kWh	Count of transfer CS files	Comment
Negative	-	
Zero	41	A sample of five CS files were checked. Three were correct and two had zero recorded in error because there were two reads on the latest actual read date. The CS files were generated before the system fix on 14/4/21.
More than 200 kWh	3	All three CS files were checked. Two were correct and one had incorrect average daily kWh recorded because the meter had clocked. The CS file was generated before the system fix on 14/4/21.

No inconsistencies between last actual read dates and switch event read types were identified for transfer switches. One transfer CS file was sent with a CSPREMISES line only and was compliant as the ICP was unmetered and no metering lines were present.

The accuracy of the content of eight CS files was checked. All content was correct apart from HHR AMI ICP 0000252214UN7AA (event date 21 July 2020) which was later withdrawn. The last actual read date was populated correctly, but the reading was recorded as an estimate of zero, and the average daily kWh was recorded as zero. SAP does not provide CSMETERCHANNEL, CSMETERCOMPONENT or CSMETERINSTALL lines in CS files where no meter is present, a meter register is unsettled, or where HHR metering is present and the information required to complete the CS file (such as readings) is not available in SAP. A BPEM is created, and the switch is processed manually on the registry. CTCT populates the fields presented by the registry interface for these switches, and applies default zero values.

Description	Recommendation	Audited party comment	Remedial action
Content of CS files for HHR ICPs requested as TR or MI switches	CTCT Where CS files for HHR ICPs requested as TR or MI switches are processed on the registry, ensure that the data provided reflects the actual values for the ICP and meter wherever possible instead of using default values.	<u>Contact</u> Contact is undertaking the review of this process and are actively engaging with our ToU MEPs to move the data collection from a ToU platform to an AMI data platform to provide this data in CS file for HHR AMI ICPs.	Investigating

CTCX and CTCX

CS timeliness

The timeliness of CS files is monitored using the switch breach history report which is checked twice daily, and Salesforce dashboard. No late CS files were recorded on the switch breach history report for CTCX or CTCX.

CS content

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

The registry functional specification requires estimated daily kWh to be based on the average daily consumption for the last read to read period.

- For non-AMI meters, average daily consumption is calculated in DataHub as the consumption between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read.
- For AMI meters, the user is prompted to enter the average daily consumption between the last two validated actual reads manually. This process has been in place since November 2020.

Where the last read to read period is less than 21 days for a non-AMI meter, the average daily consumption recorded will not be calculated according to the registry functional specification.

A daily file transfers the estimated daily kWh from Datahub to Salesforce's Forward Estimate Daily kWh field. If there is insufficient history to calculate the average daily consumption using readings, it will be estimated at 55 kWh per day in the NHH submissions. The CS file will generate an error if the average daily kWh is left blank.

Simply Energy have found there are some connectivity issues which can prevent the Forward Estimate Daily kWh in Salesforce from being updated, which has resulted in some incorrect average daily kWh values being included in CS files. This issue was investigated in 2020 and was thought to have been resolved, but issues are still occurring.

Description	Recommendation	Audited party comment	Remedial action
CS estimated daily kWh	<p>CTCS and CTCX</p> <p>Consider reviewing the estimated daily consumption calculation to ensure compliance with the registry functional specification.</p> <p>Investigate the reasons for the failure to transfer some average daily kWh information from Datahub to Salesforce.</p>	Automation of the Switch Loss process will be investigated: Simply Energy will look to introduce an automated workflow generated off the back of the switch loss record received from Registry. They will use this information to trigger Datahub to generate a final read (estimate or actual, depending on last actual read) which will be validated and sent back to CRM system. Further automation will be introduced to automatically generate the correct avg daily kWh based on the last two actual reads in accordance with the code. Simply Energy believes to resolve the inaccuracies we need to completely automate the entire Switch Loss process.	Investigating

CTCX	One CS file was issued for a transfer switch, and the content was confirmed to be accurate. The CS average daily kWh was not negative, zero, or over 200 kWh.
CTCS	No CS files with average daily kWh that was negative, or over 200 kWh were identified. Nine transfer CS files had average daily kWh of zero. I checked a sample of five CS files

	<p>with zero average daily kWh, and found three had zero invalidly assigned because the average daily kWh had not been correctly transferred from Datahub to Salesforce.</p> <p>I checked a sample of five CS files and found the following inaccuracies:</p> <ul style="list-style-type: none"> 0086146103WRE02 (event date 13 November 2020) had an incorrect average daily kWh, and event read type, and the event reading did not reflect the best estimate of consumption on the event date. The event reading was estimated as the same reading as the switch in on 1 November 2020 with a read type of actual because the user had not ticked the estimate box when manually entering the read. No readings were obtained during the period of supply but there was expected to be consumption. The average daily kWh was left blank and zero was reported, the incoming CS file contained 13 kWh per day. 0000048655NT5BA (event date 1 July 2020) had an incorrect average daily kWh and was generated before the changes to the average daily kWh process were deployed.
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Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.3</p> <p>With: Clause 5 Schedule 11.3</p> <p>From: 21-Jul-20</p> <p>To: 02-Dec-20</p>	<p>CTCT</p> <p>One late CS file.</p> <p>One CS file for a HHR AMI ICP contained an incorrect average daily kWh, reading, and read type.</p> <p>Three CS files had had incorrect daily average kWh recorded.</p> <p>CTCS</p> <p>For non-AMI meters average daily kWh is calculated as the daily average between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. Where these reads are not at least 21 days apart, average daily kWh will not be calculated as required by the Registry Functional Specification.</p> <p>Four CS files had incorrect daily average kWh recorded.</p> <p>The CS for 0086146103WRE02 (event date 13/11/20) had an incorrect average daily kWh, and event read type, and the event reading did not reflect the best estimate of consumption on the event date.</p> <p>CTCX</p> <p>For non-AMI meters average daily kWh is calculated as the daily average between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. Where these reads are not at least 21 days apart, average daily kWh will not be calculated as required by the Registry Functional Specification.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p>

	Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate overall, as most CS content was accurate and on time, but I note that Simply Energy's current average daily consumption calculation will not achieve compliance for all ICPs.</p> <p>The audit risk rating is low because impact on settlement and participants is minor.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>One late CS file – A process change has already been implemented to minimise the possibility of this non-compliance reoccurring in the future.</p> <p>One CS file for a HHR AMI ICP contained an incorrect average daily kWh, reading, and read type - Contact is undertaking the review of this process and are actively engaging with our ToU MEPs to move the data collection from a ToU platform to an AMI data platform to provide the data in a CS file for HHR AMI ICP's.</p> <p>Three CS files had incorrect daily average kWh recorded. A system fix was deployed in April 2021 to resolve the noted scenarios. No further reoccurrence of these issues has been identified since.</p> <p><u>CTCS & CTCX</u></p> <p>Simply Energy do not believe they can resolve these identified non compliances, so a focus has been put on implementing systems to minimise the possibility of the non-compliance reoccurring in the future.</p>		<p>Date:</p> <p>Ongoing</p> <p>CTCS</p> <p>N/A</p> <p>CTCX</p> <p>N/A</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>CTCT</u></p> <p>We have made process changes and have deployed system fixes to minimise the possibility of the non-compliances occurring in the future. We are reviewing the process for CS contents for HHR ICPs requested as TR or MI switches.</p> <p><u>CTCS</u></p> <p>Simply Energy will run through refresher training with staff. Automation of the Switch Loss process will be investigated: We will look to introduce an automated workflow generated off the</p>		<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS & CTCX</u></p> <p>31/01/2021</p>	

back of the switch loss record received from Registry. They will use this information to trigger Datahub to generate a final read (estimate or actual, depending on last actual read) which will be validated and sent back to CRM system. Further automation will be introduced to automatically generate the correct avg daily kWh based on the last two actual reads in accordance with the code. Simply Energy believes to resolve the inaccuracies we need to completely automate the entire Switch Loss process.		
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4.4. Retailers must use same reading - standard switch (Clause 6(1) and 6A Schedule 11.3)

Code reference

Clause 6(1) and 6A Schedule 11.3

Code related audit information

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

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

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

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

Audit observation

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

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

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

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

Audit commentary

CTCT

Content and handling of RR and AC files

If the meter reading validation process detects a discrepancy between actual readings and the gain reading, Contact obtains a second reading to verify the actual reading as soon as possible. If two actual reads confirm an RR is required, the billing team emails the other retailer using the switching inbox (so

the switching team has a copy of the correspondence) and issues the RR. Contact attempts to complete this within four months as required by this clause.

Returned AC acceptances and rejections are processed by the billing team. The switching team provides process support where requested, including for complex cases.

Contact issued 89 RR files for transfer switches. 70 were accepted and 19 were rejected. For the sample of five acceptances and five rejections checked there was a genuine reason for Contact's RR, the RR was supported by at least two validated readings, and the reads recorded in SAP reflected the outcome of the RR process.

Contact issued four AC files for transfer switches. All were rejected for valid reasons, and all switches were withdrawn so no switch event reading was recorded in SAP.

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

Timeliness of RR files

If the meter reading validation process detects a discrepancy between actual readings and the gain reading, Contact obtains a second reading to verify the actual reading as soon as possible. Once Contact's actual readings are verified, an RR is issued to the other trader.

The switch breach history report recorded seven late RRs for transfer switches:

- ICP 0043115111PC926 (event date 11 June 2020) was delayed by a meter dial digits issue which needed to be resolved before the change was made,
- ICP 0000554479NRF78 (event date 10 March 2020) was delayed while a complaint was investigated and resolved,
- ICP 0000483443CE4EC (event date 3 June 2020) had an RR issued when a user checked the meter read history as part of a meter removal; the actual reads following the gain were lower than the switch event reading but no RR had been raised through the BPEM process because the difference was 21 kWh, and
- the other files were late because there were delays in obtaining actual readings caused by backdated switches, AMI meters which were not communicating, and meter access issues.

Timeliness of AC files

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

The switch breach history report recorded one late AC file for transfer switch ICP 0454911602LCE30 (event date 3 July 2020). The error occurred because the user had missed selecting "accept" or "reject" before the BPEM was closed. The issue was not detected through the switch breach history report review, because the reviewer saw the BPEM was closed, and assumed the file was issued after the switch breach history report was run.

Further controls have been implemented to prevent recurrence of this issue, and the user responsible for producing AC files relies on the switch breach report as well as the BPEMs. There have been no late AC files since the late file was issued on 15 July 2020.

CTCX and CTCs

Content of RR and AC files

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

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

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

CTCX	No RR or AC files were issued by CTCX, and there were no transfer CS files with estimated reads where no RR was issued for CTCX.
CTCS	<p><u>RR</u></p> <p>Four RR files were issued for transfer switches. Three were accepted and one was rejected. In all cases there was a genuine reason for the RR.</p> <p>The reads recorded in Datahub and MADRAS reflected the outcome of the RR process apart from 0000800124TP205 (event date 5 June 2020) which had a reading of 442663 recorded in MADRAS instead of the agreed switch read of 415834, resulting in over submission of 26,829 kWh. Two readings were sent to MADRAS on the same day, and MADRAS applied the later reading.</p> <p>The RRs were supported by at least two validated readings, except for 0000800124TP205 (event date 5 June 2020). CTCS believes that the reading may have been provided by the other trader, but could not find any correspondence to support this.</p> <p><u>AC</u></p> <p>Five AC files were issued for transfer switches. Two were initially rejected and later accepted on the same or different readings, and one was accepted when first received. For two of the three ICPs the correct switch event readings were recorded in Datahub and MADRAS. For ICP 0000890505WPEDF (event date 21 October 2021) the agreed switch reading failed validation because it was lower than the incoming CS read from 4 June 2020 and was not loaded into Datahub or transferred as a validated reading to MADRAS. A case has been raised to update the readings in Datahub and MADRAS, and there is currently no start read present.</p> <p><u>Incoming CS files</u></p> <p>Review of five transfer CS files with estimated reads where no RR was issued. I confirmed that the correct readings were recorded in Datahub for all ICPs, and MADRAS for NHH settled ICPs.</p>

Timeliness of RR and AC files

Rrs are issued as soon as Simply Energy confirms that they are required and has received supporting readings. Read change workflows are managed using the Salesforce dashboard, and the timeliness of AC files is also monitored using the switch breach report.

For ICPs gained from CTCT, Simply Energy and Contact agreed to bill to and from the CS read unless the CS read was higher than subsequent readings, and those subsequent readings did not catch up to the switch event reading within four months. In these cases the RR process was followed.

CTCX	No breaches were recorded on the switch breach history report.
CTCS	Three RR breaches were recorded on the switch breach history report for transfer switches. These all related to tranche 1 ICPs which were switched from CTCT to CTCS, because RR requests for early tranches were not completed until late 2020 to early 2021.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.4</p> <p>With: Clause 6(1) and 6A Schedule 11.3</p> <p>From: 15-Jun-20</p> <p>To: 05-Jan-21</p>	<p>CTCT</p> <p>Seven late RR files.</p> <p>One late AC file.</p> <p>CTCS</p> <p>Three late RR files.</p> <p>The RR for 0000800124TP205 (event date 5/6/20) was not supported by at least two validated actual readings.</p> <p>MADRAS did not reflect the outcome of the RR process for 0000800124TP205 (event date 5/6/20).</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are rated as moderate overall:</p> <ul style="list-style-type: none"> CTCT's controls are strong. Additional monitoring controls have been implemented for CTCT; users responsible for RR and AC files use the switch breach report as well as relying in BPEMs. CTCS controls are moderate, as there is room for improvement. <p>The impact is medium because the incorrectly recorded event reading in MADRAS has resulted in over submission of 26,829 kWh. The difference will wash out through the revision process once the error is corrected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>Seven late RR files. – Contact is in process of providing further training to the operators to minimise the possibility of late RR files in future.</p>		<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p>	Identified

<p>One late AC file – Contact has further strengthened the controls to minimise the reoccurrence, with no further issue being identified since the change occurred in July 2020.</p> <p><u>CTCS</u></p> <p>0000800124TP205 was effectively an internal transfer between two Contact owned codes; The RR for 0000800124TP205 was requested by CTCT (Email received 12/06/2020) and actioned by CTCS. CTCT switched on an estimate read and subsequently gained an actual that was significantly below the switch read. We felt the volume was accounted for accordingly at both ends, with both ends being under the Contact Energy umbrella, therefore that the risk was low, however going forward we will ensure we meet the code requirements.</p> <p>Confirmed with EMS (screen shot provided separately) that Madras does show the new start read from the RR.</p>	<p><u>CTCS</u></p> <p>18/05/2021</p>	
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>Ongoing coaching for the operators will be provided. We have further strengthened our controls for late AC file as mentioned by the auditors in the commentary.</p> <p><u>CTCS</u></p> <p>Simply Energy will confirm with EMS that all RR's received show their new reads in Madras.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>28/05/2021</p>	

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

Code reference

Clause 6(2) and (3) Schedule 11.3

Code related audit information

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

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

Audit observation

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

Audit commentary

CTCT

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

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

I identified two RR files issued to Contact within five business days of CS completion where the NT specified an HHR profile. Both were validly rejected because the CS reading was actual, and the switches were later withdrawn.

CTCX and CTCS

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

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

Audit outcome

Compliant

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

Code reference

Clause 7 Schedule 11.3

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 9 Schedule 11.3

Code related audit information

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

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

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

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

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

Audit observation

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

Audit commentary

CTCT

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

Switch move is applied:

- where a new customer is moving into an address, and
- with the other trader's agreement if a certain switch event date is required.

Use of switch move where the customer is not moving into the address is non-compliant. During the audit period, switch move was applied where the customer was not moving in for around 10,000 ICPs which migrated from Club Energy to ensure that they were transferred effective from the day after the final billing date, and for account managed customers where the switch was required from the contract start date.

In all other circumstances, switch move is only applied if the customer is moving into the address. I viewed CTCT's customer help tool which is used by CSRs who process customer applications. The documentation clearly states that MI should applied where the customer is moving into a property, and PA (the internal code applied for transfer switches) should be applied where the customer is not moving.

The 15 NT files checked were sent within two business days of pre-conditions being cleared, and the correct switch type was selected for the 12 of the 15 ICPs checked. Three ICPs were requested as switch moves when the customer was not moving into the address, to ensure that the correct switch date was applied. In all three cases, the switch type was agreed with the losing trader.

I checked the metering category for the 39,422 switch move ICPs where this information was available on the PR255, and found none had metering categories of three or above.

CTCX and CTCX

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

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

Where large groups of ICPs are required to be switched at one time, such as tranches of ICPs being transferred in from CTCT, Simply Energy loaded the batch of ICPs directly into SaleForce and arranged for Emersion to load the ICPs over the next two to three days. This prevented NTs from being issued late.

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

Switch move is applied when a new customer is moving into an address. To ensure that the correct switch event date was applied, it was necessary for Simply Energy to request incoming switches from CTCT as switch moves, although they were transfer switches. This is because the requested date would not always be applied for transfer switches.

CTCX	<p>Seven NT files were issued for switch moves, and none had metering categories of three or above.</p> <p>Four of the five NT files checked were sent more than two business days after pre-conditions being cleared. In all cases the customer was transferring between retailers at the address, and transfer switch was expected to apply.</p>
CTCS	<p>4,407 NT files were issued for switch moves.</p> <p>I checked the metering category for the 4,305 switch move ICPs where this information was available on the PR255, and found two had metering category four and one had metering category three.</p> <p>I checked a diverse sample of 29 NTs including ICPs with DST profile (indicating DUMML load), DFP profile (indicating residual load). I found that all were sent more than two business days after pre-conditions were cleared, and the customer was transferring between retailers at the address, and transfer switch was expected to apply.</p>

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.7</p> <p>With: Clause 9 of Schedule 11.3</p> <p>From: 20-Jun-20</p> <p>To: 02-Oct-20</p>	<p>CTCT</p> <p>Switch move was applied for three transfer switches to ensure that they were transferred from the correct date. Two of the ICPs migrated from Club Energy and one ICP switched in from Genesis at the end of its contract term.</p> <p>Switch move was applied for approximately 10,000 ICPs which transferred from Club Energy to CTCT.</p> <p>CTCS</p> <p>Switch move was applied for ICPs which transferred from CTCT to CTCS.</p> <p>Switch move was applied for three ICPs with metering category three or four, which should have been requested as HH switches.</p> <p>Switch move was incorrectly applied for the sample of 29 switch move NT files checked.</p> <p>28 NT files were issued more than two business days after pre-conditions were cleared.</p> <p>CTCX</p> <p>Four NT files were issued more than two business days after pre-conditions were cleared.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Three times</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as weak overall:</p> <ul style="list-style-type: none">a large proportion of ICPs requested as switch moves were for ICPs which were transferring between retailers at the same address, and29/35 switch move and transfer switch NT files checked for CTCS and CTCX were issued more than two business days after pre conditions were cleared; the delays were caused by workloads and validation checks for groups of ICPs switching in. <p>The impact is low:</p> <ul style="list-style-type: none">use of switch move can help to ensure that ICPs are transferred from the correct date, reducing the number of withdrawals and is generally applied with approval from the other trader, andthe late NT files were all sent within five business days of pre-conditions being cleared, so while timing differences could occur for reconciliation, it will wash out through the revision process.		
Actions taken to resolve the issue		Completion date	Remedial action status
CTCT		Date:	Investigating

<p>As noted by the auditor, a switch move was applied to ensure accuracy of the switch dates. Transfer switch type does not allow to fix a switch date for both gaining and losing retailer. Move Switch was used to give certainty to the consumers, traders, and to ensure contractual obligations were met. This limitation with Transfer switch has been raised with the Electricity Authority through the Switch process review via Switching Technical Group.</p> <p><u>CTCS & CTCX</u></p> <p>These issues are primarily the result of human error.</p> <p>Automation of the switch request process is to be deployed which will minimise these errors for reoccurring in the future.</p>	<p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS & CTCX</u></p> <p>30/06/2021</p>	
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>This limitation with the Transfer switch has been raised with Electricity Authority through the Switch process review via Switching Technical Group.</p> <p><u>CTCS & CTCX</u></p> <p>Automation of the switch request process is to be deployed which will minimise these errors for reoccurring in the future.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS & CTCX</u></p> <p>31/07/2021</p>	

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

Code reference

Clause 10(1) Schedule 11.3

Code related audit information

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

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

The event detail report was reviewed to:

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

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

Audit commentary

CTCT

AN content

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

The switching process was examined in relation to Contact as the “losing trader” for a diverse sample of 12 NHH ICPs, including at least two (or all) ICPs which had each AN response code applied. In all cases, the correct codes were used.

The event detail report was reviewed for all 1,877 switch move ANs to assess compliance with the setting of event dates requirements.

- 1,875 (99.89%) had proposed event dates within ten business days of the NT receipt date; two ICPs had event dates more than ten business days after the NT receipt date, which matched the gaining trader’s requested transfer date, and
- no ANs has a proposed event date before the gaining trader’s requested date.

The switch breach history report was reviewed to identify non-compliant event dates and found:

- 43 ET breaches for AN expected transfer dates earlier than the NT proposed event date, or an expected transfer date more than ten business days after NT receipt; I checked all 22 alleged breaches over ten business days and found none were genuine because the AN proposed event dates were not before the NT proposed event date, and the proposed event dates were not more than ten business days after the NT receipt date, and
- 338 E2 breaches where the NT proposed transfer date and CS actual transfer date do not match, and the CS actual transfer date is earlier than the NT proposed event date, or more than ten business days after receipt of the NT; I checked the 30 ICPs with the largest numbers of days overdue (25-45 days) and found none were genuine breaches.

AN and CS timeliness

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

The switch breach history report was reviewed for switch move AN and CS files and found no AN or CS timeliness breaches.

CTCX and CTCX

AN content

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

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

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

No AN files were issued for CTCX or CTCX switch moves.

AN and CS timeliness

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

CTCX	No breaches were recorded on the switch breach history report.
CTCS	<p>No AN breaches were recorded on the switch breach history report.</p> <p>Three E2 breaches were recorded on the switch breach history report because the NT Proposed Transfer Date and CS Actual Transfer date do not match; and CS actual transfer date is a) earlier than the NT proposed transfer date; or b) more than 10 business days after receipt of the NT. None of the breaches were genuine because the NT, AN and event dates matched and were not more than ten business days after NT receipt.</p>

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

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

Audit observation

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

Audit commentary

CTCT

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

CTCS and CTCX

No switch move AN files were issued by CTCS or CTCX.

Audit outcome

Compliant

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

Code reference

Clause 11 Schedule 11.3

Code related audit information

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

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

Audit observation

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

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

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

Audit commentary

CTCT

CS content

The registry functional specification requires average daily kWh to be based on the average daily CTCT calculates the average daily kWh based on the last two actual readings received, which is compliant with the registry functional specification. During the audit period, two scenarios produced inaccurate average daily kWh:

- where more than one read was recorded in SAP on the latest actual read date, the actual daily kWh would be calculated as zero, and
- where a meter had clocked (rolled over) the average daily kWh would be calculated incorrectly.

Both of these issues were resolved with a system fix implemented on 14 April 2021. I viewed examples of ICPs with two readings on the latest actual read date and clocked meters after the change was implemented, and confirmed that the average daily kWh was calculated correctly.

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

Average daily kWh	Count of transfer CS files	Comment
Negative	-	
Zero	115	A sample of five CS files were checked. Three were correct and two had zero recorded in error because there were two reads on the latest actual read date. The CS files were generated before the system fix on 14/4/21.
More than 200 kWh	2	Both CS files were checked. One was correct and one had incorrect average daily kWh recorded because the meter had clocked. The CS file was generated before the system fix on 14/4/21.

No inconsistencies between last actual read dates and switch event read types were identified for switch moves with last actual read dates prior to Contact's last day of responsibility. Seven CS files with a last actual read date on Contact's last day of responsibility had an estimated switch event read. I confirmed that the last actual read date and read were correct, but an incorrect switch event read type was recorded. All were created by the system and CTCT's ICT team is investigating to determine the cause of the incorrect read type, and a solution is intended to be deployed by August 2021.

SAP does not provide CSMETERCHANNEL, CSMETERCOMPONENT or CSMETERINSTALL lines in CS files where no meter is present, a meter register is unsettled, or where HHR metering is present and the information required to complete the CS file (such as readings) is not available in SAP. A BPEM is created, and the switch is processed manually on the registry. CTCT populates the fields presented by the registry interface for these switches. Five switch move CS files were sent with a CSPREMISES line only, and were later withdrawn:

- one ICP at "ready for decommissioning" status had no meter present,
- one ICP had a Contact pre-pay meter with a non-settled meter register and unmetered load, and
- three ICPs had category two HHR AMI meters.

The accuracy of the content of eight CS files was checked. All content was correct apart from the average daily kWh for three ICPs which had more than one reading on the last actual read date. The files were processed before the correction was implemented on 14 April 2021.

CTCX and CTCS

CS content

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

The registry functional specification requires estimated daily kWh to be based on the average daily consumption for the last read to read period.

- For non AMI meters, average daily consumption is calculated in DataHub as the consumption between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read.
- For AMI meters, the user is prompted to enter the average daily consumption between the last two validated actual reads manually. This process has been in place since November 2020.

Where the last read to read period is less than 21 days for a non-AMI meter, the average daily consumption recorded will not be calculated according to the registry functional specification.

A daily file transfers the estimated daily kWh from Datahub to Salesforce's Forward Estimate Daily kWh field. If there is insufficient history to calculate the average daily consumption using readings, it will be estimated at 55 kWh per day in the NHH submissions. The CS file will generate an error if the average daily kWh is left blank.

Simply Energy have found there are some connectivity issues which can prevent the Forward Estimate Daily kWh in Salesforce from being updated, which has resulted in some incorrect average daily kWh values being included in CS files. A ticket has been raised to investigate this issue.

CTCX	No CS files were issued for switch moves.
CTCS	<p>No CS files had negative average daily kWh. 24 switch move CS files had average daily kWh of zero, and 17 had an average daily kWh of over 200. I checked five CS files with zero average daily kWh and the CS files with the five largest average daily kWh values. I found five were incorrect because the average daily kWh had not been correctly transferred from Datahub to Salesforce.</p> <p>I checked a sample of five CS files and found the following inaccuracies:</p> <ul style="list-style-type: none"> 0007106716RNC51 (event date 1 October 2020) had an incorrect event read type; the event reading was estimated with a read type of actual because the user had not ticked the estimate box when manually entering the read, and 0005960665RND53 (event date 1 January 2021) and 0000121314HB04C (event date 3 December 2020) had an incorrect average daily kWh because Salesforce was not correctly updated by Datahub.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.10</p> <p>With: Clause 11 Schedule 11.3</p>	<p>CTCT</p> <p>Seven switch move CS files had an incorrect switch event read type "E" was recorded instead of "A".</p> <p>CS files for four metered ICPs did not contain CSMETERCHANNEL, CSMETERCOMPONENT or CSMETERINSTALL lines. All of the switches were withdrawn.</p> <p>CS files for three ICPs had an incorrect average daily kWh.</p> <p>CTCS</p> <p>For non-AMI meters average daily kWh is calculated as the daily average between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. Where these reads are not at least 21 days apart, average daily kWh will not be calculated as required by the Registry Functional Specification.</p> <p>The CS for ICP 0007106716RNC51 (event date 1/10/20) had an incorrect event read type. The event reading was estimated with a read type of actual because the user had not ticked the estimate box when manually entering the read.</p> <p>The CS files for ICPs 0005960665RND53 (event date 1/1/21) and 0000121314HB04C (event date 3/12/20) had an incorrect average daily kWh because Salesforce was not correctly updated by Datahub.</p>

From: 13-Jun-20 To: 20-Jan-21	<p>CS files for five ICPs had an incorrect average daily kWh.</p> <p>CTCX</p> <p>For non-AMI meters average daily kWh is calculated as the daily average between the most recent validated read and the previous validated read, where the previous validated read is at least 21 days before the most recent validated read. Where these reads are not at least 21 days apart, average daily kWh will not be calculated as required by the Registry Functional Specification.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate overall, as most CS content was accurate and on time, but I note that Simply Energy’s current average daily consumption calculation will not achieve compliance for all ICPs.</p> <p>The audit risk rating is low because impact on settlement and participants is minor. All CS files with missing rows were withdrawn, and the CS accuracy issues are being investigated by Contact and Simply Energy.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>Seven switch move CS files had an incorrect switch event read type of “E” recorded instead of “A”. – Contact’s ICT team is investigating the system issue and based on the findings, we anticipate to having a system fix deployed by end of August 2021 to resolve this non-compliance.</p> <p>CS files for four metered ICPs did not contain CSMETERCHANNEL, CSMETERCOMPONENT or CSMETERINSTALL lines. All of the switches were withdrawn. -</p> <p>Contact is undertaking the review of this process and are actively engaging with our ToU MEPs to move the data collection from ToU platform to AMI data platform to provide this data in CS file for HHR AMI ICP’s.</p> <p>CS files for three ICPs had an incorrect average daily kWh. - System fix was deployed in April 2021 to resolve the noted scenarios. No further reoccurrence of these issues have been identified since." Aug-21 ICT team is investigating the system</p>		<p>Date:</p> <p><u>CTCT</u></p> <p>21.08.2021</p>	Identified

fix and we are reviewing the process for CS contents where meter is category two for HHR AMI meters. Aug-21		
<p><u>CTCS & CTCX</u></p> <p>Simply Energy do not believe they can resolve these identified non-compliances so will put a focus on implementing systems to minimise the possibility of this non-compliance reoccurring in future, as noted in the preventative actions.</p>		
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>Our ICT team is investigating a possible system fix and we are reviewing the process for CS contents where meter is category two for HHR AMI meters.</p>	<p>Date</p> <p>CTCT:</p> <p>21.08.2021</p>	
<p><u>CTCS & CTCX</u></p> <p>Simply Energy will run through refresher training with staff.</p> <p>Automation of the Switch Loss process will be investigated: Simply Energy will look to introduce an automated workflow generated off the back of the switch loss record received from Registry. They will use this information to trigger Datahub to generate a final read (estimate or actual, depending on last actual read) which will be validated and sent back to CRM system. Further automation will be to introduced to automatically to generate the correct avg daily kWh based on the last two actual reads in accordance with the code. Simply Energy believes to resolve the inaccuracies we need to completely automate the switching loss process.</p>	<p>CTCS& CTCX:</p> <p>31/01/2022</p>	

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

Code reference

Clause 12 Schedule 11.3

Code related audit information

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

- *if the switch meter reading established by the gaining trader differs by less than 200 kWh from that provided by the losing trader, both traders must use the switch event meter reading provided by the gaining trader (clause 12(2)(a)); or*

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

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

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

Audit observation

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

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

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

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

Audit commentary

CTCT

Content and handling of RR and AC files

If the meter reading validation process detects a discrepancy between actual readings and the gain reading, Contact obtains a second reading to verify the actual reading as soon as possible. If two actual reads confirm an RR is required, the billing team emails the other retailer using the switching inbox (so the switching team has a copy of the correspondence) and issues the RR. Contact attempts to complete this within four months as required by this clause.

Returned AC acceptances and rejections are processed by the billing team. The switching team provides process support where requested, including for complex cases.

Contact issued 668 RR files for switch moves. 512 were accepted and 156 were rejected. For the sample of five acceptances and five rejections checked there was a genuine reason for Contact's RR, the RR was supported by at least two validated readings, and the reads recorded in SAP reflected the outcome of the RR process.

Contact issued 13 AC files for switch moves. Four were rejected and nine were accepted. All AC rejections and acceptances were checked. All were rejected for valid reasons, and all switches were withdrawn so no switch event reading was recorded in SAP.

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

Timeliness of RR files

The switch breach history report recorded 28 late RRs for switch moves. The 15 latest switch move RR files were checked:

- ICP 0000046593WEAD0 (event date 8 June 2020) was delayed while a complaint was investigated and resolved,
- ICP 0000294540TEA94 (event date 24 June 2020) was delayed because the billing validation BPEM was actioned late; an actual read lower than the switch in read was received on 11 September 2020, and a control read was received on 18 September 2020,
- ICP 0000100637UN6BE (event date 8 July 2020) had an actual reading which was 1 kWh lower than the gain reading; the billing robot was consistently amending the read to match the higher switch in reading and the rounding issue was identified when an exception was processed manually by a user, and
- the other files were late because there were delays in obtaining actual readings caused by backdated switches, AMI meters which were not communicating, meter access issues, and the timing of customers being moved into a billing route relative to the read date for that route.

Timeliness of AC files

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

The switch breach history report recorded one late AC file for transfer switch ICP 0000009585UNF46 (event date 3 July 2020). The error occurred because the user had missed selecting “accept” or “reject” before the BPEM was closed. The issue was not detected through the switch breach history report review, because the reviewer saw the BPEM was closed, and assumed the file was issued after the switch breach history report was run.

Further controls have been implemented to prevent recurrence of this issue, and the user responsible for producing AC files relies on the switch breach report as well as the BPEMs. There have been no late AC files since the late file was issued on 15 July 2020.

CTCX and CTCS

Content of RR and AC files

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

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

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

CTCX	No RR or AC files were issued by CTCX.
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	Review of both switch move CS files with estimated reads where no RR was issued confirmed that the correct readings were recorded in Datahub and MADRAS.
CTCS	<p><u>RR</u></p> <p>Eight RR files were issued for switch moves. Two were rejected and six were accepted. The rejected files contained the same read as the original CS file. I checked both rejected files and five accepted files.</p> <p>The reads recorded in Datahub and MADRAS reflected the outcome of the RR process apart from:</p> <ul style="list-style-type: none"> • 0000383414TPAF8 (event date 1 June 2020) meter 216552485/2 has a reading of 1274 recorded in Datahub and MADRAS instead of 1184; the error occurred because the systems were not updated when the AC file was received and the reading for 216552485/1 was not changed by the RR process, • 0005105160WMB18 (event date 1 November 2020) meter 703276/1 and 703276/1 has readings of 72801 and 41493 recorded in MADRAS and Datahub instead of 41493 and 72801; the RR file was not processed in Datahub and MADRAS, and a case is open awaiting meter change details to confirm whether the readings are correct, and • 0008001235TP8E9 (event date 1 June 2020) meter 212274502/1 has a reading of 3487 MADRAS instead of 3477; two readings were sent to MADRAS on the same day, and MADRAS applied the later reading, but the event reading is correctly recorded in Datahub. <p>The RRs were validly issued and supported by at least two validated readings, except for:</p> <ul style="list-style-type: none"> • 0000021399WE87F (event date 1 October 2020) sent in error for the same reading as the CS file, • 0000190444UN2E0 (event date 1 June 2020) sent in error for the same reading as the CS file, and • 0000379781TU0AD (event date 1 June 2020); CTCS believes that the reading may have been provided by the other trader but could not find any correspondence to support this. <p><u>AC</u></p> <p>13 AC files were issued for switch moves. Three files were rejected; one was not reissued, one was accepted on reissue with the same readings and one was accepted on reissue with different readings. I checked all rejected files and five accepted RRs. In all cases Datahub and MADRAS reflected the outcome of the RR process, and the rejections were valid.</p> <p><u>Incoming CS</u></p> <p>Review of five switch move CS files with estimated reads where no RR was issued. I confirmed that the correct readings were recorded in Datahub for all ICPs, and MADRAS for NHH settled ICPs.</p>

Timeliness of RR and AC files

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

For ICPs gained from CTCT, Simply Energy and Contact agreed to bill to and from the CS read unless the CS read was higher than subsequent readings, and those subsequent readings did not catch up to the switch event reading within four months. In these cases the RR process was followed.

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

CTCX	No breaches were recorded on the switch breach history report.
CTCS	One breach was recorded on the switch breach history report for a switch move. It related to a tranche 1 ICP which was switched from CTCT to CTCS, because RR requests for early tranches were not completed until late 2020 to early 2021.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.11</p> <p>With: Clause 12 of Schedule 11.3</p> <p>From: 23-Jun-20</p> <p>To: 18-Jan-21</p>	<p>CTCT</p> <p>28 late RR files.</p> <p>One late AC file.</p> <p>CTCS</p> <p>Two RR files were issued in error.</p> <p>Three RR files were not supported by at least two actual validated readings including the two RR files issued in error.</p> <p>Three ICPs MADRAS and/or Datahub readings did not reflect the outcome of the RR process.</p> <p>One late AC file.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating
Low	<p>The controls are rated as moderate overall:</p> <ul style="list-style-type: none"> CTCT's controls are strong and additional monitoring controls have been implemented for CTCT; users responsible for RR and AC files use the switch breach report as well as relying in BP EMs, and CTCS controls are moderate, as there is room for improvement. <p>The impact on settlement is minor because the number of ICPs is low.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<p><u>CTCT</u></p> <p>28 late RR files. - Contact is in process of providing further training to the operators to further minimise the possibility for this non-compliance to arise again in future.</p> <p>One late AC file - Contact has further strengthened the controls as noted in the Auditors commentary to avoid the reoccurrence of this non-compliance with no further issues being identified since the change went live in July 2020.</p> <p><u>CTCS</u></p> <p>A review of all RR files will take place to ensure that the correct information is held within both Datahub and Madras.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>28/05/2021</p>	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>Ongoing coaching for the operators will occur. We have also further strengthened the controls for late AC file as noted by the auditor in their commentary.</p> <p><u>CTCS</u></p> <p>The RR process is to be fully automated and with NHH DA to be developed in Datahub we will minimise the possibility of these non-compliances from re-occurring in the future.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>Ongoing</p>	

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

Code reference

Clause 14 Schedule 11.3

Code related audit information

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

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

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

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

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

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

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

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

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

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

Audit observation

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

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

Audit commentary

CTCT

CTCT will not request any new HH switches, all HH ICPs will switch in to the CTCS participant code.

The sales team and contract administration team enter into contracts to supply HHR ICPs, and are responsible for submitting the HH NT.

The HDM team run the 1010 new retailer gains report in SAP daily, and any new ICPs are added to the template gains_master spreadsheet, which is used to track switches in progress and ensure they are completed on time. The HDM team is responsible for completing the switch and ensuring that metering data is requested.

The NT files for HH switches contained the information required by this clause, and the sample of five HH NTs checked were issued within two business days of pre conditions being cleared.

I checked the metering category for all 28 HH NTs and found all the ICPs had meter category of 3 or 4 and the correct switch type was selected. A sample of five were checked and were sent within three business days of all conditions being met.

I checked the metering category for the 5,122 transfer switch ICPs and 39,422 switch move ICPs where this information was available on the PR255 report and found none had metering categories of three or above.

CTCX and CTCS

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

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

Where large groups of ICPs were required to be switched at one time, such as tranches of ICPs being transferred in from CTCT, Simply Energy loaded the batch of ICPs directly into SaleForce and arranged for Emersion to load the ICPs over the next two to three days. This prevented NTs from being issued late.

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

CTCX	<p>One NT was issued for a gaining trader switch. The ICP had metering category 3 and the correct switch type was selected. This was effectively an internal transfer as it was switched from another Simply Energy managed code to CTCX therefore compliance is confirmed.</p> <p>No ICPs with metering categories above 2 were incorrectly requested as TR or MI switches.</p>
CTCS	<p>The NT files for HH switches contained the information required by this clause.</p> <p>389 NTs were issued for gaining trader switches, all had metering category 3, 4 or 5 and the correct switch type was selected. At least 356 of these were internal transfers as they were switched from CTCT to CTCS therefore compliance is confirmed.</p> <p>I checked a sample of five ICPs requested from traders other than CTCT to determine whether they were requested on time and the correct switch type was applied. One of the NT files was issued late due to short staffing over the Christmas to New year period.</p> <p>I checked the metering category for the 4,305 switch move ICPs and seven transfer switch ICPS where this information was available on the PR255, and found two switch moves had metering category four and one switch move had metering category three.</p> <p>The switch breach history report recorded PT breaches for six HH NT files because the NT Proposed Transfer Date is more than 90 days before the NT arrival date; or if the NT Proposed Transfer Date is a) before the arrival date of the NT and b) on a different month from the arrival month of the NT and c) is different from the AN Expected Transfer Date. Four of the alleged breaches were not genuine because they did not meet the stated criteria. Two breaches were raised in relation to ICP 0006678840RNB12. The ICP was expected to be in tranche 1 switched in from CTCT, but the date was required to be changed at CTCT's request due to the contract dates entered in SAP.</p>

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.12</p> <p>With: Clause 14 of Schedule 11.3</p> <p>From: 25-Nov-20</p> <p>To: 05-Jan-21</p>	<p>CTCS</p> <p>One late HH NT.</p> <p>Two PT breaches for one HH ICP.</p> <p>Switch move was applied for three ICPs with metering category three or four, which should have been requested as HH switches.</p> <p>Potential impact: None</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate, because:</p> <ul style="list-style-type: none"> the NTs checked outside of the Christmas to New Year holiday period were on time, the PT breach occurred because of a change of event date requested by the losing trader, and there is a process to manually select the correct switch type for meter categories three and above, but the manual step was missed for three switches. <p>The audit risk rating is low because the NT file was issued eight business days after pre-conditions were met, and the change of event date was requested by the losing trader. The HH switches were completed.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCS</u></p> <p>Simply Energy do not believe they can resolve these historic identified non-compliances, so a focus has been put on implementing systems to minimise the possibility of this non-compliance from re-occurring in the future. this happening again. Please refer to preventative actions.</p>		<p>Date:</p> <p><u>CTCS</u></p> <p>20/05/2021</p>	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>CTCS</u></p> <p>Simply Energy will be automating the switch request process.</p>		<p>Date:</p> <p><u>CTCS</u></p> <p>31/07/2021</p>	

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

Code reference

Clause 15 Schedule 11.3

Code related audit information

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

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

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

Audit observation

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

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

Audit commentary

CTCT

SAP determines the AN code based on a hierarchy. The switch breach history report did not record any late AN files.

The switching process was examined in relation to Contact as the “losing trader” for a sample of HHR ICPs. Three HH ANs were sent with the AA (acknowledge and accept) response code and one AN was sent with the CO (contracted customer response code). In all cases the correct code was applied.

CTCX and CTCS

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

No HH AN files were issued by CTCS or CTCX.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.3

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

CTCT

The CS file is released by SAP as soon as the AN file is received, and a BPEM is created for any CS files which cannot be generated. The switch breach history report did not record any late HH CS files, and CS content was as expected for all HH CS files.

CTCX and CTCS

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

CTCX	The CS file content was as expected for the one HH CS files issued. No breaches were recorded on the switch breach history report.
CTCS	<p>The CS file content was as expected for the 385 of the 388 HH CS files issued during the audit period. Three HH CS files contained CSMETERINSTALL, CSMETERCOMP and CSMETERCHANNEL rows as well as a CSPREMISES row. The files errored when the automated CS was received by the registry because the registry meter configuration required the additional rows. For all three ICPs the daily average kWh and readings for all registers were populated as zeros.</p> <p>One E2 breach was recorded on the switch breach history report, which was confirmed not to be genuine.</p>

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.14</p> <p>With: Clause 16 Schedule 11.3</p> <p>From: 04-Jun-20</p> <p>To: 01-Nov-20</p>	<p>CTCS</p> <p>Three HH CS files contained CSMETERINSTALL, CSMETERCOMP and CSMETERCHANNEL rows as well as a CSPREMISES row. For all three ICPs the daily average kWh and readings for all registers were populated as zeros.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as strong, because HH CS content was correct, except where the registry meter configuration required the additional information to be provided. Zeros were populated because the required information was not readily available.</p> <p>The impact was low, because the ICPs are HHR settled.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCS</u></p> <p>This identified non-compliance issue cannot be historically resolved.</p> <p>This non-compliance was a result of incorrect metering information supplied to the Electricity Registry by the MEP which left us in a position to either 1) push a non-compliant file through to facilitate the switch; or 2) not facilitate the switch and result in a breach.</p>		<p>Date:</p> <p><u>CTCS</u></p> <p>N/A</p>	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>CTCS</u></p> <p>If this occurs in the future, Simply Energy will propose the MEPs to correct the metering information loaded in the Electricity Registry.</p> <p>They would be open to some guidance or recommendations from the Electricity Authority on what the most appropriate course of action for a trader should be when this occurs during a switch.</p>		<p>Date:</p> <p><u>CTCS</u></p> <p>N/A</p>	

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

Code reference

Clauses 17 and 18 Schedule 11.3

Code related audit information

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

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

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

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

Audit observation

The event detail reports were reviewed to:

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

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

Audit commentary

CTCT

NW

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

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

Daily exception reports are generated which show all service orders for NWs and whether they were processed successfully or an exception was generated. All exceptions are reviewed and actioned daily. When the robot process was first implemented a sample of successful NWs issued by the robots were also reviewed daily.

The content of 15 NW files (including at least two for each NW advisory code, and 14 rejected requests) was compared to details in SAP. For ICPs 0042250502PC5F2 (event date 9 October 2020) and 0000304210TEE36 (event date 24 November 2020) the "customer error" and "customer cancellation" codes were applied, but the switches were not authorised by the customer so "unauthorised switch" was a better fit.

The switch breach history report recorded:

- 16 SR breaches where the NW arrival date is more than 10 business days after the initial NW for the same trader requesting the withdrawal; the delays were caused by time taken to confirm that the withdrawal should have been reissued, and
- 112 NA breaches where the NW arrival date is more than two calendar months after the CS actual transfer date; I checked the 15 files with the largest number of days overdue, and found they were delayed by investigation to confirm that the NW was required.

Analysis of the event detail report found 53 (2.1%) of the 2,545 NWs were issued more than two calendar months after the switch date:

- 28 late withdrawals used the code for wrong premises, and I note that this issue often does not become apparent for an extended period after a switch completes,
- 12 late withdrawals were due to customer cancelling or an unauthorised switch,
- ten late withdrawals were due to a date failure, and
- three late withdrawals were due to metering issues.

A sample of the ten latest files were reviewed and, in most cases, there was a complex set of circumstances leading to the delayed withdrawals.

AW

Switch withdrawals received are managed via the switch breach history report to ensure that a response is sent within five business days of receipt. The switch breach history report did not record any late AW files.

232 (8.0%) of the 2,887 AWs issued by Contact were rejections. I reviewed a diverse sample of 14 rejections by Contact (including at least two for each NW advisory code), and confirmed they were rejected based the information available at the time the response was issued.

CTCX and CTCS

NW and AW timeliness

NWs are issued as soon as possible after Simply Energy has confirmed that a withdrawal is required. Confirmation is normally received via the operations email inbox, and outgoing NWs are monitored using Salesforce workflows to make sure a response is received and actioned.

AWs are managed through Salesforce workflows and the switch breach report is also monitored twice daily.

CTCX	No breaches were recorded on the switch breach history report.
CTCS	No late AWs and four late NWs were recorded on the switch breach history report. Two were not genuine, one late NW was sent by another trader and one was a second request for a withdrawal. The other two were genuinely late because the MEP provided information indicating the switch should be withdrawn (which was later confirmed to be incorrect), or the ICP was requested in error as part of a tranche of ICPs switched in from CTCT. Because of the time taken to process tranches of ICPs from CTCT, sometimes customers would switch to another trader between the list being prepared and CTCS issuing the NT.

NW and AW content

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

CTCX	No NWs were issued by CTCX. One AW was issued, which accepted the other trader's NW.
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CTCS	<p>31 NW files were issued by CTCS. Two were rejected and 29 were accepted. The content of 15 NW files (including at least two for each NW advisory code and both rejected requests) was compared to details in Salesforce. I found that two NWs had incorrect reason codes. ICPs 0001952200TGF2E (event date 1 November 2020) and 0004670202AL515 (event date 2 June 2020) had date failure codes applied but were withdrawn because they should not have been included in the tranche of ICPs from CTCT because they had switched to another trader.</p> <p>I found that NW codes were inconsistently applied for ICPs which were withdrawn from the CTCT tranches, in most cases a customer error, customer cancellation or unauthorised switch code was applied.</p> <p>113 AWs were issued by CTCS. 111 were accepted and two were rejected. The rejections were based on information available at the time the NW was received.</p>
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Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.15</p> <p>With: Clauses 17 and 18 Schedule 11.3</p> <p>From: 01-Jun-20</p> <p>To: 11-Jan-21</p>	<p>CTCT</p> <p>Two NWs did not have the NW code with the best fit applied.</p> <p>16 SR breaches.</p> <p>112 NA breaches.</p> <p>CTCS</p> <p>ICPs 0001952200TGF2E (event date 1/11/2020) and 0004670202AL515 (event date 2/6/2020) had date failure codes applied but were withdrawn because they should not have been included in the tranche of ICPs from CTCT because they had switched to another trader.</p> <p>Two NW breaches.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating
Low	<p>The controls are moderate overall, a small number of NW files did not have the NW code with the best fit applied and a small number of files were late.</p> <p>The audit risk rating is low because impact on settlement and participants is minor. Revised reconciliation data will be provided through the revision process.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<p><u>CTCT</u></p> <p>Two instances where incorrect NWs were sent due to user errors. Contact is continuously providing coaching to all users to ensure correct NW codes are used to resolve this non-compliance.</p> <p>For NA and SR breaches, as noted by auditors, most of these involve complex and lengthy investigations, hence some of these delays are unavoidable.</p> <p><u>CTCS</u></p> <p>This issue was the result of a project failure during the switching of sites from CTCT to CTCS which was done manually due to the number of ICPs involved. There was a time delay between generating the list of ICPs for switching and the actual switch process which resulted in these two being incorrectly included in our switch file. This project is completed now so we do not expect this issue to occur again.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>19/05/2021</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>Ongoing coaching for the operators.</p> <p><u>CTCS</u></p> <p>This non-compliance was identified and noted in our project review and has been logged as a learning if ever bulk switching was to occur again in the future.</p> <p>Simply's generic switching processes is designed to avoid back dated withdrawals.</p>	<p>Date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>19/05/2021</p>	

4.16. Metering information (Clause 21 Schedule 11.3)

Code reference

Clause 21 Schedule 11.3

Code related audit information

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

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

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

Audit observation

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

Audit commentary

Contact's policy regarding the management of meter reading expenses is compliant.

The reads applied in switching files were examined in **section 4.3** for standard switches, **section 4.10** for switch moves, and **sections 4.4** and **4.11** for read changes.

CTCT

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

All CS file reads were correct apart from HHR AMI ICP 0000252214UN7AA (event date 21 July 2020) which was later withdrawn. The last actual read date was populated correctly, but the reading was recorded as an estimate of zero, and the average daily kWh was recorded as zero. SAP does not provide CSMETERCHANNEL, CSMETERCOMPONENT or CSMETERINSTALL lines in CS files where no meter is present, a meter register is unsettled, or where HHR metering is present and the information required to complete the CS file (such as readings) is not available in SAP. A BPEM is created, and the switch is processed manually on the registry. CTCT populates the fields presented by the registry interface for these switches, and applies default zero values.

CTCS and CTCX

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

All CS file reads checked were correct apart from 0086146103WRE02 (event date 13 November 2020) which had an incorrect event read type, and the event reading did not reflect the best estimate of consumption on the event date. The event reading was estimated as the same reading as the switch in on 1 November 2020 with a read type of actual because the user had not ticked the estimate box when manually entering the read. No readings were obtained during the period of supply but there was expected to be consumption.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.16 With: Clause 21 Schedule 11.3	CTCT One CS file did not reflect the actual reading or best estimate of an actual reading on the event date. CTCS One CS file did not reflect the actual reading or best estimate of an actual reading on the event date. Potential impact: Low

From: 21-Jul-20 To: 01-Nov-20	Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong, as the processes in place are largely automated and the correct read or estimate is sent. This was an exception. There is no impact on settlement for CTCT because the switch was withdrawn and a minor potential impact on settlement for CTCS.		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCT</u> Contact is undertaking the review of this process and are actively engaging with our ToU MEPs to move the data collection from a ToU platform to an AMI data platform to provide this data in a CS file for HHR AMI ICP's. <u>CTCS</u> Simply Energy do not believe we can resolve these identified non compliances, so their focus is being put on implementing systems to minimise the re-occurrence of this non-compliance for arising in future. Please refer to preventative actions.		Date: <u>CTCT</u> Ongoing <u>CTCS</u> N/A	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<u>CTCT</u> Contact is reviewing this process and will look to implement any process or system improvements identified. <u>CTCS</u> Simply Energy will run through a refresher training with staff. Automation of the Switch Loss process will be investigated: Simply Energy will look to introduce an automated workflow generated off the back of the switch loss record received from Registry. They will use this information to trigger Datahub to generate a final read (estimate or actual, depending on last actual read) which will be validated and sent back to CRM system. Further automation will be introduced to automatically generate the correct avg daily kWh based on		Date: <u>CTCT</u> Ongoing <u>CTCS</u> 31/01/2022	

the last two actual reads in accordance with the code. Simply Energy believes to resolve the inaccuracies they need to completely automate the entire Switch Loss process.		
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4.17. Switch saving protection (Clause 11.15AA to 11.15AB)

Code reference

Clause 11.15AA to 11.15AC

Code related audit information

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

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

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

Audit observation

Win-back processes were discussed. The event detail report was analysed to identify all withdrawn switches with a CX code applied within 180 days of switch completion post 31 March 2020. A sample were checked to determine compliance.

Audit commentary

CTCT

Contact no longer carries out win back activity. The team associated with this activity was disbanded one before this clause came into effect.

Review of the event detail report identified 28 NWs issued for switch losses within 180 days of switch completion with a CX withdrawal code. I checked a sample of ten by reviewing correspondence with the customer and listening to call recordings. All the withdrawals checked were initiated by the customer, and no win back activity occurred.

CTCX and CTCS

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

CTCX	No NW files were issued.
CTCS	Three NW files were issued with the CX withdrawal reason code. For two of the NWs CTCS was the gaining trader. For ICP 0469027088LC205 GENE was the gaining trader, and I confirmed that no enticements were offered to the customer. The switch was withdrawn as it was included in a list of ICPs to be switched to CTCS in error.

Audit outcome

Compliant

5. MAINTENANCE OF UNMETERED LOAD

5.1. Maintaining shared unmetered load (Clause 11.14)

Code reference

Clause 11.14

Code related audit information

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

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

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

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

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

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

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

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

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

Audit observation

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

Audit commentary

CTCT

Additions and changes to shared unmetered load are monitored as part of CTCT's validation processes discussed in **section 3.7**. 296 ICPs had shared unmetered load indicated by the distributor. The loads were confirmed to be correct.

CTCX and CTCX

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

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

Audit outcome

Compliant

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

Code reference

Clause 10.14 (2)(b)

Code related audit information

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

Audit observation

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

Audit commentary

CTCT

16 ICPs had a load between 3,000 and 6,000 kWh, and all were of an approved load type.

ICP 0015736828EL6C4 had a load greater than 6,000 kWh and all unmetered load formerly associated with this ICP has been metered since 1 December 2020.

CTCX and CTCS

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

CTCX	CTCX does not supply any unmetered ICPs with loads over 3,000 kWh.
CTCS	CTCS supplies two non DUMML ICPs with loads over 3,000 kWh. One is of an approved load type and 1001117616UN1D9 (3,876 kWh per annum) is under investigation to confirm the load type and whether the ICP should be metered. The ICP had been supplied for 113 days on the event detail report.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 5.2</p> <p>With: Clause 10.14 (2)(b)</p> <p>From: 14-Jun-18</p> <p>To: 30-Nov-20</p>	<p>CTCT</p> <p>One standard unmetered ICP had an estimated annual consumption over 6,000 kWh per annum; and has now been metered.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are strong with regard to identifying and attempting to resolve the any ICPs with loads that exceed the allowable threshold.</p> <p>There is no suggestion that settlement is inaccurate, therefore the impact is considered minor and the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>This specifically relates to the expansion of retirement villages, where they are compliant & under 6,000 kwh but growth and expansion sees them become subject to stricter DUMML requirements which may not be understood by site owners.</p> <p>We will actively work with the responsible account managers and our New Connections team to ensure they understand the over 6,000 kwh requirements.</p>		<p>Date:</p> <p><u>CTCT</u></p> <p>01/08/2021</p>	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>CTCT</u></p> <p>Refresher training will occur more regularly to ensure the responsible account managers and our New Connections team to ensure they understand the over 6,000 kwh requirements.</p>		<p>Date:</p> <p><u>CTCT</u></p> <p>01/08/2021</p>	

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 retailer proposes to take or is taking to reduce the unmetered load.

Audit observation

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

Audit commentary

CTCT

Contact added the unmetered load to ICP 0015736828EL6C4 in June 2018. Corrective measures commenced within 20 business days, and all unmetered load formerly associated with this ICP has been metered since 1 December 2020.

CTCX and CTCS

Simply Energy is aware of the unmetered load threshold and will install metering where an ICP breaches or is likely to breach the threshold. No ICPs exceeded the unmetered load threshold.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 5.3 With: Clause 10.14 (5) From: 14-Jun-18 To: 30-Nov-20	CTCT One standard unmetered ICP has estimated annual consumption over 6,000 kWh per annum was not resolved within 20 business days. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	The controls are strong as there are robust processes in place to monitor unmetered loads. In this instance it has taken longer than expected to get this load metered. There is no suggestion that settlement is inaccurate, therefore the impact is considered minor and the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
<u>CTCT</u> We will actively work with the responsible account managers and our New Connections team to ensure they understand the over 6,000 kwh requirements.	Date: <u>CTCT</u> Ongoing training and education	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<u>CTCT</u> Refresher training will occur more regularly to ensure the responsible account managers and our New Connections team to ensure they understand the over 6,000 kwh requirements.	Date: <u>CTCT</u> Ongoing training and education	

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

Code reference

Clause 11 Schedule 15.3, Clause 15.37B

Code related audit information

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

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

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

Audit observation

CTCT

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

CTCX

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

CTCS

The processes to manage distributed unmetered load were reviewed. CTCS now manages 10 DUML databases with 34 ICPs. The audit findings are detailed in the table below.

Audit commentary

CTCT and CTCS

The following exemptions are in place for DUML:

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

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

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

DUML audits for databases were conducted by Veritek.

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

- take into account when each item of load was physically installed or removed, and
- wash up volumes must take into account where historical corrections have been made to the DUML load and volumes.

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

I have reviewed all of the DUML audits and detailed in the table below the main submission related issues applicable for the DUML databases that Contact is recorded as the trader for:

Database	Trader Code	Main issues	Potential kWh impact (per annum)
Auckland Transport	CTCS	Over submission because dimming is not accounted for.	Unknown.
	CTCS	Adjustment of data outside of RAMM.	Unknown
	CTCS	Database potential inaccuracy calculated by the DUML audit tool.	Unknown
Hutt CC	CTCS	Database potential inaccuracy calculated by the DUML audit tool.	Over submission of 827,000 kWh.
Christchurch City Council traffic lights	CTCS	55 units per day used and not the database totals	Under submission by 74,000 kWh per month
Ohoka Downs Community lights	CTCT	Incorrectly recorded as disconnected since 22/8/17 then corrected in July 2019 but then returned to disconnected 22/8/19. Now is active again.	Under submission of 7,423 kWh per annum had occurred. Revisions will correct this
McKenzie DC	CTCS	55 units per day used and not the database totals	Over submission of 2,500 kWh per month

Database	Trader Code	Main issues	Potential kWh impact (per annum)
Tasman NZTA	CTCS	55 units per day used and not the database totals	Under submission by 30,000 kWh per month

The table below shows the additional items from the current DUML audit reports, which affect submission information.

Those shaded blue are now with CTCS, those shaded grey are with CTCT.

Database	DUML Audit completed or to be completed by 16A.26	Deriving submission information 11(1) of schedule 15.3	ICP identifier 11(2)(a) of schedule 15.3	Location of items of load 11(2)(b) of schedule 15.3	Description of load 11(2)(c)&(d) of schedule 15.3	All load recorded in database 11(2A) of schedule 15.3	Tracking of load changes 11(3) of schedule 15.3	Audit trail 11(4) of schedule 15.3	Database accuracy 15.2 and 15.37B(b)	Volume information accuracy 15.2 and 15.37B(c)
Mackenzie DC	1/6/20	No	Yes	Yes	Yes	No	Yes	Yes	No	No
Kapiti Coast DC	1/12/19	No	No	Yes	Yes	Yes	Yes	Yes	No	No
Tasman NZTA	1/12/19	No	Yes	No	No	No	Yes	Yes	No	No
Dunedin CC	1/12/20	No	Yes	Yes	Yes	No	Yes	No	No	No
Waimea Village 0000036536NT7F0	1/12/18	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Far North Holdings	15/12/19	No	Yes	Yes	No	No	No	No	No	No
Kapiti Retirement Trust	1/12/20	No	No	Yes	Yes	Yes	No	No	No	No
Auckland Transport	15/4/21	No	No	No	No	No	Yes	Yes	No	No
Manawatu DC	1/9/20	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Hutt CC	8/4/21	No	No	Yes	No	No	Yes	Yes	No	No
Christchurch CC	28/4/21	No	Yes	Yes	Yes	No	Yes	Yes	No	No
Christchurch CC Traffic Lights	28/4/21	No	No	Yes	No	No	Yes	No	No	No
New Plymouth DC	1/9/20	No	Yes	Yes	Yes	No	Yes	No	No	No
NZTA Wairarapa & Masterton	1/6/20	No	Yes	Yes	Yes	Yes	Yes	No	No	No
Central Otago DC	1/9/20	No	Yes	No	No	No	Yes	Yes	No	No

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 5.4</p> <p>With: Clause 11 of schedule 15.3</p> <p>From: 01-Jun-20</p> <p>To: 30-Apr-21</p>	<p>CTCT and CTCS</p> <p>The monthly database extracts used to derive submission from are provided as a snapshot and do not track changes at a daily basis as required by the code.</p> <p>Inaccurate submission information for several databases. Significant variances for CTCS databases submitted with a default 55 kWh per day.</p> <p>Some streetlight audits not submitted by the due date.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
High	<p>The controls in place mitigate risk most of the time, therefore the control rating is moderate.</p> <p>There is a major impact on settlement outcomes because there are examples of over submission and under submission; therefore, the audit risk rating is high.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT & CTCS</u></p> <ol style="list-style-type: none"> Our systems allow for the submission of a daily volume of connected load. As and when we are provided this information by clients this will flow through into our submissions. Once a material change audit for management of unmetered load (identified above) is approved for non-DST profile connections, we will submit accurate volumes in the revision files. 		<p>Proposed or actual date:</p> <p><u>CTCS</u></p> <ol style="list-style-type: none"> Ongoing 30/06/2021 	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>CTCS</u></p> <ol style="list-style-type: none"> Simply Energy will continue to work closely with their clients to ensure we get sufficient information from their database to allow for a daily submission of volume. This includes supporting and enabling any new profiles approved by the EA for the submission of DUMML volumes. 		<p>Proposed or actual date:</p> <p><u>CTCS</u></p> <ol style="list-style-type: none"> Ongoing 30/06/2021 	

<p>2. Simply will submit a material change process to Veritek related to our management of unmetered load within our current NHH submission process.</p>		
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6. GATHERING RAW METER DATA

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

Code reference

Clause 10.13, Clause 10.24 and Clause 15.13

Code related audit information

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

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

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

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

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

Audit observation

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

Audit commentary

CTCT

Metering installations installed

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

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

- **Exemption No. 203:** Exemption to clause 10.24(c) of the Electricity Industry Participation Code 2010 to allow subtraction to determine submission information for ICP 0000880392WEA92,
- **Exemption No. 191:** Exemption to clause 10.24(c) of the Electricity Industry Participation Code 2010 to allow subtraction to determine submission information for ICP 0000032431HR99C, and
- **Exemption No. 275:** Exemption to clause 10.24(c) of the Electricity Industry Participation Code 2010 to allow subtraction to determine submission information for ICP 0008803342WEFC3. The exemption expired when ICP 0008803342WEFC3 was decommissioned effective from 1 November 2019.
- **Exemption No. 293** is no longer valid because ICP 0003133903AA777 has switched away.

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

Distributed Generation

Contact has a process in place to identify ICPs where distributed generation possibly exists. They monitor changes to the registry by distributors and then conduct outbound communication inviting the customer to apply to Contact for approval to supply their generated quantities. The operations team manages profiles on the registry, and periodically updates the registry profiles.

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

5,673 active ICPs with generation listed by the distributor were identified on the registry list as of 26 January 2021. The table below shows the potential distributed generation discrepancies identified. The "quantity checked" examples were selected after eliminating those ICPs that were confirmed as not having discrepancies.

Issue	Quantity	Quantity checked	Issues found	Comments
HHR profile with installation type "B" with no "I" flow record in the Nov 2020 HHR aggregates file.	57	18	11	10 do not have import/export metering. None have "reverse power" events.
NHH ICPs with installation type "B" but without PV1 or EG1 profiles.	56	24	14	None of the 14 have import/export metering. Two had import/export metering that was later replaced with load only metering. None have "reverse power" events.
Generation profile inconsistent with fuel type. PV1 used instead of EG1.	60	19	14	13 were "other" indicating batteries were installed and there was very small levels of "I" flow during the night. One ICP was a wind generator and PV1 is not appropriate. This is recorded as non-compliance in Section 2.1.

Bridged meters

Meters are only bridged where an urgent reconnection is required, and a soft reconnection cannot be arranged. Contact has been working with MEPs to extend the hours that soft reconnections can be completed within, which will help to reduce the volume of bridged meters.

Contact confirmed 95 ICPs were bridged to reconnect during the audit period. 89 were later unbridged. Of the six not unbridged, five switched out and one is still with Contact. The existence of bridged meters is recorded as non-compliance below. Capture of the bridged consumption is discussed further in **section 8.1**.

CTCX and CTCS

Metering installations installed

All active ICPs have metering installed except unmetered load ICPs and residual load ICPs with an SB reconciliation type. Subtraction is not used to determine any submission volumes.

Distributed Generation

CTCX supplies three active ICPs with distributed generation indicated by the distributor. All have HHR profile. There were no ICPs with generation recorded by the distributor where CTCX did not record a generation profile.

CTCS has 20 ICPs with distributed generation. In all cases the metering is appropriate and submission is correct.

Bridged meters

One bridged meter was identified at ICP 0007166559RN975.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.1 With: Clause 10.13 From: 01-May-20 To: 30-Apr-21	CTCT While meters were bridged, energy was not metered and quantified according to the code for 95 ICPs. Generation not quantified for 25 ICPs. CTCS One meter was bridged during the audit period. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as they are sufficient to reduce the risk most of the time. The audit risk rating is low. Bridging only occurs where a soft reconnection cannot be performed after hours and the customer urgently requires their energy supply for health and safety reasons. Corrections are processed as discussed in section 8.1 .		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCT</u> Contact has progressively been reducing the volume of meter bridging by working closely with our AMI MEPS. We recognise that from Feb 2021 the function of meter bridging is recognised within the code under specific circumstances and while this may now mean that Contact is no longer in breach of		Proposed or actual date: <u>CTCT</u> Ongoing <u>CTCS</u>	Identified

the code, we will continue to try and reduce the need to bridge a meter an any scenario.	16/05/2021	
<u>CTCS</u> Revised data has been calculated based on new usage and volumes will be reconciled in future R7 files, starting with May 2021 for October 2020 and ongoing thereafter.		
Preventative actions taken to ensure no further issues will occur	Completion date	
<u>CTCS</u> Simply Energy have standing instructions to their MEPs and contractors to not bridge any meter without express instructions from Simply Energy's Senior Market Specialist. Simply Energy have reiterated this position with all parties.	Proposed or actual date <u>CTCS</u> 16/05/2021	

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

Code reference

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

Code related audit information

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

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

The participant responsible for the metering installation must:

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

Audit observation

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

Audit commentary

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

Responsible party	Description	NSP	MEP	Previous certification expiry date (if different)	Certification expiry date
CTCT	CLYDE	CYD2201CTCTG	ACCM	19/12/2020	16/9/2022
CTCT	OHAAKI	OKI2201CTCTG	ACCM	2/11/2020	10/3/2023
CTCT	POIHIPI	PPI2201CTCTG	ACCM	30/5/2021	11/6/2023
CTCT	ROXBURGH	ROX1101CTCTG	ACCM		22/5/2022
CTCT	ROXBURGH	ROX2201CTCTG	ACCM		5/7/2021
CTCT	STRATFORD	SFD2201CTCTG	ACCM		23/8/2021
CTCT	TE MIHI	THI2201CTCTG	ACCM	25/9/2021	22/10/2023
CTCT	WHIRINAKI	WHI2201CTCTG	ACCM	5/11/2020	17/10/2022
CTCT	WAIRAKEI	WRK2201CTCTG	ACCM	26/10/2020	14/10/2022

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

Certification dates for CYD2201CTCTG, OKI2201CTCTG, PPI2201CTCTG, SFD2201CTCTG, WHI2201CTCTG and WRK2201CTCTG were updated during the audit period. Accucal updates meter certification changes directly, and the timeliness of meter recertifications is closely monitored by the generation operations team. The updates for Te Mihi and Wairakei were both later than 10 business days. Te Mihi was certified on 10 November 2020, but the update wasn't until 30 November 2020. Wairakei was certified on 20 October 2020, but the update wasn't until 8 November 2020.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.2 With: Clause 10.26 (6), (7) and (8) From: 02-Nov-20 To: 30-Nov-20	Late certification expiry updates for two points of connection. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	The controls are recorded as strong because they mitigate risk to an acceptable level The impact on settlement and participants is minor; therefore the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
Contact and our MEP (Accucal) have strong controls around monitoring GIP meter installation certification. This technical noncompliance is around the time taken to update the RM portal with new expiry dates and we will work with our MEP to improve the process to make these updates in a timely fashion	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We will work with our MEP to improve the process to make these updates in a timely fashion	Ongoing	

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

Code reference

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

Code related audit information

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

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

Audit observation

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

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

Audit commentary

CTCT

The AC020 report for 1 June 2020 to 26 January 2021 identified 214 ICPs with profiles which require AMI or HHR metering, or a certified control device, where the control device was not certified. Contact's reconciliation process applies RPS (using the force RPS process) if the ICP metering does not meet the requirements of the profile.

Contact elects not to update the profile to RPS in SAP and the registry, so that if/when the MEP updates their control device certification records the force RPS process will be disabled, and the correct profile will be applied. The affected ICPs are highly visible, so they can be tracked and followed up with the MEPs.

Compliance is recorded in this section, because where the controlled profiles are used for submission, the ICPs met the requirements of the profiles. Non-compliance is recorded in **section 2.1** for the 214 ICPs submitted as RPS which have controlled profiles recorded on the registry.

CTCX

Review of the registry list for 1 June 2020 to 13 January 2021 found CTCX did not use any profiles which required certified control devices.

CTCS

Review of the registry list for 1 June 2020 to 13 January 2021 found 82 ICPs used profiles which required a certified control device. The AC020 report confirmed that all the affected ICPs had certified control devices.

Audit outcome

Compliant

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

Code reference

Clause 10.43(2) and (3)

Code related audit information

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

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

Audit observation

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

Audit commentary

Defective meters are typically identified through the meter reading validation process, or from information provided by the meter reader, agent, the MEP, or the customer. Upon identifying a possible defective meter, a field services job is raised to investigate and resolve the defect and a consumption correction is processed if necessary. Corrections are discussed in **sections 2.1, 8.1 and 8.2**.

CTCT

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

Contact issues requests to MEPs to unbridge AMI meters, and Delta to unbridge legacy meters. Contact expects that Delta will arrange meter replacement and certification when unbridging legacy meters. Delta and Contact do not usually advise the MEP of the fault when a legacy meter is unbridged without being replaced, and I found one instance (ICP 0000533471NRB54) where the MEP had not been advised that a meter had been bridged. For all other defective meters, a field services job was raised, and the MEP was advised.

I followed up two metering issues which were identified during the previous audit:

- ICP 0080012939PCBD6 was isolated in January 2020 and was expected to remain isolated until approximately June 2020, and recertification occurred on 31 July 2020, and
- ICP 0000800105TP315 had a burnt transformer and unrecoverable data since January 2020; recertification occurred on 4 July 2020 and Contact's estimates became permanent.

CTCX and CTCX

CTCS had one bridged meter during the audit period. The MEP was advised so that unbridging could occur.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.4 With: Clause 10.43(2) and (3) From: 15-Jun-20 To: 30-Apr-21	CTCT The MEP was not advised of one bridged meter. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate, the MEP is advised of defects except where legacy meters are unbridged by Delta without being replaced. The audit risk rating is low because only one example was identified.		
Actions taken to resolve the issue		Completion date	Remedial action status
CTCT Field Services investigation found that the Tech did not follow the correct administration process when they went to site twice in 24hrs, also, they did not note further work required was needed to recertify the meter by the MEP. We have reiterated to our field services providers of the correct process to follow in future.		Proposed or actual date: <u>CTCT</u> 14.04.2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<u>CTCT</u> The Despatch Manager for Delta has been notified of the above issue and will remind the field tech the correct process.		Proposed or actual date: <u>CTCT</u> 14.04.2021	

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

The data collection and clock synchronisation processes were examined.

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

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

Audit commentary

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

CTCT

HHR

Agents monitor clock synchronisation, and this is covered as part of their audits. Clock synchronisation events are provided to Contact by EMS, AMS and EDM. The reports are reviewed, and corrective action is taken as required.

AMI

MEPs monitor clock synchronisation, and this is covered as part of their audits. Each of the MEPs advise Contact of clock synchronisation events, and no action is usually required. Emailed events are reviewed and actioned as required.

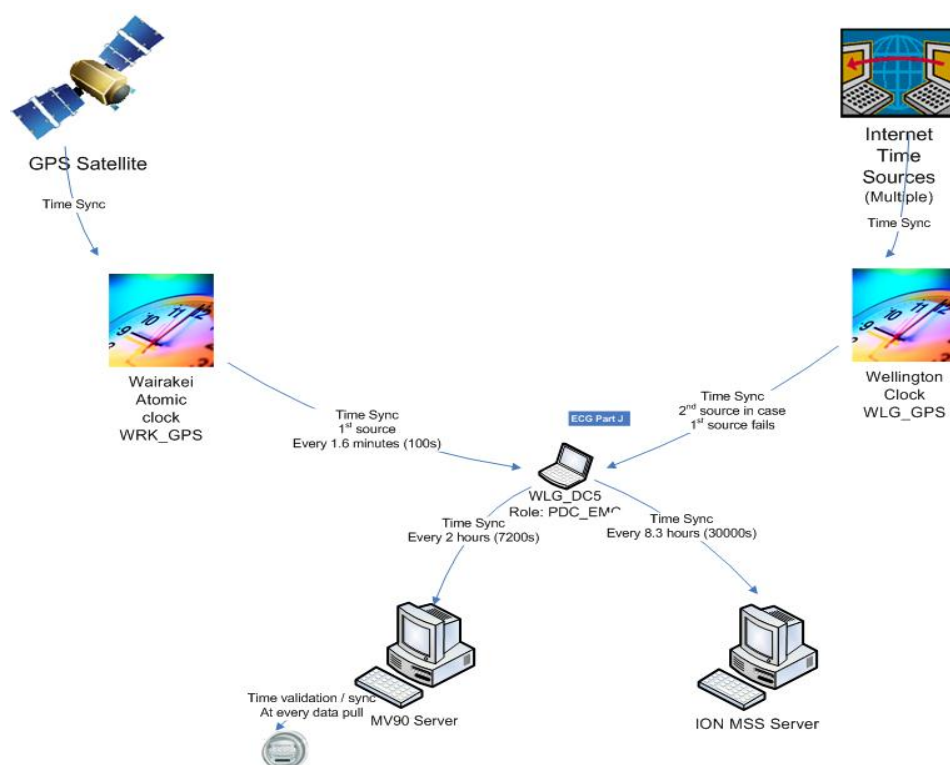
Generation

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

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

During interrogation, a comparison occurs between data logger and MV90 clocks. MV90 is set to automatically synchronise all data logger clocks where time errors are less than or equal to five seconds.

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



CTCX and CTCS

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

Information on clock synchronisation events is provided when events occur and is manually reviewed by Simply Energy. There were no examples of clock synchronisation events requiring action during the audit period.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

All validated meter readings must be derived from meter readings.

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

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

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

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

Audit observation

The data collection process was examined.

Processes to provide meter condition information were reviewed as part of the agent audits. Contact's processes to manage meter condition information were reviewed, including viewing a sample of meter condition events.

Processes for customer and photo reads were reviewed, including review of process documentation.

Audit commentary

CTCT

Derivation of volume and labelling of readings

A review of a diverse sample of meter readings confirmed they are appropriately labelled, and validated readings are derived from meter readings.

The previous audit recorded that when a reading is not received for all registers on the meter read order date, SAP retrieves the nearest actual reading within the last three days for AMS, Smartco, Metrix and FCLM and the nearest actual reading within the last two days for all other providers and records it as an actual reading against the meter read order date. This resulted in readings for two Smartco meter registers for ICP 0000017802EAAC8 being recorded with an incorrect read date, because no readings were available on the meter read order date. This can technically still occur; however, Contact has monitored multi-meter ICPs where one or more meters are not communicating and has moved these to manual meter reading rounds. A system change is in the process of being developed to resolve this issue. No examples were found during this audit.

MRS readings

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

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

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

Customer reads

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

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

it with the customer. Readings entered by CSRs are manually validated on entry, and pass through the SAP read validations.

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

Customer reads are not treated as validated readings unless they have been validated by two actual readings from another source. I checked a sample of ten customer readings and found all had the customer read type correctly recorded. Customer reads are not used in the historic estimate process, and there is no impact on settlement.

CTCS and CTCX

Derivation of volume and labelling of readings

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

MRS and Wells readings

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

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

Wells provides reports of ICPs with missing and broken seals monthly, which are reviewed. Wells also provides a notes file with its readings which are imported into Salesforce. These are only reviewed where an issue is identified through the initial read attainment or validation processes.

Customer reads

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

Customers may provide customer and photo readings directly to Simply Energy. Customer supplied readings are entered into DataHub as customer actual if they have been validated against a set of readings from another source, and customer estimate if they have not been validated against a set of actual readings from another source. Validated customer actual reads are published and sent to EMS for use in the historic estimate calculations, and customer estimate reads are not published or sent to EMS.

I checked four examples of customer or photo readings for CTCS and CTCX during the audit period and I found they were correctly classified as customer estimate or customer actual.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.6 With: Clause 3(1), 3(2) and 5 Schedule 15.2 From: 01-Jun-20 To: 30-Apr-21	CTCS Meter condition information is not routinely reviewed to identify issues with seals, tampering, phase failure or safety. Potential impact: Medium Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as weak because they are unlikely to mitigate risk most of the time. The impact on settlement and participants is minor; therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCS</u> Please refer to preventative actions.			Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<u>CTCS</u> ADR currently provide Simply Energy with Meter Condition details in a standardised format. Simply Energy will introduce reporting (and supporting ETL processes) into their core operational workflow to identify ICP's on CTCS/X where the Meter Condition is flagged as an issue and requires investigation. Additionally, a workflow will be created to run analysis on any ICP's identified in reporting.		Proposed or actual date: <u>CTCS</u> 31/12/2021	

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

Code reference

Clause 6 Schedule 15.2

Code related audit information

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

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

Audit observation

The process of the application of meter readings was examined.

Audit commentary

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

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

CTCT

Application of reads was reviewed as part of the historic estimate checks in **section 12.11** and found to be compliant.

The content of CS and RR files was examined in **sections 4.3, 4.4, 4.10** and **4.11**. This found some examples of reads being incorrectly labelled as estimates when they were actuals

I walked through the process for NHH to HHR and HHR to NHH meter changes, including reviewing five examples of each. This process achieves accuracy for submission information and ICP days. For upgrades, the process is to “remove” the NHH meter from the registry and SAP on the day before the meter change, and then the ICP becomes HHR all day on the day of the meter change, with the trading periods up until the meter change being populated with zeros. The reverse applies for a downgrades, with the ICP treated as HHR all day on the date of the removal, with zeros populated until the end of the day and the NHH meter installed the following day.

Contact usually downgrades the submission type before meter changes for category one and two meters. Reports are used to identify ICPs which may require meter changes such as non-communicating AMI meters, meters with open service orders for meter changes, and Arc category two meters.

The previous audit recorded that when a reading is not received for all registers on the meter read order date, SAP retrieves the nearest actual reading within the last three days for AMS, Smartco, Metrix and FCLM and the nearest actual reading within the last two days for all other providers and records it as an actual reading against the meter read order date. This resulted in readings for two Smartco meter registers for ICP 0000017802EAAC8 being recorded with an incorrect read date, because no readings were available on the meter read order date. This can technically still occur; however, Contact has monitored multi-meter ICPs where one or more meters are not communicating and has moved these to manual meter reading rounds. A system change is in the process of being developed to resolve this issue. No examples were found during this audit.

CTCS

Application of reads was reviewed as part of the historic estimate checks in **section 12.11** and found to be compliant. The content of CS and RR files was examined in **sections 4.3, 4.4, 4.10** and **4.11** and it was found that some ICPs had different readings in datahub and/or MADRAS than those agreed in the RR process. Some readings were incorrectly labelled.

I checked five examples of profile changes from RPS to HHR and in all cases, a validated reading was used.

CTCX

Application of reads was reviewed as part of the historic estimate checks in **section 12.11** and found to be compliant. The content of CS and RR files was examined in **sections 4.3, 4.4, 4.10** and **4.11** and compliance is confirmed.

There was one change from HHR to NHH during the audit period. The meter was not communicating, therefore a permanent estimate was used.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.7</p> <p>With: Clause 6 Schedule 15.2</p> <p>From: 15-Jun-20</p> <p>To: 05-Jan-21</p>	<p>CTCT</p> <p>Incorrect labelling of switch event meter readings.</p> <p>CTCS</p> <p>Incorrect labelling of switch event meter readings.</p> <p>Some readings not reflective of the readings agreed through the RR process.</p> <p>Potential impact: None</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are rated as moderate overall:</p> <ul style="list-style-type: none"> CTCT's controls are strong and additional monitoring controls have been implemented for CTCT; users responsible for RR and AC files use the switch breach report as well as relying in BPEMs, and CTCS controls are moderate, as there is room for improvement. <p>The impact is medium because the incorrectly recorded event reading in MADRAS has resulted in over submission of 26,829 kWh. The difference will wash out through the revision process once the error is corrected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>Contact's ICT team is investigating the system issue identified. Depending on the investigation, we anticipate having a system fix deployed by the end of August 2021 to resolve this non-compliance.</p> <p><u>CTCS</u></p> <p>Review of all RR files will take place to ensure that the correct information is held within both Datahub and Madras.</p>		<p>Date:</p> <p><u>CTCT</u></p> <p>21/08/2021</p> <p><u>CTCS</u></p> <p>28/05/2021</p>	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
<u>CTCT</u> Contact's ICT team is investigating the system issue identified. Depending on the investigation, we are anticipating having a system fix deployed by the end of August 2021 to resolve this non-compliance.	Date: <u>CTCT</u> 21/08/2021	
<u>CTCS</u> The RR process is to be fully automated and with NHH DA to be developed in Datahub this should remove these errors.	<u>CTCS</u> 31/12/2021	

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

Code reference

Clause 7(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

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

Contact provided lists of ICPs not read during the period of supply, where the period of supply had ended during the audit period. A sample of ten ICPs unread during the period of supply were reviewed.

Audit commentary

CTCT

Missing AMI data is monitored using the Smart Reads Dashboard by the field services team, and IMDM by the operations team. AMI files are held for three days, or until 100% of reads are obtained before import and estimation of missing data. If a whole file is missing, the field services team receives an email notification so that it can be followed up.

For non-AMI meters, the Automated Meter Reading Compliance (MRC) process applies. The process begins 130 days after an estimated read is entered, so ICPs supplied for shorter periods do not usually have any action taken, and the best endeavours requirement is unlikely to be achieved. The MRC process has the following steps:

- process initiation occurs on the day an estimated reading is entered,

- letter 1 is sent if the process is still active after 130 days,
- letter 2 is sent if the process is still active 70 days after letter 1 was issued,
- letter 3 is sent to advise that there are charges if a high priority read is requested,
- request a high priority (out of cycle) meter reading if the process is still active 70 days after letter 2 is issued, and
- a BEPM is raised if the process is still active 60 days after the high priority read is requested; the user attempts to gain a read and enter a permanent estimate if an actual reading cannot be obtained.

The MRC process is terminated when the customer switches out, is disconnected, an actual reading is received, or they are added to a meter reader exclusion list (due to a health and safety issue or not being allocated to an active meter reading route). The MRC process continues after customer reads are received.

Contact provided a list of 35 ICPs not read during the period of supply, where the period of supply ended between November 2020 and January 2021. I checked 10 ICPs in detail and only one ICP had three attempts to get access using two different means. Non-compliance is recorded below.

As recorded in the 2018 audit, the report of ICPs unread during the period of supply includes ICPs which are still within the period of supply. It can be sorted or filtered by end date to exclude the ICPs still supplied by Contact.

CTCX and CTCS

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

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

- **NRE (no read event) report**
This report shows ICPs that have received no read event information from Simply Energy's agents. The events are reviewed, and appropriate action is taken. For instance, if the no read event indicates the property is demolished this is queried with the property manager or customer, and if the event indicates a key is required for access Simply Energy contacts the customer to arrange a key.
- **Read KPI report**
The read KPI report shows NHH settled AMI meters which have not been read since switch in, for more than 35 days, and meters which have not been read for more than 80 and 120 days. The report is reviewed, and appropriate action is taken to resolve the issues preventing read attainment with the MEP, customer, or Emersion team for CTCS. The report is prioritised by last actual read date.

If AMI readings cannot be obtained, and the MEP has advised that the communication issues will be difficult to resolve, Simply Energy will move the ICP to a manual Wells or MRS reading route.

I checked 10 of 51 ICPs where meter readings had not been obtained during the period of supply for CTCS. For four of the 10 ICPs, exceptional circumstances did not exist and the best endeavours requirement was not met.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.8</p> <p>With: Clause 7(1) and (2) Schedule 15.2</p> <p>From: 01-Jun-20</p> <p>To: 30-Apr-21</p>	<p>CTCT</p> <p>For at least nine ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met.</p> <p>CTCS</p> <p>For at least four ICPs unread during the period of supply, exceptional circumstances did not exist, and the best endeavours requirement was not met.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as weak as they are not sufficient to ensure the best endeavours requirement is met where the period of supply is less than nine months.</p> <p>The audit risk rating is low, as most of the ICPs without a read during the period of supply appear to have been supplied for a short period.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>We recognise that our Metering Compliance Process is very effective with customers that have sequential unread meters for more than 6 months. However, for some customers that switch in on a gain estimate and move to an alt retailer within the first few months of supply are proving harder to control, so we have raised a change initiative to look at viable options available through our new automation processes to start discussions earlier in the process with customers to provide access for us to gain an actual read and to provide regular access to site to improve future read attainment.</p>		<p>Proposed or actual date:</p> <p><u>CTCT</u></p> <p>Ongoing</p>	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>CTCT</u></p> <p>We have raised an internal change initiative to look at viable options in utilising an estimate included within the switching files to trigger a conversations piece with customers earlier on, to discuss with our customers providing access to obtain an actual read, and the need for providing regular access to improve the attainment of reads moving forward.</p>		<p>Proposed or actual date:</p> <p><u>CTCT</u></p> <p>Ongoing</p>	

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

CTCT

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
July 2020	322	144	4,734	97.68%
Aug 2020	320	139	4,131	97.92%
Sept 2020	320	128	3,700	98.12%
Oct 2020	319	113	3,249	98.33%
Nov 2020	317	106	2,721	98.58%

As discussed in **section 6.8**, there are processes in place monitor read attainment, and attempt to resolve issues preventing read attainment. As shown in the table above, read attainment rates are rapidly improving following the lifting of lockdown.

I reviewed 20 ICPs not read in the previous 12 months determine whether exceptional circumstances exist, and if Contact had used their best endeavours to obtain readings. In all cases, appropriate communication had occurred to attempt to get access for meter reading. In many cases, the properties were vacant, but were still being read.

Copies of the meter reading frequency reports to the Electricity Authority for July to November 2020 were provided, and the reports were sent within 20 business days after the end of the month.

The meter reading reporting issues noted in the last audit are now resolved.

CTCX

There were no ICPs unread at 12 months.

CTCS

The 12-month report for March 2021 contained seven ICPs not read. I checked five of these and found that exceptional circumstances existed in all cases. Many attempts had been made to obtain readings.

I viewed emails to confirm that the reports were sent within 20 business days after the end of the month.

Audit outcome

Compliant

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

Code reference

Clause 9(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

The meter reading process was examined. Monthly reports were provided and reviewed to determine whether they met the requirements of clauses 8 and 9 of schedule 15.2.

A sample of ten ICPs not read in the previous four months at NSPs where less than 90% of ICPs were read were reviewed to determine whether exceptional circumstances existed and if Contact had used their best endeavours to obtain readings.

Audit commentary

CTCT

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	ICPs unread for 4 months	Overall percentage read
July 2020	328	72	12,703	94.40%
Aug 2020	325	67	10,102	95.44%
Sept 2020	325	51	7,762	96.42%
Oct 2020	324	44	6,681	96.91%
Nov 2020	321	45	6,049	97.28%

As discussed in **section 6.8**, there are processes in place monitor read attainment, and attempt to resolve issues preventing read attainment. As shown in the table above, read attainment rates are rapidly improving following the lifting of lockdown.

I reviewed 20 ICPs not read in the previous four months determine whether exceptional circumstances exist, and if Contact had used their best endeavours to obtain readings. In all cases, appropriate communication had occurred to attempt to get access for meter reading.

CTCX

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	ICPs unread for 4 months	Overall percentage read
July 2020	1	-	-	100%
August 2020	1	-	-	100%
September 2020	1	-	-	100%
October 2020	1	-	-	100%
November 2020	1	-	-	100%

As discussed in **section 6.8**, there are processes in place monitor read attainment, and attempt to resolve issues preventing read attainment. No ICPs were unread in the previous four months.

CTCS

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	ICPs unread for 4 months	Overall percentage read
March 2021	68	29	123	79%

I checked the records for 10 ICPs not read at four months and found that exceptional circumstances existed in all cases. Many attempts had been made to obtain readings.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11(1) Schedule 15.2

Code related audit information

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

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

Audit observation

CTCT

HHR data is collected by EDMl, AMS and EMS. HHR data collection was reviewed as part of their agent audits.

Generation data is collected by Contact. Processes to provide HHR generation information were reviewed, including tracing a sample of data from MV90/Oracle through to SAP and confirmed that it was recorded correctly.

CTCS and CTCX

Up to 31 May 2020 HHR volumes were collected by EMS. From 1 June 2020 AMS and EDMl have provided HHR data directly to Simply Energy.

Audit commentary

CTCT

HHR data

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

Generation data

Contact collects generation data via the services access interface. Back-up meters are installed at every generation installation, which eliminates the requirement for manual data interrogation, and processes have therefore not been established for this activity. The backup meters are off the same measuring transformers. There are also backup Scada installations with separate CTs, VTs and meters.

CTCS and CTCX

Compliance is recorded in the AMS, EDMl and EMS agent audit reports.

Audit outcome

Compliant

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

Code reference

Clause 11(2) Schedule 15.2

Code related audit information

The following information is collected during each interrogation:

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

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

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

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

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

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

Audit observation

CTCT

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

Generation data is collected by Contact. Interrogation logs for generation station metering were viewed.

CTCS and CTCX

Up to 31 May 2020 HHR volumes were collected by EMS. From 1 June 2020 AMS and EDM I have provided HHR data directly to Simply Energy.

Audit commentary

CTCT

HHR data

Compliance with this clause has been demonstrated by EMS, AMS and EDM I as part of their agent audits.

Generation data

The following information is collected during each automated interrogation of HHR generation metering:

- the unique identifier (serial no) of the meter or data logger,
- the connection time, disconnection time and recorder time,
- the half-hour metering information for each trading period, and
- the events log.

Event log information is provided to the appropriate generation station for review. If any actions are required, the instruction will be provided by generation engineers as required.

CTCS and CTCX

Compliance is recorded in the AMS, EDMI, and EMS agent audit reports.

Audit outcome

Compliant

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

Code reference

Clause 11(3) Schedule 15.2

Code related audit information

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

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

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

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

11(3)(d)- the unique identifier of the meter or data storage device

11(3)(e)- the clock errors outside the range specified in Table 1 of clause 2

11(3)(f)- the method of interrogation

11(3)(g)- the identifier of the reading device used for interrogation (if applicable).

Audit observation

CTCT

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

Generation data is collected by Contact. Interrogation logs for generation station metering were reviewed.

CTCS and CTCX

Up to 31 May 2020 HHR volumes were collected by EMS. From 1 June 2020 AMS and EDMI have provided HHR data directly to Simply Energy.

Audit commentary

CTCT

HHR data

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

Generation Data

For generation metering an interrogation log is generated to record details of all interrogations and the audit confirmed that appropriate action is taken where problems are apparent.

The interrogation log contains the following information:

- the date of interrogation,
- the time of commencement of interrogation,
- the operator identification (for non-scheduled data collection),
- the unique identifier of the meter or data logger,

- the clock errors outside the range specified in clause 12, and
- the method of interrogation.

CTCS and CTCX

Compliance is recorded in the AMS, EDMl and EMS agent audit reports.

The HHR data for ICP 0000018218HRB13 was obtained by Contact, and HHR interrogation log information was obtained as described above. The switch was withdrawn after the initial submission and revision data will be provided by CTCT.

Audit outcome

Compliant

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

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

Audit observation

Trading period duration was reviewed as part of the MEP audits and agent audits.

Contact's clock synchronisation process ensures that trading period duration for generation meters is normally 30 minutes within ± 2 seconds.

Audit commentary

Compliance with this clause has been demonstrated by the agents and MEPs and is discussed in their audit reports.

Contact's clock synchronisation process for generation meters is discussed in **section 6.5**.

Audit outcome

Compliant

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

Code reference

Clause 18 Schedule 15.2

Code related audit information

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

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

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

Audit observation

Processes to archive and store raw meter data were reviewed.

Audit commentary

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

CTCT

Contact's IT team confirmed that raw meter read data is retained for more than 48 months, and I viewed reading data that had been retained for over 48 months during the audit.

I viewed audit trails in SAP, IMDM, HDM, and MV90 and confirmed that read and volume data cannot be modified without an audit trail being created. Access to Contact's systems is restricted using logins and passwords.

CTCX and CTCS

Simply Energy intends to retain raw meter data indefinitely.

Access to systems is restricted using logins and passwords and I confirmed that read and volume data cannot be modified without an audit trail being created.

Audit outcome

Compliant

7.3. Non metering information collected / archived (Clause 21(5) Schedule 15.2)

Code reference

Clause 21(5) Schedule 15.2

Code related audit information

All relevant non-metering information, such as external control equipment operation logs, used in the determination of profile data must be collected, and archived in accordance with clause 18.

Audit observation

Processes to archive and store non-metering data were reviewed.

Audit commentary

CTCT

The main non-metering information is on/off time logs for distributed unmetered load and SCADA records supporting on/off times for NHH profiles. This data is received in a password protected email and loaded into SAP to create interval profiles.

The data is stored securely and retained indefinitely, I viewed data from January 2017 during the audit.

CTCX

CTCX will not deal with any non-metering information.

CTCS

CTCS deals with some non-metering information for DUMML ICPs. EMS retains the data logger files, and compliance is recorded in their agent audit report.

Simply Energy will retain DUMML information provided by database owners indefinitely.

Audit outcome

Compliant

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

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

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

If a reconciliation participant detects errors while validating non-half hour meter readings, the reconciliation participant must:

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

19(1)(b) - replace the original meter reading the second meter reading (even if the second meter reading is at a different date)

19(1A) if a reconciliation participant detects errors while validating non half hour meter readings, but the reconciliation participant cannot confirm the original meter reading or replace it with a meter reading from another interrogation, the reconciliation participant must:

- *substitute the original meter reading with an estimated reading that is marked as an estimate; and*
- *subsequently replace the estimated reading in accordance with clause 4(2)*

Audit observation

Processes for correction of NHH meter readings were reviewed, including checking examples of corrections where available. Corrections to volumes where meter readings match the value recorded by the meter, such as where a multiplier is incorrect, a meter is defective or bridged, or inactive consumption is identified were reviewed in **section 2.1**.

Audit commentary

CTCT

Where errors are detected during validation of non-half hour meter readings, a check reading is performed, or AMI data is checked. If an original meter reading cannot be confirmed, then an estimated reading is used and is labelled as an estimate in SAP.

Transposed meters are identified through the implausible read validations. These are typically reviewed by a Bot, which will request a control read. The control read is returned to a user for validation. Once the correct reads are confirmed, a device modification is carried out to ensure that reads are recorded against the correct register.

CTCS and CTCX

Simply Energy manages NHH corrections as an agent.

Where errors are detected during validation of non-half hour meter readings, a check reading is performed, or AMI data is checked. If an original meter reading cannot be confirmed it is invalidated and an estimated reading is applied for billing. Estimated readings are ignored by the historic estimate calculation process; if no validated actual readings are available, forward estimates are created.

If a reading is invalidated before being sent to MADRAS, the read will not be sent. If the reading is invalidated after being sent to MADRAS it will be updated using the read replacement process discussed in **section 12.3**.

If transposed meters are identified through the validation process, they will be corrected using the read renegotiation process if switch reads are affected, or by moving the readings to the correct registers.

Audit outcome

Compliant

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

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

If a reconciliation participant detects errors while validating half hour meter readings, the reconciliation participant must correct the meter readings as follows:

19(2)(a) - if the relevant metering installation has a check meter or data storage device, substitute the original meter reading with data from the check meter or data storage device; or

19(2)(b) - if the relevant metering installation does not have a check meter or data storage device, substitute the original meter reading with data from another period provided:

- (i) The total of all substituted intervals matches the total consumption recorded on a meter, if available; and*
- (ii) The reconciliation participant considers the pattern of consumption to be materially similar to the period in error*

Audit observation

Processes for correction of HHR meter readings were reviewed. Three HHR corrections were reviewed, including a check that updated consumption data flowed through to revision reconciliation submissions.

Processes for the correction of generation data were reviewed, including walking through a correction.

Audit commentary

CTCT

HHR meter data

EDMI does not provide any data estimates or corrections. In some circumstances AMS may provide information used to prepare estimates and corrections.

I reviewed three examples of corrections including:

- a correction to distributed unmetered load due to a change of the hours,
- a correction of consumption because the customer was generating through the meter, and
- an incorrect compensation factor.

All corrections checked were processed accurately, and the estimates applied were reasonable. In all cases an appropriate audit trail was created, and following correction, the original data was still available.

HHR DUMML data

DUMML submissions are calculated in SAP based on a monthly snapshot of wattage information provided by the database owner and logger hours (where available). Festive lights are included in the wattages when they are connected. The logger hours are checked for completeness and reasonableness, and the dataset is validated through the HHR validation process.

Corrections occur as required for HHR DUMML data, and as mentioned above, one of these corrections was examined. If unmetered wattage or on hours are updated in SAP, and the invoice or invoices for the affected period are reversed and rebilled, the revised data flows through to revision submissions.

Generation data

Where errors are detected during validation of half-hour generation metering information the first course of action is to use data from back-up metering that is installed at all metering installations. In the unlikely event that back-up data is not available, estimation is performed using SCADA data. Corrections are made based on instructions from generation engineers.

I checked three generation data corrections, and found the corrections were accurate. The revenue correction journal information was available, and was reviewed

CTCS and CTCX

From 1 June 2020, EDM and AMS began supplying HHR data directly to Simply Energy. Simply Energy creates HHR submissions, including temporary estimates, permanent estimates, and corrections.

Corrections are calculated manually and imported into Datahub in an EIEP3 file. A compliant audit trail entry is added into the permanent estimate log.

No corrections were required for CTCX during the audit period. I reviewed three corrections made for CTCS, two to account for the period a meter was being changed and one phase failure. I also reviewed all 79 records in the permanent estimate log. 77 were meter changes and two were phase failure. The meter changes used the same trading period of the previous day or previous week, the phase failure used the previous week, ensuring the same number of weekends and weekdays.

Audit outcome

Compliant

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

Code reference

Clause 19(3) Schedule 15.2

Code related audit information

A reconciliation participant may use error compensation and loss compensation as part of the process of determining accurate data. Whichever methodology is used, the reconciliation participant must document the compensation process and comply with audit trail requirements set out in the Code.

Audit observation

Error and loss compensation was discussed, and the processes in place reviewed.

Audit commentary

Contact does not deal with any loss and compensation arrangements. If a compensation arrangement was in place, this would be identified through the load check process employed at the time of certification or recertification.

Audit outcome

Compliant

8.4. Correction of HHR and NHH raw meter data (Clause 19(4) and (5) Schedule 15.2)

Code reference

Clause 19(4) and (5) Schedule 15.2

Code related audit information

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

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

19(5)(a)- the date of the correction or alteration

19(5)(b)- the time of the correction or alteration

19(5)(c)- the operator identifier for the person within the reconciliation participant who made the correction or alteration

19(5)(d)- the half-hour metering data or the non half hour metering data corrected or altered, and the total difference in volume of such corrected or altered data

19(5)(e)- the technique used to arrive at the corrected data

19(5)(f)- the reason for the correction or alteration.

Audit observation

Corrections are discussed in **sections 8.1** and **8.2**, which confirmed that raw meter data is not overwritten as part of the correction process. Audit trails are discussed in **section 2.4**.

Raw meter data retention for MEPs and agents was reviewed as part of their own audits.

Audit commentary

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

I reviewed journals for NHH, HHR, and generation data corrections for all codes and noted that they were compliant with the requirements of this clause.

Audit outcome

Compliant

9. ESTIMATING AND VALIDATING VOLUME INFORMATION

9.1. Identification of readings (Clause 3(3) Schedule 15.2)

Code reference

Clause 3(3) Schedule 15.2

Code related audit information

All estimated readings and permanent estimates must be clearly identified as an estimate at source and in any exchange of metering data or volume information between participants.

Audit observation

A sample of reads and volumes were traced from the source files to Contact's systems in **section 2.3**.

Provision of estimated reads to other participants during switching was reviewed in **sections 4.3, 4.4, 4.10** and **4.11**.

Correct identification of estimated reads, and review of the estimation process was completed in **sections 8.1** and **8.2**.

Audit commentary

CTCT

The previous audit recorded that when a reading is not received for all registers on the meter read order date, SAP retrieves the nearest actual reading within the last three days for AMS, Smartco, Metrix and FCLM and the nearest actual reading within the last two days for all other providers and records it as an actual reading against the meter read order date. This resulted in readings for two Smartco meter registers for ICP 0000017802EAAC8 being recorded with an incorrect read date, because no readings were available on the meter read order date. This can technically still occur; however, Contact has monitored multi-meter ICPs where one or more meters are not communicating and has moved these to manual meter reading rounds. A system change is in the process of being developed to resolve this issue. No examples were found during this audit.

As recorded in **section 4.10**, seven switch move CS files had an incorrect switch event read type "E" was recorded instead of "A".

CTCX and CTCX

As recorded in **section 4.3**, 0086146103WRE02 (event date 13 November 2020) had an incorrect event read, and event read type. The event reading was estimated as the same reading as the switch in on 1 November 2020 with a read type of actual because the user had not ticked the estimate box when manually entering the read. No readings were obtained during the period of supply but there was expected to be consumption. The average daily kWh was left blank and zero was reported, the incoming CS file contained 13 kWh per day.

One example for CTCX found of estimated reads for the switch event date incorrectly labelled as actuals for ICP 0007106716RNC51 as detailed in **section 4.10**.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 9.1</p> <p>With: Clause 3(3)</p> <p>Schedule 15.2</p> <p>From: 13-Jun-20</p> <p>To: 20-Jan-21</p>	<p>CTCT</p> <p>7 incorrectly labelled switch event meter readings.</p> <p>CTCS</p> <p>2 incorrectly labelled switch event meter readings.</p> <p>Potential impact: None</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact on settlement and participants is minor; therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>Contact ICT team is investigating the system issue. Depending on the investigation, we are anticipating having a system fix deployed by end of August 2021 to resolve this non-compliance.</p>		Proposed or actual date: <u>CTCT</u> 21/08/2021	Investigating
<p><u>CTCS</u></p> <p>Simply Energy do not believe they can resolve these identified non compliances, so a focus is being put on implementing systems to minimise the possibility of this non-compliance re-occurring in the future. Please refer to the preventative actions.</p>		<u>CTCS</u> N/A	
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>CTCT</u></p> <p>ICT team is investigating the system defect and we will implement a fix once the root cause is determined.</p>		Proposed or actual date: <u>CTCT</u> 21/08/2021	
<p><u>CTCS</u></p> <p>Simply Energy will run through refresher training with staff.</p>		<u>CTCS</u> 31/01/2022	

Automation of the Switch Loss process will be investigated: Simply Energy will look to introduce an automated workflow generated off the back of the switch loss record received from Registry. They will use this information to trigger Datahub to generate a final read (estimate or actual, depending on last actual read) which will be validated and sent back to CRM system. Further automation will be introduced to automatically generate the correct avg daily kWh based on the last two actual reads in accordance with the code. Simply Energy believes to resolve the inaccuracies we need to completely automate the switching process.		
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9.2. Derivation of volume information (Clause 3(4) Schedule 15.2)

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

A sample of submission data was reviewed in **sections 11** and **12**, to confirm that volume was based on readings as required.

Audit commentary

Review of submission data confirmed that it is based on readings as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 3(5) Schedule 15.2

Code related audit information

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

Audit observation

A sample of submission data was reviewed in **sections 11** and **12**, to confirm that volume was based on readings as required.

NHH data is collected by MEPs and agents, and HHR data is collected by agents. CTCT retrieves HHR data from the generation meters.

EMS reports generation data to the reconciliation manager as CTCT's agent. Their processes for HHR data were reviewed as part of their agent audit.

Audit commentary

The MEPs and agents retain the raw, unrounded data. Compliance with this clause has been demonstrated by as part of their own audits, except for EDM1. EDM1 provides data to Contact in the HHRDM format, which records volumes in kWh rounded to two decimal places. Data is normally received from meters in either whole watt hours (equivalent to kWh to three decimal places) or kWh to three decimal places. In addition, some EM5300 meters have been configured to provide a higher degree of precision, and fractions of watt hours (or kWh to four decimal places) are recorded.

EDM1's HHRDM file format may round the trading period data to two decimal places if the meter does not have a multiplier and the volume for that hour has a non-zero value in the third decimal place or an EM5300 meter is present. The affected ICPs are:

0100014259LCCDD – CTCS
0000443051UNA61 - CTCS
0320681548LCD8D - CTCS
0392681897LCCA1 - CTCS
0148393039LC121 - CTCS
0349732027LCC76 - CTCS
0236623230LC76C - CTCS
0375257284LCAA5 - CTCS
0000450356WPA6F - CTCS
0002540932TG9F9 - CTCS
0000096012TCCB8 - CTCS
0394861027LC6EC - CTCS
0000492025WP701 - CTCS
0011201018ELB45 - CTCS
0219811938LC7EC - CTCS
0000964120TEB3C - CTCS
0255886705LC7F1 - CTCS
0281457492LCFFB - CTCS

CTCT

NHH reads and HHR interval data is not rounded or truncated on import. The number of decimal places recorded in SAP matched the source files for the sample of data checked.

For generation data I traced a sample of reads from MV90 to SAP for one day and confirmed that reading data is recorded with eight decimal places in both systems. Generation meter data is not rounded or truncated on import.

CTCX and CTCS

NHH reads provided by FCLM and WASN are not truncated on import. The number of decimal places recorded in Datahub matched the source files for the sample of data checked. NHH readings from other agents and MEPs are truncated on import if they are provided with decimal places.

All NHH readings are rounded to the nearest whole number when exported to EMS' MADRAS for reconciliation.

As mentioned above, there were 18 ICPs previously supplied by CTCT, which switched to CTCS during the audit period, and the data is provided to two decimal places when the meter has three decimals.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 9.3</p> <p>With: Clause 3(5) of schedule 15.2</p> <p>From: 01-Jun-20</p> <p>To: 30-Apr-21</p>	<p>CTCS and CTCX</p> <p>EDMI provides HHR interval data for some ICPs rounded to two decimal places.</p> <p>NHH raw meter data received from all MEPs and agents except FCLM and WASN is rounded upon receipt into Datahub and not when volume information is created if it is provided with decimal places.</p> <p>Any NHH data recorded with decimal places in Datahub is rounded to the nearest whole number when exported to EMS' MADRAS for reconciliation.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are considered weak, because all NHH meter information is rounded before it is entered into MADRAS where reconciliation submissions are calculated.</p> <p>The audit risk rating is low, because only NHH meter readings provided with decimal places are affected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCS & CTCX</u></p> <p>No truncation is occurring at the Simply Energy end.</p> <p>The EDM I interval data is rounded only where there is a multiplier. The MEP's files for AMS, SMCO, Arc and IHUB were reviewed and all NHH files received contained 2 dp. HHR data is being submitted with 3 dp.</p> <p>The only reads truncated for Madras is switch reads and this is to match what goes to the Registry which they believe to be compliant.</p>		<p>Proposed or actual date:</p> <p><u>CTCS & CTCX</u></p> <p>18/05/2021</p>	Investigating

Preventative actions taken to ensure no further issues will occur	Completion date	
<u>CTCS</u> Simply Energy will request Arc, AMS, SMCO and Ihub to send NHH data in 3 dp to be consistent with their HHR data.	Proposed or actual date: <u>CTCS & CTCX</u> 30/6/2021	

9.4. Half hour estimates (Clause 15 Schedule 15.2)

Code reference

Clause 15 Schedule 15.2

Code related audit information

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

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

Audit observation

The HHR estimate process was examined, and a sample of estimates and the SAP Functional Specification Replacement Value Procedures (V1.1) and Simply Energy's estimation documentation and were reviewed.

Estimates for generation stations are rare due to the high degree of metering accuracy and use of check metering as described in **section 9.6**. No examples of generation data estimates were identified during the audit period.

Audit commentary

CTCT

HHR data

HDM identifies missing HHR data. Estimates can be entered by running HDM's own estimation process for the ICP, or manually calculating an estimate and importing the file. Estimates are based on midnight readings where available, and historic data. There is a peer review of all estimates over 1,000 kWh.

Data is only exported from HDM to SAP when there is full dataset which has been validated and flagged as "good". If data is missing in SAP prior to generation of HHR submissions, SAP's estimation process will fill the missing trading periods.

SAP's replacement value procedures will estimate trading period data where validated data has not been received from HDM. The estimation process is based on historic meter data, or a linear value if no historic data is available.

The HDM and SAP processes are considered compliant with the requirement to use reasonable endeavours to ensure the estimated data is accurate to within 10%. Estimates are replaced with actual data if it becomes available.

I viewed two examples where missing HHR data was temporarily or permanently estimated and confirmed that the reasonable endeavours requirements were met:

- for one estimate zeros were estimated because it was a generation ICP and Contact confirmed the generator was not running, and
- for one ICP data could not be obtained because the supply was isolated, however it was confirmed the consumption was zero and was estimated as such.

Generation data

Estimates are fairly rare for generation metering. The generation engineers provide compensated data from the secondary metering at the station when estimates are required. No estimates occurred during the audit period.

CTCS and CTCX

From 1 June 2020, EDM and AMS began supplying HHR data directly to Simply Energy. Simply Energy creates HHR submissions, including temporary estimates, permanent estimates, and corrections.

Temporary estimates are created by Datahub and the process is triggered manually for each ICP with missing data. ICPs with missing data are identified using Datahub exception reports. Estimates are based on historic information for an equivalent day and trading period, unless other data such as check metering is available to confirm the correct values. The estimation methodology sets out how equivalent days are determined, and accounts for working days, non-working days, daylight savings beginning and ending, and public holidays.

Volumes are identified as F (final actual), E (estimated) or D (deleted) in Datahub at trading period level. Permanent estimates are created in Datahub by importing a new file with the permanent estimate data marked as F (final). Permanent estimates can be identified at trading period level using the permanent estimate log, which is updated manually when permanent estimates are created as described in **section 8.4**. Temporary estimates are marked as E (estimated) at trading period level.

When trading period data has been estimated and actual data is received later, the actual data is imported and validated against the estimates.

When actual trading period data has been received and updated actual data is received later, it will be replaced. Where an MEP has provided a part day of data, they may later provide a replacement file which contains nulls for the trading periods already provided and HHR volumes for the part of the day that was originally missing.

When estimates are created for longer than one week, for example if an entire month needs to be estimated, the last week of the previous month is used for the first week, then subsequent weeks use the first week. This creates a problem when the last week of the previous month has public holidays or is not a typical week. I checked some February 2021 estimates, which were based on the last week in January, which contained a public holiday. Every week in February then had the same day estimates as if it were a public holiday. I recommend using the same month of the previous year, or a month with a consumption pattern similar to the estimated month.

When replacement HHR data is supplied, it replaces the estimated data, except where the replacement data file does not contain a register read. In these cases, the file does not load, and the estimate remains. This is recorded as non-compliance in **section 12.7**. There are 1,514 ICPs where estimated data is still present.

When data is replaced, compliant audit trails are created within Datahub's job log. When a permanent estimate is created, the permanent estimate log is manually updated to record all details of the change, including the dates and trading periods affected and the correction method.

Recommendation	Description	Audited party comment	Remedial action
HHR estimation for new ICPs	CTCS and CTCX Improve the HHR estimation process so that Datahub can apply estimates where data for an equivalent day is not available.	This issue only impacts new sites to Simply energy. All AMI sites will be switched in and submitted NHH on the RPS code. They will only be adjusted to HHR submission when it is proven we are getting sufficient quality HHR data. For TOU connections, Simply Energy will import any data supplied for the purpose of pricing and calculation of Maximum Annual Quantities. This is traditionally historic volumes if an existing connections, or best estimates for a new connection.	Identified
Replacement of estimates with actual data	CTCS and CTCX If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data, even if register reads are not available.	Ticket raised with Axos Support to confirm how system operates and based on this reply will request change to validate actual data.	Investigating
Replacement of actual data with actual data	CTCS and CTCX If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.	Ticket raised with Axos Support to confirm how system operates and based on this reply will request change to validate actual data.	Investigating

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 9.4</p> <p>With: Clause 3(5) of schedule 15.2</p> <p>From: 01-Jun-20</p> <p>To: 30-Apr-21</p>	<p>CTCS</p> <p>Some HHR volumes estimates for CTCS did not meet the reasonable endeavours requirements.</p> <p>Some estimates are not replaced with actual data when it arrives.</p> <p>Potential impact: High</p> <p>Actual impact: Medium</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are rated as moderate because there is a process in place, but some improvement is required to ensure compliance.</p> <p>The audit risk rating is medium, mainly due to the issue with actual data not replacing estimated data.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCS</u></p> <p>Where Simply Energy can identify actuals that can be uploaded to replace estimates they will do so - NB: This requires a tech change noted in the preventative actions.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>CTCS</u></p> <p>1. The system estimate logic will be reviewed and updated to reflect a more appropriate methodology.</p> <p>Simply Energy's system is currently rejecting data files for AMI connections that have HHR data supplied but no midnight read (register reads). They will adjust this workflow so these files are accepted.</p>		<p>Proposed or actual date:</p> <p><u>CTCS</u></p> <p>1. 31.07.2021</p> <p>2. 31.12.2021</p>	

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

Code reference

Clause 16 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

I reviewed and observed the NHH data validation process, including checking a sample of data validations. I reviewed system and process documentation, to confirm validation settings and procedures for readings which have failed validation.

Audit commentary

CTCT

Data validation for NHH metering information occurs at multiple levels.

Meter reader validation

For meters manually interrogated by MRS, a validation within their hand-held device identifies readings outside specified high/low parameters and prompts the reader to check the reading. This process is discussed further in the agent audit report.

MRS also check the condition of the meters, to identify issues that could affect meter accuracy or safety. If an issue is identified, the appropriate condition code is entered into the hand-held device and provided to Contact. This process is discussed further in **section 6.6**.

AMI validation

For AMI meters, the MEPs have access to meter event and clock synchronisation information that may identify issues with meter accuracy. The process to receive and review this information is discussed in **section 9.6**.

Read import and billing validation

Contact's file import process identifies any file errors or corruption and creates an exception.

Once successfully imported, the billing validations identify any consumption outside prescribed limits and creates an exception. There are different limits for AMI and standard meters. A summary of the validations is set out below:

Validation type	Description
Implausible reads	High consumption Extra high consumption

Validation type	Description
Negative consumption	Negative consumption
Zero consumption	Zero consumption for the previous month
Vacant and disconnected consumption	Vacant consumption >0 units Disconnected consumption >2 units
Billing period	Short or long bill period
Bill value	Billed dollar value outside of tolerance

When exceptions are created, they are assigned to users or robots (Bots) as BPEMs. Bots primarily process implausible read, zero consumption and bill value exceptions, and approve them based on a set of rules or request a control read. For instance, if an implausible read is the first reading after a switch gain read the Bot will issue a request for a control (out of cycle) meter reading.

The previous audit found evidence that in some cases, Bots validated readings which had been moved to an implausible status by a user because they required investigation. I didn't see this issue repeated.

Exceptions not validated by the Bots and returned control readings are directed to work queues. Users investigate each exception, starting with the oldest and highest priority exceptions. If an exception is not resolved on the first day because it requires further investigation, the BPEM will remain until it is resolved. If a BPEM will require later follow up (such as when a control read is requested), the user can set the BPEM status to pending and specify a number of days, after which time the BPEM will reappear in the user's main queue. This process helps to prevent double handling.

Each type of exception is assigned to four or five primary users, to ensure that several team members are familiar with the process to cover absences. The Operations Team Leader (Billing) monitors overdue service orders and BPEMs and the total number of service orders and requests daily, and takes action to follow up and redistribute tasks if required. Summary reporting of open service orders, performance and workloads is reviewed weekly.

Consumption on disconnected ICPs is monitored by the reconciliation and revenue assurance teams. The reconciliation team processes corrections to ensure that any disconnected consumption is included in reconciliation submissions. This process is discussed in **section 8.1**.

Legacy meters with zero consumption for more than 90 days and AMI meters with zero consumption for more than 120 days are monitored by the revenue assurance team. I reviewed the legacy and AMI meter reports and noted that review was underway for the affected ICPs to confirm whether the zero consumption was genuine or there was a possible meter fault which required action.

Contact has phased out its legacy pre-pay meters, therefore the pre-pay no vend reports are not required.

There are over 8,000 AMI prepay meters, which use midnight readings to calculate consumption and the credit balance. When no credit is available a remote disconnection request is created, and the meter is reconnected once credit is added.

CTCS and CTCX

Data validation for NHH metering information occurs at multiple levels and is managed by Simply Energy.

Meter reader validation

As discussed in **section 6.6**, MRS and Wells validate readings and check meter condition when readings are obtained but this information is not consistently reviewed.

For AMI meters, the MEPs have access to meter event and clock synchronisation information that may identify issues with meter accuracy. The process to receive and review this information is discussed in **sections 6.5 and 9.6**.

Read import and billing validation

Simply Energy's NHH validation process is compliant. The import process checks:

- the reading relates to a valid ICP meter and register, and
- the content of each field is valid and not corrupted, including dates and times.

The meter reading validations check:

- the reading date falls between the data stream's opening and closing date,
- the reading is consistent with the number of dials recorded,
- whether the reading is higher than previous reads, which identifies negative consumption,
- whether the meter has rolled over, and
- consumption between reads against the estimated forward daily kWh to identify high, low, or zero consumption.

Any ICPs which fail the validation are individually reviewed. The user can manually force a read to pass validation so that it is published and available for reconciliation and billing or leave the read as unvalidated.

NHH reads sent to EMS for reconciliation are also validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Simply Energy also validates EMS' records against their own. These validation checks are discussed in **section 12.3**.

Consumption on inactive ICPs

When an ICP becomes disconnected the data stream is end dated in DataHub. If reads are received after the data stream has ended, they will become read import errors. These read import errors are reviewed to determine whether the consumption is genuine, and the ICP status and data stream dates are updated if necessary.

Audit outcome

Compliant

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

Code reference

Clause 17 Schedule 15.2

Code related audit information

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

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

- 17(4)(a) - checks for missing data*
- 17(4)(b) - checks for invalid dates and times*
- 17(4)(c) - checks of unexpected zero values*
- 17(4)(d) - comparison with expected or previous flow patterns*

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

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

17(4)(g) – a review of the relevant metering data where there is an event that could have affected the integrity of the metering data

If there is an event that could affect the integrity of the metering data (including events reported by MEPs, but excluding where the MEP is responsible for investigating and remediating the event) the reconciliation must investigate and remediate any events.

If the event may affect the integrity or operation of the metering installation the reconciliation participant must notify the metering equipment provider.

Audit observation

I reviewed and observed the HHR, generation, and AMI data validation processes, including checking a sample of data validations and validation setting documentation.

Audit commentary

Electronic data used to determine volume information is provided by MEPs, AMS, EDM I and EMS as agents, and by Contact for CTCT generation information.

This function was examined as part of the MEP and agent audits and found to be compliant.

CTCT

HHR

A HHR load check occurs on switch in. This is discussed further in **section 8.3**.

On business day one of each month, data is received via the portal or TIBCO, and imported into HDM. Validation occurs when data is uploaded into the HDM system, and exception reports (dataset warnings) are generated. These exceptions are shared between the HDM team, who review and either approve the exception or estimate replacement data if necessary. In some cases, resolution involves contacting the customer or escalating issues to the sales team. The NEO graphing tool is used to chart HDM information to assist with analysis.

I walked through the validation process, including reviewing a sample of exceptions of each type for data provided by AMS and EDM I.

I walked through the process and confirmed that the following checks are performed:

- **file format and file content errors;** this includes instances where data is provided for unexpected channels or meters for the ICP, or the ICP has not been set up because Contact is awaiting paperwork,
- **consumption averages are inconsistent with the previous three months;** these exceptions are investigated by reviewing historic consumption patterns using the NEO graphing tool and confirming the consumption with the customer, and if there is a suspected meter accuracy issue, a field services job will be raised with the MEP,
- **consecutive zeros;** if the consecutive zeros are consistent with the customer's previous consumption, they will pass validation and if consecutive zeros are unexpected, they will fail validation, and be checked with the customer to confirm whether they are valid,
- **data spikes in KVARH or kWh inconsistent with the previous month,** including either two instances where variance is more than 50%; four instances where variance is more than 30%; or

seven instances where variance is more than 20%; spikes are graphed and reviewed against surrounding data and each other to determine whether they are reasonable or if further investigation is required,

- **insufficient data for validation**; this check identifies sites with less than three months of consumption history available for checking and these ICPs are reviewed manually to determine whether consumption appears reasonable, and
- **all new connections, switch ins, upgrades, downgrades, meter reprograms, and meter changes** processed are independently checked by the HDM Team Leader or HDM Team Analyst; Sharepoint is used to track this approval and management process, and I saw evidence of the review process.

Overall, the level of validity checking is viewed as being of a high industry standard.

I viewed meter event information provided by AMS and EDM, which is provided at the end of each month. AMS also separately email any events which they believe require action. Time synchronisation and meter events are scanned through and any items of concern are escalated to HDM team management.

AMI

AMI data is validated using the NHH validation process described in **section 9.5**. Additional validation is also completed in IMDM.

- HHR ICPs with missing trading period data are put “on hold” in IMDM and the data is not transferred to SAP. The exceptions are suppressed for three business days to allow time for the MEPs to provide the data. The exceptions are worked through daily and estimation of the missing trading period data is completed in IMDM.
Without intervention, data remains “on hold” and will not be transferred to SAP until 55 days after the latest missing period, then the import will restart. Users can manually adjust the dates for individual ICPs so that the missing records are ignored by the process and data transfer to SAP can resume (e.g. where reads are missing during a disconnected period). 2,464 of the 2,832 ICPs which currently have some missing data have Metrix meters, and 203 have FCLM meters. Contact are working with the MEPs to confirm which meters truly have HHR AMI data available and will stop attempting to obtain AMI data where the meters are not communicating.
- Check-sum validation identifies ICPs where the sum of the volumes for the trading periods between midnight readings does not match the difference between midnight readings. These exceptions are individually reviewed and corrected by processing an adjustment in IMDM so that the data is consistent.
- Clocked meters are identified, and the readings are corrected by calculating the correct readings and importing the file into SAP. Clocked meters cannot be corrected in IMDM.
- ICPs with data provided before the expected start date are identified. This typically occurs where Arc provides a reading for the day before the switch in date. Each ICP is checked and the metering start dates are adjusted as necessary.
- Meter changes are identified through the validation process. The service orders are retrieved from ORB and Contact attempts to obtain readings and part day volumes where available. The corrections are entered directly into SAP.

MEPs provide information on clock synchronisation and meter events. Contact manually reviews the information as it is received, and takes action as required.

Contact had begun development of a process to review the full meter and meter event information they receive from MEPs using their COLA database. Queries were developed to identify issues for investigation including max kVa, sum-check and phase failure errors. This project was paused due to staffing changes, but eventually Contact hopes to automate these processes and combine them with the existing HHR validation processes.

AMI readings are also validated using the NHH validation process described in **section 9.5**.

Generation

Each morning, MV90 is checked to ensure that meter data has been collected. Any missing data or issues are highlighted in the front end in blue text. MV90 retries the meters each hour until data is retrieved. If data cannot be retrieved by the system, a user will investigate and then reattempt to retrieve the data.

The installed data loggers have a data storage capacity of at least 30 days, and data is received hourly by the Oracle database and updated in SAP three times daily at 4am, 9.30am and 12.30pm. I saw evidence of these updates during the audit.

MV90 stores all meter event log information, and the logs are checked daily. I sighted event logs during the audit and walked through the process to review them.

Each metering installation contains primary metering and back-up metering, plus SCADA data. The SCADA system generally uses a separate set of CTs and its own VT.

Contact conducts a comparison between the primary data in MV90, the data in MDM, the AV130 file and SAP.

CTCS and CTCX

From 1 June 2020, EDM I and AMS began supplying HHR data directly to Simply Energy, and Simply Energy has validated the data and created HHR submissions.

The HHR validation process includes:

- review of consumption patterns against expected values at aggregate level using Power Query; this should be checked at ICP level,
- filtering of ICP, flow direction and trading period consumption to identify unexpected zero values; any unexpected zeros are checked by reviewing the ICP's consumption history or checking historic consumption with Contact Energy,
- review of meter events provided by AMS and EDM I,
- reporting on ICPs with missing trading period data which is followed up with the agents e.g. Simply Energy considers changing the submission type to NHH for HHR ICPs with metering category 1 or 2 and persistent missing data issues, and
- the data stream is used to complete a sum check; in some cases, the sum check may fail because a switch read has failed validation (e.g., because it is higher than a subsequent AMI read) and this can take time to resolve, and
- there is now a query to identify ICP days discrepancies prior to submission occurring to ensure submission information is complete for all relevant ICPs.

Recommendation	Description	Audited party comment	Remedial action
HHR validation of consumption patterns	CTCS and CTCX Validation of HHR consumption patterns should be completed at ICP level as well as aggregate level.	Simply Energy will work with Axos to develop new reporting which utilises DH as a repository of historical information by ICP by timeband. DH will flag ICPs which fail to meet tolerance levels set within acceptance boundaries.	Investigating

AMI

For HHR AMI ICPs Simply Energy carries out the same billing validation as used for NHH ICPs. This includes high and low consumption to achieve compliance with 17(4)(d). Reporting is in place for missing data. Files with incorrect dates or times will be identified at the time of loading and two identical files cannot be loaded.

Meter event log information is received via SFTP, but due to resourcing constraints, this information is not reviewed as required by the Code.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 9.6 With: Clause 17(4)(f)&(g) of schedule 15.2 From: 01-Jun-20 To: 30-Apr-21	CTCS & CTCX AMI event logs are not routinely reviewed. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as weak because event information is only dealt with if the MEP sends additional correspondence. The impact on settlement and participants is minor; therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCS & CTCX</u> Simply Energy will be putting a focus on the preventative actions.			Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<u>CTCS & CTCX</u> Simply Energy will look to enhance our Third Party Platform (Datahub) to import AMI Event Logs into each DataStream. Reporting will then be created based on the requirements and validation flags can be added for ICP specific information.		Proposed or actual date: <u>CTCS and CTCX</u> 31.01.2022	

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

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

Code reference

Clause 13.136

Code related audit information

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

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

Audit observation

This process is managed by EMS for CTCT and was assessed as part of their agent audit.

Audit commentary

Generation data is sent to EMS directly from SAP, according to a system schedule. EMS monitors to ensure that the data is received on time, and Contact staff also complete monitoring to ensure that all data is released prior to leaving for the day. Review of the EMS audit report confirmed that this process is managed in a compliant manner.

Audit outcome

Compliant

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

Code reference

Clause 13.137

Code related audit information

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

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

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

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

Audit observation

This process is managed by EMS for CTCT and was assessed as part of their agent audit.

Audit commentary

This process is managed by EMS on behalf of Contact. Review of the EMS audit report confirmed that this process is managed in a compliant manner.

Audit outcome

Compliant

10.3. Loss adjustment of HHR metering information (Clause 13.138)

Code reference

Clause 13.138

Code related audit information

The generator must provide the information required by clauses 13.136 and 13.137,

13.138(1)(a)- adjusted for losses (if any) relative to the grid injection point or, for embedded generators the grid exit point, at which it offered the electricity

13.138(1)(b)- in the manner and form that the pricing manager stipulates

13.138(1)(c)- by 0500 hours on a trading day for each trading period of the previous trading day.

The generator must provide the half-hour metering information required under this clause in accordance with the requirements of Part 15 for the collection of the generator's volume information.

Audit observation

This process is managed by EMS for CTCT and was assessed as part of their agent audit.

Audit commentary

This process is managed by EMS on behalf of Contact. Review of the EMS audit report confirmed that this process is managed in a compliant manner.

In most instances, EMS collects the data as an agent for generators. Interrogation begins at midnight and is complete before 0500 on each day. Some data is provided by Contact to EMS and this data was provided by 0430 for a selection of days checked. If actual data is not available, an estimate is automatically generated and sent to EMS, and the users will check for actual data and send an update later that morning.

Any loss adjustment relative to the grid injection point is normally made within the metering installation at the time of installation and commissioning.

Audit outcome

Compliant

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

Code reference

Clause 13.140

Code related audit information

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

Audit observation

This process is managed by EMS for CTCT and was assessed as part of their agent audit.

Audit commentary

EMS is the agent to the grid owner and conducts this notification. Compliance is confirmed in the EMS audit report.

Contact receives an email when data sent to EMS has failed or needs to be estimated, and these are acted upon by Contact.

Audit outcome

Compliant

11. PROVISION OF SUBMISSION INFORMATION FOR RECONCILIATION

11.1. Buying and selling notifications (Clause 15.3)

Code reference

Clause 15.3

Code related audit information

Unless an embedded generator has given a notification in respect of the point of connection under clause 15.3, a trader must give notice to the reconciliation manager if it is to commence or cease trading electricity at a point of connection using a profile with a profile code other than HHR, RPS, UML, EG1, or PV1 at least five business days before commencing or ceasing trader.

The notification must comply with any procedures or requirements specified by the reconciliation manager.

Audit observation

Processes to create buying and selling notifications were reviewed. I checked examples of notifications provided and whether any breach allegations had been made.

Audit commentary

CTCT

If a new combination of network and NSP requires set up in SAP, the reconciliation team is notified by the network, Contact's switching team, or Contact's new connections team, and a trading notification is created as part of the set-up process.

Checks that valid trading notifications are in place are part of the reconciliation report validation checks, discussed in **section 12.3**. I observed this process and noted that it matched the submission data with open trading notifications. All mismatches are reviewed by the reconciliation team, and notifications are provided via the reconciliation portal as needed. The reconciliation portal will not accept any submission where a valid trader notification is not in place, and notifications are created as required if a file fails validation.

No breach allegations were made in relation to trading notifications.

CTCX and CTCS

Simply Energy does not routinely create trading notifications.

Trading notifications are checked and updated when tranches of ICPs switch in for CTCS, or a new non-standard profile (such as DST) will be applied. The reconciliation portal will not accept any submission where a valid trader notification is not in place, and notifications are created as required if a file fails validation.

No breach allegations were made in relation to trading notifications.

Audit outcome

Compliant

11.2. Calculation of ICP days (Clause 15.6)

Code reference

Clause 15.6

Code related audit information

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

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

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

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

Audit observation

The process for the calculation of ICP days was examined during the HE checks to confirm the AV110 ICP days calculation was correct.

I reviewed the GR100 ICP days comparison reports for the audit period and investigated a sample of variances.

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

Audit commentary

CTCT

The process for the calculation of ICP days was examined by checking the calculations during the HE checks. All calculations were correct.

The following table shows the ICP days difference between Contact files and the RM return file (GR100) for all available revisions for 16 months. Negative percentage figures indicate that the Contact ICP days figures are higher than those contained on the registry. The discrepancies are small and have generally decreased with later revisions.

Month	Initial	R1	R3	R7	R14
Feb-19					-0.55%
Mar-19					-0.55%
Apr-19					-0.57%
May-19					-0.03%
Jun-19					-0.58%
Jul-19					-0.61%

Month	Initial	R1	R3	R7	R14
Aug-19					-0.60%
Sep-19				-0.55%	
Oct-19				-0.55%	
Nov-19				-0.57%	
Dec-19				-0.03%	
Jan-20			-0.58%	-0.58%	
Feb-20			-0.63%	-0.61%	
Mar-20	-0.50%	-0.48%	-0.62%	-0.60%	
Apr-20	-0.37%	-0.61%	-0.06%	-0.57%	
May-20	-0.47%	-0.58%	-0.59%	-0.48%	
Jun-20	-0.74%	-0.15%	-0.71%		
Jul-20	-0.72%	-0.75%	-0.70%		
Aug-20	-0.74%	-0.70%	-0.71%		

I checked a sample of 31 differences remaining at revision seven or later, for periods after March 2019. I found that the differences remained for two key reasons:

1. Incorrect or duplicate settlement units

SAP contains settlement units, which specify the submission parameters (e.g. active HHR, inactive NHH) for each time slice. These settlement units determine which reports the ICP appears on, and whether they are included or excluded.

Contact has found some intermittent issues with the creation of settlement units. It appears that under certain circumstances creation of settlement units is not triggered as expected. System fixes have been implemented to resolve the issue. The number of ICPs affected has decreased significantly, but some triggers are still being missed. It is believed that this may be because of clashes between the triggers and other scheduled overnight processes. Contact has changed the order that the overnight processes are run in and is completing analysis to determine why some triggers are still being missed. Submission is correct once the settlement units have been updated.

2. Disconnected ICPs

ICP days will be different to the registry for disconnected ICPs. ICPs are typically disconnected part way through a day, with some consumption occurring up to the time of disconnection. The code requires status changes to be processed as at the beginning of the day, but to ensure that all consumption is reported Contact treats the disconnection date as active. The impact is minimal, and the process ensures that all consumption is captured.

The previous audit recorded the details of a defect requiring a system fix. The defect is 5378. Contact settles DUML as HHR. Submissions are calculated in SAP using the same multiplier logic as is applied for NHH meters. When a daily unmetered kWh update occurs, SAP finds the multiplier attribute and sends an update to the registry to add a NHH profile. The fix for defect 5378 was intended to uncouple the updates, to prevent unnecessary changes to HHR for DUML ICPs. Unfortunately, the change affected ICPs changing from unmetered BTS to permanent causing them to have submission type NHH and HHR, and profile RPS and HHR. The affected ICPs have been corrected and the SAP analyst is investigating a system fix.

CTCX

The process for the calculation of ICP days was examined by checking HHR and NHH ICP days discrepancies in the ICPCOMP report and by checking records in the ICPMISS report. I also stepped through the ICP days controls during the audit.

The only discrepancies identified were where the registry was expecting submission for SB ICPs but ICP days are not submitted for SB ICPs.

Month	Initial	R1	R3	R7	R14
Mar-20			37.50%	25.00%	
Apr-20			3.64%	3.64%	
May-20			3.03%	3.03%	
Jun-20			2.99%		
Jul-20		2.90%	2.86%		
Aug-20		4.18%	4.18%		

CTCS

The process for the calculation of ICP days was examined by checking HHR and NHH ICP days discrepancies in the ICPCOMP report and by checking records in the ICPMISS report. I also stepped through the ICP days controls during the audit.

I checked 11 ICPCOMP discrepancies between May and August 2020 and found they were all related to backdated registry events.

I checked 12 ICPMISS discrepancies between May and September 2020 and found they were all related to backdated registry events.

The ICP Days controls are now strong. Validation occurs between CTCS information and the registry during the month for NHH at NSP level and between the aggregates information and the registry at ICP level for HHR. One issue is yet to be resolved; Distributed unmetered load ICPs do not have ICP days submitted.

The following table shows the ICP days difference between CTCS files and the RM return file (GR100) for all available revisions. Positive percentage figures indicate that the CTCS ICP days figures are lower than those contained on the registry.

Month	Initial	R1	R3	R7	R14
Mar-20			0.00%	0.00%	-
Apr-20		0.00%	0.00%	0.00%	-
May-20		23.99%	-0.02%	-0.02%	-
Jun-20		0.64%	-0.07%	-	-
Jul-20		0.44%	-0.01%	-	-
Aug-20		-0.09%	0.00%		
Sep-20			0.16%		

The issues identified during the last audit have not been repeated. The May 2020 discrepancy was due to set up of ICPs and was discussed during the last audit.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 11.2</p> <p>With: Clause 15.6</p> <p>From: 01-Jun-20</p> <p>To: 30-Apr-21</p>	<p>CTCT</p> <p>ICP days were not reported correctly where settlement unit information was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. Contact has been working to resolve these issues before revision 14, and the ICP days differences are generally small.</p> <p>CTCS</p> <p>DUML ICPs do not have ICP days submitted.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate overall. For CTCT workarounds are in place to identify and correct ICPs with missing or incorrect settlement units and submission types. For CTCS all non DST profile controls are sound.</p> <p>The impact is assessed to be low because corrected data will be washed up.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>ICP days were not reported correctly where settlement nit assignment configuration was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. We are still trying to identify the root cause of this issue so a full system fix can be implemented.</p> <p>Contact has been working to resolve these issues before revision 14, and the ICP days differences are generally small.</p> <p><u>CTCS</u></p> <p>Once the material change process is approved, Simply Energy will back date the implementation to ensure revision files have accurate ICPDays, including the respective ICPDays for DST Profiled connections.</p> <p>They will review washup recon submissions from June 2021 to ensure ICP Days are correct.</p>		<p>Proposed or actual date:</p> <p><u>CTCT</u></p> <p>TBA</p> <p><u>CTCS</u></p> <p>31.07.2021</p>	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p><u>CTCT</u></p> <p>We are still trying to identify the root cause of this issue so a full system fix can be implemented.</p> <p><u>CTCS</u></p> <p>Simply will submit a material change process to Veritek related to our management of unmetered load within our current NHH submission process - this will include the submission of ICPDays for DST profiled DUMML connections.</p>		<p>Proposed or actual date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>30.06.2021</p>	

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

Code reference

Clause 15.7

Code related audit information

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

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

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

Audit observation

The process for the calculation of as billed volumes was examined by checking a sample of NSPs with a small number of ICPs to confirm the AV120 calculation was correct.

GR130 reports were reviewed to confirm whether the relationship between billed and submitted data appears reasonable.

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

Audit commentary

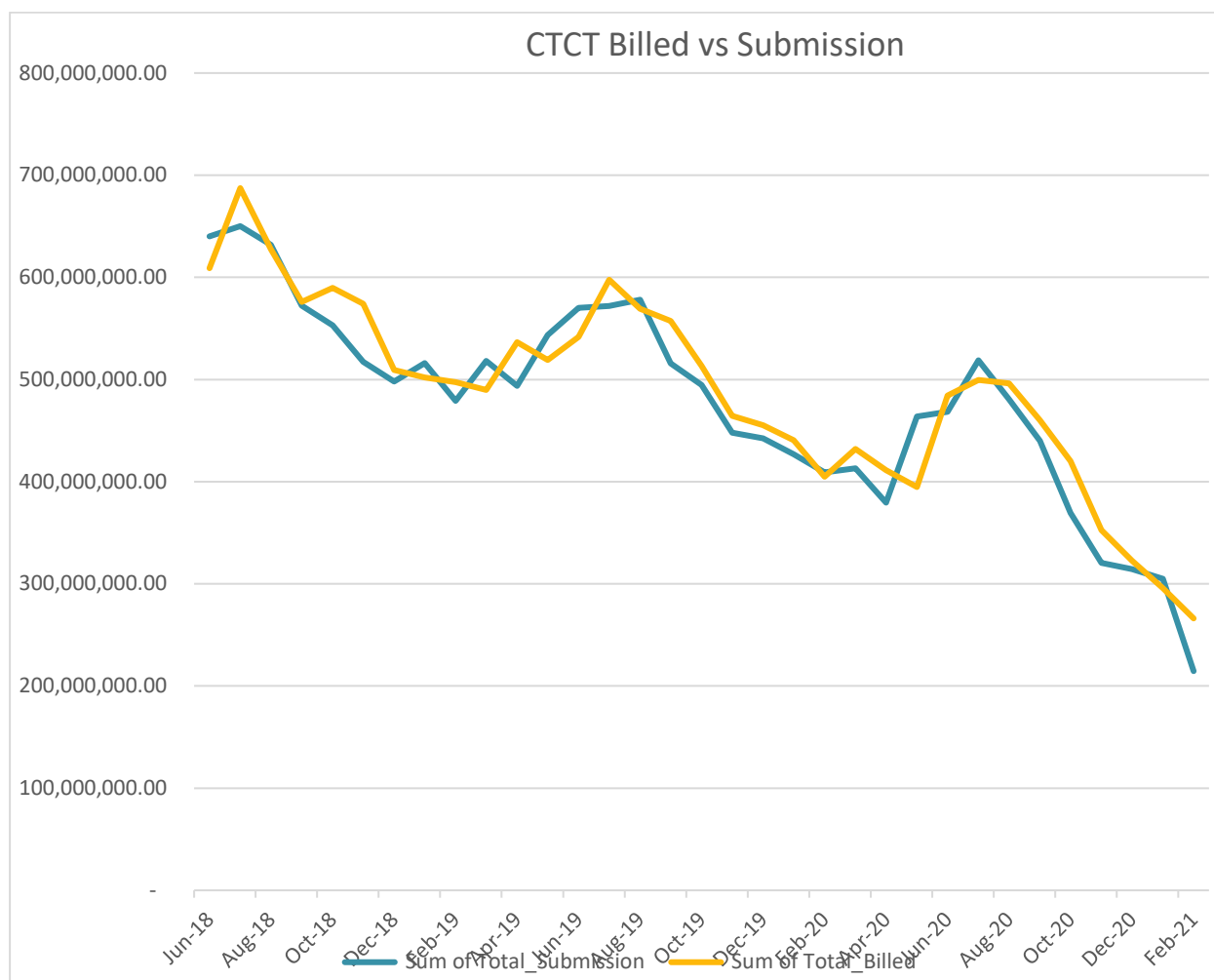
CTCT

The accuracy of the NHH and HHR electricity supplied information was checked by examining five NSPs with a small volume and against the invoices. Compliance is confirmed.

The chart below shows a comparison between submissions and electricity supplied information. At an aggregate level, submitted data is 0.4% higher than billed data for the 33-month period ending February 2021.

Contact monitors billed data against submission data on a rolling 12-month basis. A one-month offset is applied so that the billing and reconciliation periods are aligned. Mass market data is checked at balancing area level and HHR data is checked at ICP level. AV120 data is also compared to previous AV120 submissions when the reports are created.

Comparison between submitted and billed kWh



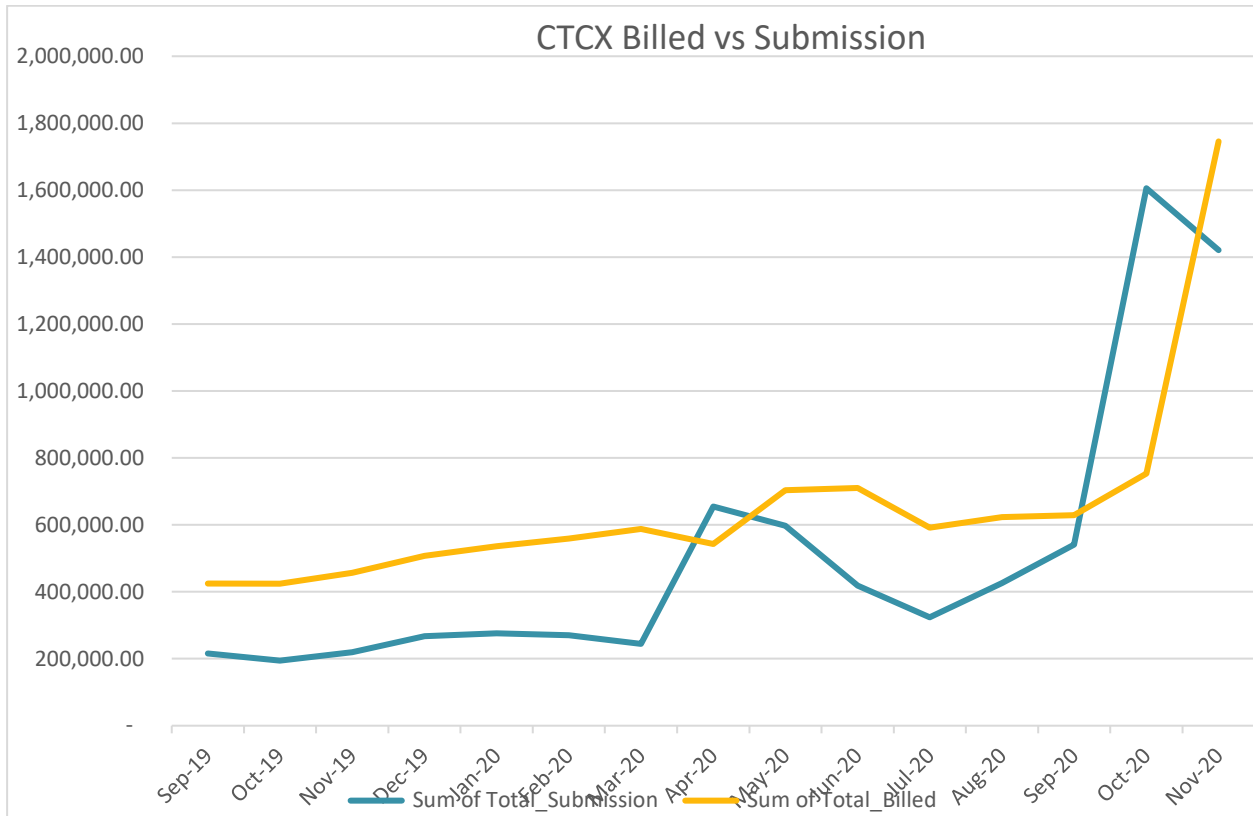
The previous audit recorded one breach relating to the AV120 submission for April 2020, because a line was included for a GD NSP. This line is normally omitted prior to submission but was missed, largely due to staff being under pressure due to the COVID-19 lockdown. The RM removed the unnecessary record and there was no impact. This matter was not repeated.

CTCX

Simply Energy monitors differences between billed and submitted data using its Power Query tool and investigates anomalies.

The chart below shows there is a significant difference between billed and submitted data. For September 2019 to February 2020 I confirmed that the differences between billed and submitted data were reasonably consistent with the volumes allocated to the SB ICPs, which are included in the billed data but excluded from the submission data. From March 2020 onwards, the relationship between billed and submitted data does not appear reasonable, and it appears there is an issue with the billed and/or submission data which requires investigation and correction. Simply Energy is investigating the cause of the difference.

Comparison between submitted and billed kWh

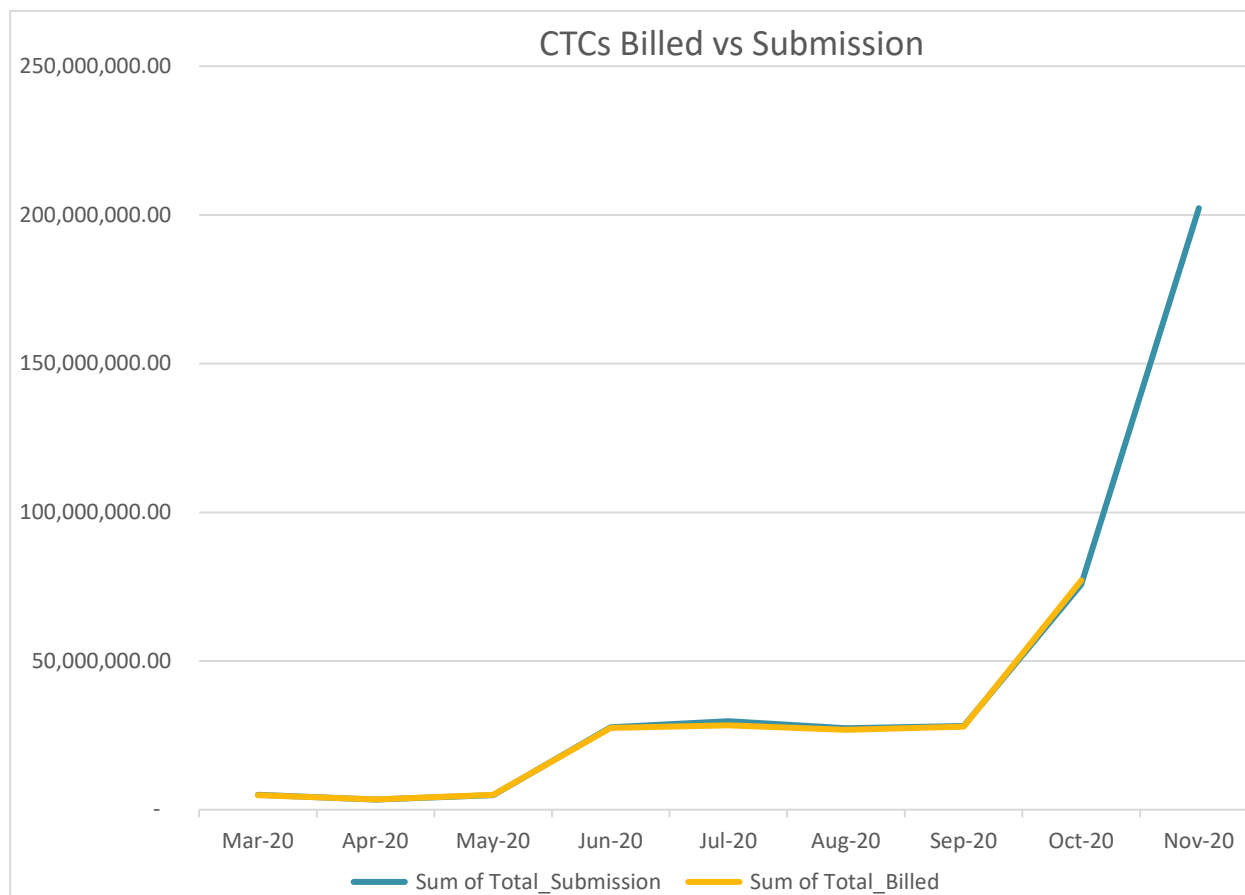


CTCS

Simply Energy monitors differences between billed and submitted data using its Power Query tool and investigates anomalies.

The chart below shows a comparison between submissions and electricity supplied information. There is only a very small difference between the billed and submitted values.

Comparison between submitted and billed kWh



Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 11.3 With: Clause 15.7 From: 01-Mar-20 To: 30-Nov-20	CTCX The Mar-20 to Nov-20 billed volumes are inconsistent with the Mar-20 to Nov-20 submission volumes. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate overall.</p> <p>For CTCX controls are rated as moderate, as the reasons for the difference could not be determined. The files are generated from AXOS, and there are monitoring controls in place.</p> <p>The impact is low, because the AV120 submission is used to check the reasonableness of NHH and HHR volumes submissions and has no impact on reconciliation results.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCX</u> Detailed analysis will be completed to determine source the of the discrepancy noted (Submission or billing). Actions for resolution will be decided upon once the above is completed.		Proposed or actual date: <u>CTCX</u> 28/5/2021	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<u>CTCX</u> Simply will upgrade our RM Submission analysis tool to cover the AV120 files		Proposed or actual date: <u>CTCX</u> 30/9/2021	

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

Code reference

Clause 15.8

Code related audit information

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

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

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

Audit observation

I confirmed that the process for the calculation and aggregation of HHR data is correct, by matching HHR aggregates information with the HHR volumes data for a sample of submissions.

The GR090 ICP Missing files were examined. An extreme case sample of ICPs missing were checked.

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

Audit commentary

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

CTCT

I confirmed that the process for the calculation and aggregation of HHR data is correct, by matching HHR aggregates information with the HHR volumes data for five submissions. There were only small rounding differences between the volumes and aggregates.

As AMI ICPs move from NHH to HHR settlement, there is an increased volume of ICP missing differences due to timing, which makes it difficult to monitor the ICP missing report. Instead, Contact checks the expected ICP days based on the registry list to their ICP level submission information at month end and on the first business days of the month. The review identifies ICPs with submission type and ICP days discrepancies, and focusses on HHR ICP days differences, and any unmetered load with RPS HHR profiles applied. When reviewing the report, the team sometimes made incorrect assumptions about what was causing the ICP days differences which led to some settlement unit errors not being corrected and issues remaining for later revisions. Due to workloads, there were also sometimes delays in processing corrections required to resolve ICP missing issues.

For C&I HHR ICPs an HDM ICP days analysis is also completed which compares the ICP days reported to previous months and revisions, and any discrepancies are investigated.

GR090 ICP Missing files were examined for all revisions for March to November 2020. An extreme case sample of the seven ICPs missing for the most months were reviewed. I found the following issues:

- In most cases the ICPs were missing because a profile had not been created for a new/replacement AMI meter, to store the interval data. The profiles are created using workflows, and where the workflow cannot create the profile a BPEM is generated, and the profile is created manually by the IDM team. There are sometimes delays in resolving issues due to workloads; BPEMs are generated for all AMI meters where AMI data is received and there is no profile to load it against not only HHR settled ICPs. A system defect has been raised to determine why no default consumption value or ICP days were added. In most cases, the issues were identified through the ICP days reconciliation but were not correctly resolved in time for submission.
- ICP 0000012721CE741 was missing from the aggregates file due to an incorrect settlement unit. The settlement unit is now correct, and submission is occurring.
- ICP 0000014413HB0E4 was missing from the April 2020 aggregates file until the 3-month revision in July 2020, then it was submitted against the incorrect NSP.

CTCX

I confirmed that the process for the calculation and aggregation of HHR data is correct, by matching HHR aggregates information with the HHR volumes data for five submissions. The totals matched to zero decimal places.

ICP missing files are reviewed by Simply Energy, and data corrections are completed as necessary. I reviewed the ICP missing reports for March to November 2020. There were no records.

CTCS

I confirmed that the process for the calculation and aggregation of HHR data is correct, by matching HHR aggregates information with the HHR volumes data for March 2020 revision 1. The totals matched to two decimal places.

ICP missing files are reviewed by Simply Energy, and data corrections are completed as necessary. I reviewed the ICP missing reports for March to November 2020. I checked 12 records and they were all due to backdated registry changes and revised information was correct.

I checked 13 ICPs for September 2020 where the difference between the R1 and R3 submissions was more than 10%. I found the main issue was that estimates were used for R1 and were replaced by actuals for R3. The reason for the estimates was because unvalidated data was not resolved until after R1 and there was a change to the format of some data, and it wasn't imported until 29/10/20. The accuracy of estimates is discussed in **Section 9.4**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 11.4 With: Clause 15.8 From: 01-Jun-20 To: 30-Apr-21	CTCT HHR aggregates file does not contain electricity supplied information. Some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data. Revised data will be provided through the revision process. CTCX HHR aggregates file does not contain electricity supplied information. CTCS HHR aggregates file does not contain electricity supplied information. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor; therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCT</u> HHR aggregates file does not contain electricity supplied information. We believe that due to conflicts between the Code and the RM functional specification we are not able to comply with both sets of requirements.		Proposed or actual date: <u>CTCT</u> 1/06/2021	Identified

<p>Some ICPs missing:</p> <p>HHR and NHH settlement functions were split across to teams which has lead to some duplication of effort and also some corrections not being processed in a timely manner even with reporting exception improvements we have implemented since the last audit.</p> <p>We are now transitioning all CTCT submission tasks into a single team during May and June 2021 to ensure there is an enhanced level of governance and oversight of the exception corrections process.</p> <p><u>CTCS & CTCX</u></p> <p>Simply Energy believe that the code is written in such a way that it is not possible to be compliant.</p> <p>This has been noted previously and if we change our processes there will be the opportunity for further discrepancies to arise.</p>	<p><u>CTCS & CTCX</u></p> <p>18.05.2021</p>	
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>We are now transitioning all CTCT submission tasks into a single team during May and June 2021 to ensure there is an enhanced level of governance and oversight of the exception corrections process.</p> <p>ICP - 0000014413HB0E4</p> <p>This ICP was impacted by 2 separate issues that our system does not handle well. The first issue relates to the withdrawal of a switch loss where Contact was settling the ICP as HHR. In this scenario our system was not reinstating the settlement unit assignment on completion of the switch loss withdrawal. We have now resolved this system defect and we do not see this issue occurring in more recent submissions.</p> <p>The second issue relates to back dated network events for a change of NSP where our SAP system has already billed past the back dated network event. Our SAP system applies billing locks to core data that may have been used in the billing process and the NSP field is one such field. The result is this network event did not get processed and we are then required to manually correct the set up in SAP. This manual correction was only applied 3 months after the failed network event.</p>	<p>Proposed or actual date:</p> <p>CTCT</p> <p>June 2021</p> <p><u>CTCS & CTCX</u></p> <p>19/05/2021</p>	

<p>We have submitted a system change request to resolve this issue and we are awaiting funding approval from our project council before development can begin. In the interim we have increased the frequency of our exception monitoring and manual correction to reduce the likelihood of this issue occurring again.</p> <p>Given both NSPs were part of the same balancing area we believe there was no market impact in terms of settlement and ICP days comparison.</p> <p><u>CTCS & CTCX</u></p> <p>No further action is required on this issue.</p>		
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12. SUBMISSION COMPUTATION

12.1. Daylight saving adjustment (Clause 15.36)

Code reference

Clause 15.36

Code related audit information

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

Audit observation

Daylight savings processes for MEPs and agents were reviewed as part of their audits.

Daylight savings processes for generation occur automatically. The Windows Server or Domain Controller Upgrade & Replacement Time Synchronisation and time source testing document was reviewed.

Audit commentary

CTCT

Compliance with this clause has been demonstrated by Contact's agents and MEPs as part of their audits. All HHR data provided to Contact is daylight savings adjusted using the "trading period run on" technique. This was confirmed by checking a sample of four files for the files for the start and end of daylight saving. The correct number of trading periods were recorded in all cases.

Contact Energy's processes for generation data are compliant. I confirmed that daylight savings adjustments were processed correctly for a sample of data for changes to and from NZDT.

CTCX

From 1 June 2020 AMS and EDM I provide daylight savings adjusted data and the daylight-saving adjustment process is compliant.

CTCS

AMS and EDM I provide daylight savings adjusted data and the daylight-saving adjustment process is compliant.

Audit outcome

Compliant

12.2. Creation of submission information (Clause 15.4)

Code reference

Clause 15.4

Code related audit information

By 1600 hours on the 4th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all NSPs for which the reconciliation participant is recorded in the registry as having traded electricity during the consumption period immediately before that reconciliation period (in accordance with Schedule 15.3).

By 1600 hours on the 13th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all points of connection for which the reconciliation participant is recorded in the registry as having traded electricity during any consumption

period being reconciled in accordance with clauses 15.27 and 15.28, and in respect of which it has obtained revised submission information (in accordance with Schedule 15.3).

Audit observation

Processes to ensure that HHR, NHH and generation submissions are accurate were reviewed. A list of breaches was obtained from the Electricity Authority.

Audit commentary

No breaches had been recorded for late provision of submission information.

CTCT

HHR

HHR submissions were checked in **section 11.4** and HHR corrections are discussed in **section 8.2**. HHR volumes are reviewed prior to submission according to the process documented in **section 12.3**.

As discussed in **section 11.4**, some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data. Revised data will be provided through the revision process.

NHH

Contact prepares reconciliation submissions using reconciliation consumption generated by SAP. NHH submission scenarios were checked to determine whether they were handled correctly, including:

- eight ICPs with vacant consumption,
- five ICPs with inactive consumption,
- five ICPs with injection/export registers, and
- ten ICPs with unmetered volumes.

Correct volumes were submitted for all the ICPs checked.

A sample of corrections were reviewed to ensure that they flowed through to revision submissions in **sections 2.1** and **8.1**. NHH volumes are reviewed prior to submission, these checks are discussed in **section 12.3**.

Generation

Generation submissions are completed by Contact, and these are discussed in **section 12.6**.

CTCX and CTCX

HHR

HHR submissions were checked in **section 11.4** and HHR corrections are discussed in **section 8.2**. HHR volumes are reviewed prior to submission according to the process documented in **section 12.3**.

The audit found that all ICPs were included in the HHR submission files. Robust controls are in place to ensure all ICPs are identified where submission is required.

NHH

EMS prepares NHH submissions as an agent. NHH submission scenarios were reviewed:

- no vacant ICPs are supplied, and vacant consumption is expected to be submitted,
- no inactive ICPs are supplied, and therefore no vacant consumption has been identified,
- all NHH ICPs with distributed generation had submission,
- no unmetered ICPs requiring NHH submission were identified for CTCX, and
- all CTCX NHH ICPs with standard unmetered load were submitted; the consumption is incorrectly calculated, and this is discussed in **section 2.1** and **12.7**.

Volumes for KAI1101 for the DST profile were not submitted for R1 for October 2020. This is the subject of a breach allegation and the Authority has not notified of the result yet. The R1 file correctly contained 25,938.84 kWh.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 12.2</p> <p>With: Clause 15.4</p> <p>From: 01-Jun-20</p> <p>To: 30-Apr-21</p>	<p>CTCT</p> <p>Some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data.</p> <p>CTCS</p> <p>Submission did not occur for both ICPs at KAI1101 for the DST profile for the Day-4 submission for October 2020.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are rated as moderate overall:</p> <ul style="list-style-type: none"> for CTCT system changes have been made, and further changes are underway to address remaining issues, and for CTCS, more robust controls are now in place. <p>The impact is medium based on the volume differences identified, and corrected data will be provided through the revision process.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>HHR and NHH settlement functions were split across to teams which has led to some duplication of effort and some corrections not being processed in a timely manner even with reporting exception improvements we have implemented since the last audit.</p> <p>We are now transitioning all CTCT submission tasks into a single team during May and June 2021 to ensure there is an enhanced level of governance and oversight of the exception corrections process.</p>		<p>Proposed or actual date:</p> <p>CTCT</p> <p>June 2021</p> <p><u>CTCS</u></p> <p>02.10.2021</p>	Identified

<p><u>CTCS</u></p> <p>The NHH volumes were submitted however the Profile shape file was not submitted. We expected in this circumstance that with the absence of the DST shape that the RM would have defaulted to RPS shape and still reconciled the volumes.</p> <p>Upon identification of the non-compliance we provided the RM with a shape file.</p>		
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>We are now transitioning all CTCT submission tasks into a single team during May and June 2021 to ensure there is an enhanced level of governance and oversight of the exception corrections process.</p> <p><u>CTCS</u></p> <p>Simply Energy have updated our RM Submission process so that checks are now in place to ensure a profile shape file is submitted for each NSP Volume submission</p>	<p>Proposed or actual date</p> <p><u>CTCS</u></p> <p>03.04.2021</p>	

12.3. Allocation of submission information (Clause 15.5)

Code reference

Clause 15.5

Code related audit information

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

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

Audit observation

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry were reviewed in **section 2.1**.

Processes to ensure that HHR, NHH, and generation submissions are accurate were reviewed. A sample of GR170 and AV080 files were compared, to confirm zeroing occurs.

Audit commentary

CTCT

NHH submissions

The process for aggregating the AV080 was examined by conducting a walkthrough and checking validations. Compliance is confirmed.

Contact runs the submission through an Access database for review prior to submission. In some cases, consumption errors are found during the high consumption and forward estimate checks that cannot be corrected in time for submission. Contact manually estimates the consumption and creates an exclusion list. The submission file is generated from the reviewed Access database information and adjusted for the exclusions, then the before and after data is compared to ensure the corrections were processed accurately.

The pre-submission checks are as follows:

- ICPs using over 10,000 kWh per month are checked against a list of known high consuming ICPs, and any high consuming ICPs not on the list are investigated. All ICPs consuming over 2,500 kWh per day are also individually investigated. The number of exceptions identified by this check has been decreasing over time.
- A Forward Estimate Robot process reviews any ICPs with forward estimate over 10,000 kWh. The Robot checks whether the reads applied for forward estimate are aligned with the consumption history. If they are aligned, the case is closed. If they are not aligned, the forward estimate is zeroed out, and an exception is generated and logged. Any ICPs with forward estimate over 10,000 kWh which appear in the submission data are reviewed to determine whether the forward estimate is correct. Occasionally open meter read orders create a zero read for forward estimate, making it appear that the meter has rolled over.
- Distributed generation issues, including invalid flow direction, inconsistency between profile and direction, no contract set up, or contract set up and no data in the report are identified and corrected.
- Invalid profiles, such as HHR are identified and corrected.
- Invalid loss codes, which are either missing or inconsistent with the network are identified and corrected.
- NSPs with no contract set up are identified and trading notifications are issued.
- Historic estimate > total estimate is checked and corrected.
- Expected profiles which are missing from the submission data are checked and resolved.
- ICPs with potential consumption data defects, transposed reads, or read errors are investigated and their consumption is manually estimated to ensure the issues do not affect submission accuracy thresholds.
- Missing profile shape values are identified and added.

Once reviewed and any data issues have been resolved, a revised AV080 is produced from the database. This is entered into an Excel based AV080 check worksheet for further review. This NSP level check includes:

- initial submission – comparison to the previous month, which flags any variances greater than $\pm 500,000$ kWh and $\pm 5\%$, or
- revision submissions – comparison to the previous submissions for the month, which flags any variances $\pm 50,000$ kWh and $\pm 5\%$.

Anomalies are investigated at a more detailed level to confirm whether there is an issue that requires further investigation or correction. Once all checks are complete, the file is saved as csv, run through the file checker and submitted.

SAP automatically creates a zero line where a trading notification is open, but no aggregation line is present. GR170 and AV080 files for five revisions were compared. All NSPs in the GR170 were included in the AV080 confirming that zeroing is occurring as required for AV080 submissions.

I checked the process for NHH to HHR upgrades, and HHR to NHH downgrades, and found all consumption was captured and reported for the ten ICPs checked.

HHR Submissions

HHR submissions are generated using SAP data. HHR submission validation checks focus on C&I HHR data which is also contained within HDM. HHR AMI data is checked for reasonableness.

- Database checks are run prior to submission to identify NSPs where a contract is in place, but no volumes are submitted, and NSPs where no contract is in place, but volumes are present on the AV090. Corrections are made as necessary.
- SAP and HDM HHR aggregate data is compared prior to submission and anomalies are investigated, including ICPs missing from either data set, consumption differences, and ICPs with default estimates applied. Differences typically relate to DUMI streetlight information, switch and switch withdrawal timing, and a generation site which is not billed in SAP.
- Differences between the AV090 and AV140 submissions are checked, and any differences which do not appear to relate to rounding are investigated.
- For initial AV090 submissions, consumption is graphed at NSP level and checked for reasonableness against the previous six months' submissions. Consumption per NSP and loss factor is checked to identify changes of more than 10% from the previous month, which is then examined, and comments are added to the file. Once this review is complete it is independently checked by the HDM Team Leader.
- For revision AV090 submissions, data is reviewed against the previous submission for the month in HDM and SAP. Any differences over approximately 15% are reviewed, and an informal materiality limit is applied to approve small kWh differences. Once this review is complete it is independently checked by the HDM Team Leader.

As recorded in **section 11.4**, ICP 0000014413HB0E4 was missing from the April 2020 aggregates file until the 3-month revision in July 2020, then it was submitted against the incorrect NSP. It was corrected by the 7-month revision.

Generation

Generation submissions are reviewed as discussed in **section 9.6**.

CTCX and CTCS NHH submission

Checks to confirm that Simply Energy's data is complete and accurate are discussed in **section 2.1**.

Simply Energy to EMS consistency checks

Updated reads are sent to EMS at least weekly. Each month, Simply Energy asks EMS to clear the reads recorded and resupplies the "published" (validated) readings.

Data consistency checks between EMS' MADRAS records, and Simply Energy's Salesforce and registry list file records are completed prior to business day 4 and business day 13.

- NHH reads sent to EMS for reconciliation are validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Reads rarely fail this validation.

- EMS provides a file with ICP and meter details including start and end dates every two to three months, which is reconciled to a date ranged registry list file. Any differences are investigated and resolved.
- The GR100 ICP comparison reports received from the reconciliation manager are reviewed, to determine the reasons for any differences and whether data needs to be updated on the registry or in Salesforce, DataHub and MADRAS. The review prioritises the latest revisions available.
- The MADRAS Dashboard in Salesforce is reviewed on business days two to four and business days 11-13 and identifies ICPs that require action or need to be checked, including:
 - all accepted RRs which are checked to ensure that EMS and DataHub have the correct reads recorded,
 - ICPs with an unexpected profile for the NSP or configuration,
 - ICPs that are end dated but still have CTCX or CTCS recorded as the retailer,
 - ICPs where the start read is inconsistent with the start date,
 - ICPs supplied by an alternate reader with no MADRAS end date,
 - missing work flows where status changes have occurred, and the data has not yet been sent to MADRAS; this includes ICPs that are end dated but do not have a final reading, and
 - profile GXP checks, which detect unexpected use of the GXP profile.

Review of submission data created by EMS

EMS provides all submission data to Simply Energy for review prior to submission to the reconciliation manager.

I walked through the process to review submission data using the Power Query Validation tool. The tool compares the total submission volume (HHR volumes + NHH volumes + DFP volumes from the GR040) against the billed data and previous submissions for reasonableness.

ICP and meter register level AV080 submission data is provided and reviewed to identify any ICPs with unusually high or low consumption. These outliers are checked to make sure the data is accurate.

In some cases, errors were not detected through these validations prior to submission, due to workloads and other priorities.

Aggregation of submission data

The process for aggregating the AV080 was examined by a walkthrough. Compliance is confirmed.

The zeroing of submission data was reviewed by comparing GR170 files to AV080 files. I found two discrepancies, as follows:

- 1,705 kWh was not zeroed for the July 2020 R1, and
- 17,612 kWh was not zeroed for the October 2020 R3.

This process is conducted manually, and resource constraints have led to this step not being conducted.

CTCX and CTCS HHR submission

From 1 June 2020, EDM I and AMS began supplying HHR data directly to Simply Energy, and Simply Energy has validated the data and created HHR submissions for CTCX.

Simply Energy reviews the GR090 ICP missing files, and takes action as required to ensure that ICPs are correctly included or excluded in submission information for its existing codes. The Power Query tool is used to compare aggregated submission information to previous revisions, surrounding months, and billed data.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 12.3</p> <p>With: Clause 15.5</p> <p>From: 01-Apr-20</p> <p>To: 31-Oct-20</p>	<p>CTCT</p> <p>ICP 0000014413HB0E4 was missing from the April 2020 aggregates file until the 3-month revision in July 2020, then it was submitted against the incorrect NSP.</p> <p>CTCS</p> <p>Zeroing did not occur for July and October 2020 for 19,317 kWh in total.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact on settlement and participants is moderate; therefore the audit risk rating is medium.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>This ICP was impacted by 2 separate issues that our system does not handle well. The first issue relates to the withdrawal of a switch loss where Contact was settling the ICP as HHR. In this scenario our system was not reinstating the settlement unit assignment on completion of the switch loss withdrawal. We have now resolved this system defect and we do not see this issue occurring in more recent submissions.</p> <p>The second issue relates to back dated network events for a change of NSP where our SAP system has already billed past the back dated network event. Our SAP system applies billing locks to core data that may have been used in the billing process and the NSP field is one such field. The result is this network event did not get processed and we are then required to manually correct the set up in SAP. This manual correction was only applied 3 months after the failed network event.</p> <p>We have submitted a system change request to resolve this issue and we are awaiting funding approval from our project council before development can begin. In the interim we have increased the frequency of our exception monitoring and</p>		<p>Proposed or actual date:</p> <p>CTCT</p> <p>June 2021</p> <p><u>CTCS</u></p> <p>20.12.2021</p>	Investigating

<p>manual correction to reduce the likelihood of this issue occurring again.</p> <p>Given both NSPs were part of the same balancing area we believe there was no market impact in terms of settlement and ICP days comparison.</p> <p><u>CTCS</u></p> <p>These will be resolved at the next possible occurrence (R14 for both months)</p>		
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCT</u></p> <p>We are now transitioning all CTCT submission tasks into a single team during May and June 2021 to ensure there is an enhanced level of governance and oversight of the exception corrections process.</p> <p><u>CTCS</u></p> <ol style="list-style-type: none"> 1. While Simply Energy continue to use MADRAS for NHH DA, they have added in a step to the process in the file review to identify and report back on any NSPs that are required to be zeroed out in revision files. 2. The zeroing of volumes is an automated process within the Datahub system Our plan is to move NHH DA to Datahub which will stop this being a non-compliance once this change takes place. 	<p>Proposed or actual date:</p> <p>CTCT</p> <p>June 2021</p> <p><u>CTCS</u></p> <p>31.07.2021</p> <p>31.01.2022</p>	

12.4. Grid owner volumes information (Clause 15.9)

Code reference

Clause 15.9

Code related audit information

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

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

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

Contact is not a grid owner; compliance was not assessed.

Audit outcome

Not applicable

12.5. Provision of NSP submission information (Clause 15.10)

Code reference

Clause 15.10

Code related audit information

The participant (if a local or embedded network owner) must provide to the reconciliation manager for each NSP for which the participant has given a notification under clause 25(1) Schedule 11.1 (which relates to the creation, decommissioning, and transfer of NSPs) the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.10(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period. (clause 15.10(b))*

Audit observation

The registry list and NSP table were reviewed.

Processes to provide NSP volumes submissions as an agent were reviewed.

Audit commentary

Contact Energy is not an embedded network owner but acts as an agent for some embedded networks and provides NSP volume submissions on their behalf.

CTCT

NSP gate meter data is provided by AMS (AMCI). NSP volume information is imported into HDM and validated according to the HHR processes described in **section 9.6**, and then imported into SAP along with the other validated HHR data. NSP volume submissions are generated from SAP and validated against HDM and the residual load.

AMS confirmed that there have been no meter defects which affected information accuracy or clock synchronisation issues.

No late submissions were identified.

CTCS and CTCX

NSP volumes submissions have been provided for some NSPs since 1 March 2020. EMS produces the submissions as an agent, and confirmed that there have been no corrections, estimates, or issues affecting accuracy.

No late submissions were identified.

Audit outcome

Compliant

12.6. Grid connected generation (Clause 15.11)

Code reference

Clause 15.11

Code related audit information

The participant (if a grid connected generator) must deliver to the reconciliation manager for each of its points of connection, the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.11(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period. (clause 15.11(b))*

Audit observation

Generation submissions are produced by CTCT. Data is no longer required to be sent to the Pricing Manager, only the Grid Owner.

Audit commentary

The NSP volumes submission is produced from SAP, using the same process as is applied for embedded network submissions. Contact validates the NSP volumes submissions by:

- checking for missing trading periods and transferring the missing data from MV90/Oracle to SAP or creating an estimate as required,
- reviewing daily profile data for each NSP meter in SAP to ensure that they have passed validation, and
- completing a comparison between its AV130 submission and the data in Oracle and investigating any exceptions.

I walked through the validation process and compared a sample of data from the NSP volumes submission to the source data in MV90/Oracle. Compliance is confirmed.

One clock error was identified during the audit period and this was appropriately corrected, with an appropriate journal created.

Three other corrections were checked and they were all conducted accurately and with appropriate journals.

Audit outcome

Compliant

12.7. Accuracy of submission information (Clause 15.12)

Code reference

Clause 15.12

Code related audit information

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

Audit observation

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late. Corrections were reviewed in **sections 2.1, 8.1 and 8.2**.

Audit commentary

CTCT

NHH volumes

Corrections are discussed in **sections 2.1, 8.1 and 8.2**. Inactive consumption is well managed, and all ICPs with inactive consumption identified at the time of the audit had been investigated and corrections were either completed or in progress.

Processes are in place to validate submission data, and correct errors prior to submission. Some data has not been corrected at the next available opportunity for submission. As described in **section 12.8**, some ICPs invalidly had forward estimate created due to system defects or because permanent estimates were not entered by revision 14.

HHR volumes and aggregates

As discussed in **section 11.4**, some ICPs were missing from submissions due to incorrect settlement unit data or delays in creating profiles to store HHR data. Revised data will be provided through the revision process.

ICP 0000014413HB0E4 was missing from the April 2020 aggregates file until the 3-month revision in July 2020, then it was submitted against the incorrect NSP.

ICP days

As described in **section 11.2**, ICP days were not reported correctly where settlement unit information was incorrect in SAP, or a system defect resulted in an incorrect submission type being applied. Contact has been working to resolve these issues before revision 14, and the ICP days differences are generally small.

CTCX

NHH volumes

ICP days, HHR volumes and aggregates

ICP 0000031577EABDF had an ARC Innovations meter installed for one day in July 2020. ARC data storage devices only have one decimal place per interval, leading to inaccurate submission information.

CTCS

NHH volumes

Zeroing did not occur for July and October 2020 for 19,317 kWh in total.

Revision variance thresholds were not met for several revisions due to the large number of estimates during early revisions, and that most estimates were based on 55 kWh per day which is too high for residential and too low for commercial. When the tranches were switched in, there was no history from CTCT to base the estimates on.

If a start reading is not provided to MADRAS, estimation occurs based on 55 kWh per day. There are 101 ICPs for CTCS and CTCX where start reads have not been provided. It is intended these will be resolved by the 14-month revision.

As recorded in **section 4.4**, for ICP 0000890505WPEDF (event date 21 October 2021) the agreed switch reading failed validation because it was lower than the incoming CS read from 4 June 2020 and was not loaded into Datahub or transferred as a validated reading to MADRAS. A case has been raised to update the readings in Datahub and MADRAS, and there is currently no start read present.

The reads recorded in Datahub and MADRAS reflected the outcome of the RR process apart from 0000800124TP205 (event date 5 June 2020) which had a reading of 442663 recorded in MADRAS instead of the agreed switch read of 415834, resulting in over submission of 26,829 kWh.

As recorded in **section 4.11**, the reads recorded in Datahub and MADRAS reflected the outcome of the RR process apart from:

- 0000383414TPAF8 (event date 1 June 2020) meter 216552485/2 has a reading of 1274 recorded in Datahub and MADRAS instead of 1184; the error occurred because the systems were not updated when the AC file was received and the reading for 216552485/1 was not changed by the RR process,
- 0005105160WMB18 (event date 1 November 2020) meter 703276/1 and 703276/1 has readings of 72801 and 41493 recorded in MADRAS and Datahub instead of 41493 and 72801; the RR file was not processed in Datahub and MADRAS, and a case is open awaiting meter change details to confirm whether the readings are correct; and
- 0008001235TP8E9 (event date 1 June 2020) meter 212274502/1 has a reading of 3487 MADRAS instead of 3477; two readings were sent to MADRAS on the same day, and MADRAS applied the later reading but the event reading is correctly recorded in Datahub.

HHR volumes and aggregates

When replacement HHR data is supplied, it replaces the estimated data, except where the replacement data file does not contain a register read. In these cases, the file does not load, and the estimate remains.

Some HHR volumes estimates did not meet the reasonable endeavours requirements for June 2020, as discussed in **section 9.4**. Some estimates are not replaced with actuals when replacement data arrives.

ICP days

DUML ICPs do not have ICP days submitted.

Unmetered load

Submission did not occur for both ICPs at KAI1101 for the DST profile for the Day-4 submission for October 2020.

Unmetered load submissions were checked. The Code requires the calculation to be based on the daily unmetered load figure recorded in the registry multiplied by the number of days in the month. The Madras system does not have an unmetered load capability; therefore, Simply Energy was creating dummy meters for each ICP and was calculating and sending EMS meter readings for the dummy meters to ensure submission was correct. Now that the quantity of unmetered load ICPs has increased into the hundreds, this step is not undertaken. All unmetered load ICPs, except those with the DST profile, have default submission created by Madras based on 55 units per day. This has led to over submission of standard unmetered load of 1,300,000 kWh since October 2020, over submission of shared unmetered load of 119,000 kWh since October 2020 and under submission of distributed unmetered load, where the profile is not DST, of 822,000 kWh since October 2020.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 12.7</p> <p>With: Clause 15.12</p> <p>From: 01-Jun-20</p> <p>To: 30-Apr-21</p>	<p>CTCT, CTCX and CTCS</p> <p>Some submission data was inaccurate and was not corrected at the next available opportunity.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: Three times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
<p>High</p>	<p>The CTCT controls are strong, but the CTCS controls are still weak in many areas. Some high level controls have led to improvements but improvements are still required. The overall control rating is recorded as moderate.</p> <p>The impact is high based on the volume differences identified, and that corrected data has not yet been prepared in many instances.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>NHH volumes:</p> <p>Consumption on disconnected ICPs:</p> <p>Contact has reporting in place to identify any instance of this occurring and is resolving these at the earliest opportunity.</p> <p>Corrections:</p> <p>These are now being investigated and resolved.</p> <p>Profiles:</p> <p>Contact is continuing to work with the MEP to ensure LCD flags are correctly reflecting that actual certification status of this equipment. We are now focusing on expired certified ICPs with the relevant MEP.</p> <p>HHR Volumes and Aggregates:</p> <p>HHR and NHH settlement functions were split across to teams which has led to some duplication of effort and some corrections not being processed in a timely manner even with reporting exception improvements we have implemented since the last audit.</p>		<p>Proposed or actual date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS/CTCX</u></p> <p>30.06.2021</p>	<p>Investigating</p>

<p>We are now transitioning all CTCT submission tasks into a single team during May and June 2021 to ensure there is an enhanced level of governance and oversight of the exception corrections process.</p> <p>ICP Days:</p> <p>Our SAP support team are investigating the issues around settlement unit assignments that are causing ICP days / settlement volume inaccuracies.</p> <p><u>CTCS/CTCX</u></p> <p>Simply Energy will be able to identify and resolve these inaccuracies on Future revision files due to the preventative actions already put in place.</p>		
<p>Preventative actions taken to ensure no further issues will occur</p>	<p>Completion date</p>	
<p><u>CTCS/CTCX</u></p> <p>Simply have implemented a new analysis tool for the purpose of RM Submission that allows us to quickly and accurately identify any inaccurate volume or ICPDays submissions.</p>	<p>Proposed or actual date: <u>CTCS/CTCX</u> 15/06/2021</p>	

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

Code reference

Clause 4 Schedule 15.2

Code related audit information

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

The relevant reconciliation participant must, at the earliest opportunity, and no later than the month 14 revision cycle, replace volume information created using estimated readings with volume information created using validated meter readings.

If, despite having used reasonable endeavours for at least 12 months, a reconciliation participant has been unable to obtain a validated meter reading, the reconciliation participant must replace volume information created using an estimated reading with volume information created using a permanent estimate in place of a validated meter reading.

Audit observation

Three AV080 14-month revisions were reviewed to identify any forward estimate still existing. A sample of NSPs with forward estimate remaining were checked to determine the reasons for the forward estimate.

Audit commentary

CTCT

Review of three AV080 14-month revisions showed that some forward estimate remained.

Month	Forward estimate in Revision 14 (kWh)
July-19	622,666
Aug-19	162,611
Sept-19	120,511
Total	905,828

The meter read compliance process described in **section 6.8** is followed to attempt to obtain an actual read within 12 months. Where an actual read is not obtained, an automated process changes an existing estimate read to become a permanent estimate. These estimates are validated against previous actual readings where available.

I checked 13 NSPs where forward estimate remained at revision 14 were reviewed to determine the reasons for the forward estimate. I found that forward estimate remained because:

- **Permanent estimates could not be validated for unread meters and were not entered;** permanent estimates are scheduled to be created when an actual read is not received within 12 months, but in some cases permanent estimates are created late, or not created at all and Contact only enters permanent estimates where they can be validated against actual validated readings.
- **Disconnections on estimated reads;** removed meter reads entered as estimates in error.

The existence of forward estimate at revision 14 is recorded as non-compliance below.

CTCX and CTCS

No revision 14 submissions have been produced yet for CTCX or CTCS.

Simply Energy has a process for creating permanent estimates as part of their correction processes; but does not routinely enter permanent estimates where reads cannot be obtained. When Simply Energy receives a read for a long-term unread site, a permanent estimate read is provided to EMS to ensure that all consumption is captured and reported for reconciliation within the 14-month period.

Some historic estimate is incorrectly labelled as forward estimate by MADRAS where seasonal adjusted shape values (SASV) published by the reconciliation manager are not available for part or all of a read to read period. This primarily affects ICPs with the PV1, SBL, SFI and UNM profiles. It also affects the day 4 submissions for the RPS profile.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.8 With: Clause 4 Schedule 15.2 From: 01-Jul-19 To: 30-Sep-19	CTCT Some estimates were not replaced by revision 14. Potential impact: Medium Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate, because there are processes in place to attain readings by revision 14 and enter permanent estimate readings. The impact is rated as low. There was 905,828 kWh of forward estimate over three months and the impact is dependent on the accuracy of these estimates. The July 19 issue was a one-off. There are sound estimation processes, therefore I have recorded the audit risk rating as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCT</u> The July 2019 volume was a one off over reporting issue relating to phantom meters not being removed for our submission data - a full system fix has now been applied so this issue does not now occur since July 2019 as can be seen in the table below identifying FE at 14 months since July 2019. Contact is continuing to focus on long term no access properties process in order to improve our submission completeness. FE at 14 months 201907 622,666 201908 162,611 201909 120,511 201910 103,824 201911 101,358 201912 107,843 202001 72,067 202002 62,758 202003 58,756		Proposed or actual date: <u>CTCT</u> Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<u>CTCT</u> Contact is continuing to focus on long term the no access properties process in order to improve our submission completeness.	Proposed or actual date: <u>CTCT</u> Ongoing.	
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12.9. Reconciliation participants to prepare information (Clause 2 Schedule 15.3)

Code reference

Clause 2 Schedule 15.3

Code related audit information

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

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

Audit observation

Aggregation and content of reconciliation submissions was reviewed, and the registry lists were reviewed.

Audit commentary

CTCT

Compliance with this clause was assessed:

- all active ICPs with meter category 3 or higher have submission type HHR,
- unmetered load submissions were checked in **section 12.2**,
- some profiles requiring a certified control device are used but Contact is aware of the metering requirements of the profiles, and compliance was recorded in **section 6.3**; where the metering is not compliant with the requirements of the profile, Contact applies RPS for submission,
- no loss or compensation arrangements are required, and

- aggregation of the AV080, AV110, AV090 and AV140 submissions are covered in **sections 13.2, 11.2, and 11.4** respectively.

CTCX and CTCS

Compliance with this clause was assessed.

- All active ICPs with meter category 3 or higher have submission type HHR.
- Unmetered load submissions were checked. The Code requires the calculation to be based on the daily unmetered load figure recorded in the registry multiplied by the number of days in the month however the Madras system does not have an unmetered load capability; therefore, Simply Energy was creating dummy meters for each ICP and was calculating and sending EMS meter readings for the dummy meters to ensure submission was correct. Now that the quantity of unmetered load ICPs has increased into the hundreds, this step is not undertaken. All unmetered load ICPs, except those with the DST profile, have default submission created by Madras based on 55 units per day. This has led to over submission of standard unmetered load of 1,300,000 kWh since October 2020, over submission of shared unmetered load of 119,000 kWh since October 2020 and under submission of distributed unmetered load, where the profile is not DST, of 822,000 kWh since October 2020.
- CTCX did not use any profiles which required certified control devices while CTCS supplies 82 ICPs with profiles which require a certified control device; the AC020 report confirmed that all the affected ICPs had certified control devices.
- No loss or compensation arrangements are required.
- Aggregation of the AV080, AV110, AV090 and AV140 submissions are covered in **sections 13.2, 11.2, and 11.4** respectively.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 12.9</p> <p>With: Clause 2(1)(c) of schedule 12.3</p> <p>From: 01-Oct-20</p> <p>To: 30-Apr-21</p>	<p>CTCS</p> <p>Unmetered load consumption is not calculated from the daily kWh figure in the registry multiplied by the number of days.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 9</p>

Audit risk rating	Rationale for audit risk rating		
High	<p>The controls are moderate to strong in general for this section, but there are no systems, processes or controls in place for CTCS unmetered load submissions, therefore I have recorded the controls as weak overall.</p> <p>The impact on settlement is over submission of over 1.4 GWh for standard and shared unmetered load and under submission of over 800,000 kWh for DUML; therefore, the audit risk rating is high.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCS</u> Once the material change process is approved, Simply Energy will back date the implementation to ensure revision files have accurate ICPDays, including the respective ICPDays for DST Profiled connections.		Proposed or actual date: <u>CTCS</u> 31.07.2021	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<u>CTCS</u> Simply will submit a material change process to Veritek related to our management of unmetered load within our current NHH submission process - this will include the submission of ICPDays for DST profiled DUML connections.		Proposed or actual date" <u>CTCS</u> 30.06.2021	

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

Code reference

Clause 3 Schedule 15.3

Code related audit information

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

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

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

Audit observation

AV080 submissions were reviewed, to confirm that historic estimates are included and identified.

Permanence of meter readings is reviewed in **section 12.8**. The methodology to create forward estimates is reviewed in **section 12.12**.

Audit commentary

CTCT

I reviewed nine AV080 submissions for a diverse sample of months and revisions and confirm that forward and historic estimates are included and identified as such.

CTCX and CTCS

In some cases, historic estimate is incorrectly labelled as forward estimate. Where SASV profiles published by the reconciliation manager are not available for part or all of a read to read period, historic consumption is labelled as FSE (forward standard estimate) even though it is based on actual readings. For some profiles, shape values are never published, including PV1, SBL, SFI and UNM.

I reviewed three CTCX AV080 submissions for a diverse sample of months and confirm that forward and historic estimates are included and identified as such.

I reviewed several AV080 submission for CTCS and confirm that forward and historic estimates are included and identified as such.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.10 With: Clause 3 Schedule 15.3 From 1/6/20 To: 30-Apr-21	CTCS and CTCX Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate. Potential impact: None Actual impact: None Audit history: Twice Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because historic and forward estimate is correctly identified most of the time. There is no impact on settlement because the calculation is correct; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCS & CTCX</u> Unfortunately, Simply Energy cannot resolve this while using MADRAS as our NHH DA. This issue will continue to be a non-compliance until such time as we move to Datahub as our NHH DA (see preventative actions).		Proposed or actual date: <u>CTCS & CTCX</u> N/A	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

<u>CTCS & CTCX</u> Simply Energy plans to move NHH Data Admin to Datahub, this will resolve this issue.	Proposed or actual date: <u>CTCS & CTCX</u> 31.01.2022	
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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

To assist with determining compliance of the Historical Estimate (HE) processes, Contact were supplied with a list of scenarios, and for some individual ICPs a manual HE calculation was conducted and compared to the result from Contact's systems.

Audit commentary

CTCT

The table below shows that all scenarios are compliant. The check of calculations included confirming that readings and shape files were applied correctly.

The process for managing shape files was examined. There is an automated process where the RM web server is polled for new files. The new files overwrite the old files, and if a new file is not available, the most recent file remains. Manual intervention is only required where a file has failed to upload, and a BPEM is created to alert the user to the failure. Typically, failures occur only if a data value in one of the fields is not set up in SAP. The user will enter the data value in SAP's maintenance tables, and then move the file back to the source folder, so that it will be picked up for import.

Test	Scenario	Test expectation	Result
a	ICP becomes Active part way through a month	Consumption is only calculated for the Active portion of the month.	Compliant
b	ICP becomes Inactive part way through a month.	Consumption is only calculated for the Active portion of the month.	Compliant
c	ICP become Inactive then Active again within a month.	Consumption is only calculated for the Active portion of the month.	Compliant ³

³ The ICP example became HHR when it was reconnected and was compliant.

Test	Scenario	Test expectation	Result
d	ICP switches in part way through a month on an estimated switch reading	Consumption is calculated to include the 1st day of responsibility.	Compliant
e	ICP switches out part way through a month on an estimated switch reading	Consumption is calculated to include the last day of responsibility.	Compliant
f	ICP switches out then back in within a month	Consumption is calculated for each day of responsibility.	Compliant
g	Continuous ICP with a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
h	Continuous ICP without a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
i	Rollover Reads	Consumption is calculated correctly in the instance of meter rollovers.	Compliant
j	Unmetered load for a full month	Consumption is calculating based on daily unmetered kWh for full month.	Compliant
k	Unmetered load for a part month	Consumption is calculating based on daily unmetered kWh for active days of the month.	Compliant
l	Network/GXP/Connection (POC) alters partway through a month.	Consumption is separated and calculated for the separate portions of where it is to be reconciled to.	Compliant
m	ICP with a customer read during the month	Customer reads are not used to calculate historic estimate, unless they have been validated against actual readings from another source.	Compliant – forward estimate was calculated, and the customer reads were ignored
n	ICP with a photo read during the month	Photo reads are not used to calculate historic estimate, unless they have been validated against actual readings from another source.	Compliant – forward estimate was calculated, and the photo reads were ignored
o	ICP has a meter with a multiplier greater than 1	The multiplier is applied correctly	Compliant

CTCS and CTCX

Historic estimate is prepared by EMS using the MADRAS system. The table below shows that all scenarios which had occurred are compliant.

Simply Energy downloads seasonal adjusted shape values (SASV) from the RM portal after each allocation and provides them to EMS via SFTP. EMS collects the files and loads them into MADRAS. I confirmed that the correct SASV were applied as part of the historic estimate calculation review.

Customer and photo reads are used to calculate historic estimate if they are recorded as customer actual readings, and this read status is only applied where a reading has been validated against a set of validated readings from another source.

Test	Scenario	Test expectation	Result
a	ICP becomes Active part way through a month	Consumption is only calculated for the Active portion of the month.	Compliant
b	ICP becomes Inactive part way through a month.	Consumption is only calculated for the Active portion of the month.	Compliant
c	ICP become Inactive then Active again within a month.	Consumption is only calculated for the Active portion of the month.	Has not occurred
d	ICP switches in part way through a month on an estimated switch reading	Consumption is calculated to include the 1st day of responsibility.	Compliant
e	ICP switches out part way through a month on an estimated switch reading	Consumption is calculated to include the last day of responsibility.	Compliant
f	ICP switches out then back in within a month	Consumption is calculated for each day of responsibility.	Has not occurred
g	Continuous ICP with a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
h	Continuous ICP without a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
i	Rollover Reads	Consumption is calculated correctly in the instance of meter rollovers.	Compliant
j	Unmetered load for a full month	Consumption is calculating based on daily unmetered kWh for full month.	Not compliant
k	Unmetered load for a part month	Consumption is calculating based on daily unmetered kWh for active days of the month.	Not compliant
l	Network/GXP/Connection (POC) alters partway through a month.	Consumption is separated and calculated for the separate portions of where it is to be reconciled to.	Compliant
m	ICP with a customer read during the month	Customer reads are not used to calculate historic estimate, unless they have been validated against actual readings from another source.	Compliant

Test	Scenario	Test expectation	Result
n	ICP with a photo read during the month	Photo reads are not used to calculate historic estimate, unless they have been validated against actual readings from another source.	Compliant
o	ICP has a meter with a multiplier greater than 1	The multiplier is applied correctly	Compliant

Audit outcome

Compliant

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

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

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

Audit observation

The process to create forward estimates was reviewed.

Forward estimates were checked for accuracy by analysing the GR170 file for variances between revisions over the audit period.

Audit commentary

CTCT

Contact's forward estimates are calculated using the following methods, in order of priority:

1. daily average consumption with temperature adjustment from an average at the same time the previous year,
2. daily average consumption from the previous read to read period with temperature adjustment,
3. the daily average kWh received in the incoming CS file apportioned between all the connected meters, and
4. 25 kWh per day for X flow meters and 0 kWh per day for I flow meters.

If an ICP is vacant, daily average consumption of zero is applied for forward estimate.

A Forward Estimate Robot process reviews any ICPs with forward estimate over 10,000 kWh. The Robot checks whether the reads applied for forward estimate are aligned with the consumption history. If they are aligned, the case is closed. If they are not aligned, the forward estimate is zeroed out, and an exception is generated and logged.

Forward estimate is monitored as part of the pre-submission checks, and any anomalies are investigated.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within 15% and within 100,000kWh. The table below shows the number of balancing areas where this target was not met.

CTCT Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
May 2019	0	0	0	0	253
Jun 2019	0	1	0	0	255
Jul 2019	0	0	0	0	257
Aug 2019	0	0	0	0	259
Sep 2019	0	0	0		260
Oct 2019	0	1	1		263
Nov 2019	1	2	2		263
Dec 2019	1	1	1		266
Jan 2020	1	1	1		260
Feb 2020	0	0	1		243
Mar 2020	0	0	1		243
April 2020	2	20			245
May 2020	0	0			247
June 2020	0	1			246
July 2020	0	0			243
Aug 2020	0	0			239

The total variation between revisions at an aggregate level is shown below for CTCT.

Month	Revision 1	Revision 3	Revision 7	Revision 14
May 2019	2.88%	2.79%	2.66%	2.59%

Month	Revision 1	Revision 3	Revision 7	Revision 14
Jun 2019	-0.61%	-2.49%	-2.33%	-2.48%
Jul 2019	3.97%	4.03%	3.55%	3.16%
Aug 2019	-0.47%	-1.58%	-2.07%	-2.70%
Sep 2019	3.00%	2.48%	2.08%	
Oct 2019	2.27%	2.49%	2.38%	
Nov 2019	2.41%	2.80%	2.79%	
Dec 2019	-0.34%	0.70%	0.33%	
Jan 2020	0.37%	-0.60%	-0.71%	
Feb 2020	0.88%	-0.84%	-1.30%	
Mar 2020	0.90%	1.60%	1.63%	
April 2020	5.35%	23.97%		
May 2020	-1.10%	-1.76%		
June 2020	-1.18%	-2.32%		
July 2020	-0.76%	-2.61%		
Aug 2020	2.01%	1.24%		

I checked all differences over the threshold for months not reviewed in the previous audit, and found the issues were primarily because forward estimate was too high or low in relation to the actual readings when they were received. Historic estimate attainment was lower than usual following the change from Wells to MRS. Some of the differences were due to irrigation ICPs, where it's difficult to estimate the consumption because it's not predictable. The April 2020 variance was due to over estimation during COVID-19 lockdown.

Since September 2020, Contact has been using AMI midnight reads for submission, which are accurate, but still recorded as estimates because they haven't been billed, therefore they haven't been through the complete validation process.

CTCX and CTCS

EMS' forward standard estimate process is based on a "straight line" methodology, and where no historical information is available a "forward default" estimate of 55 kWh per day is used. The process for forward standard estimate calculation was checked and confirmed as accurate.

Simply Energy monitors differences between revisions using its Power Query tool.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within 15% and within 100,000kWh. The table below shows the number of balancing areas where this target was met.

CTCX Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Sep 2019	0	0	0		1
Oct 2019	0	0	0		1
Nov 2019	0	0	0		1
Dec 2019	0	0	0		1
Jan 2020	0	0	0		1
Feb 2020	0	0	0		2
Mar 2020	0	0	0		2
Apr 2020	0	0			1
May 2020	0	0			1
June 2020	0	0			1
July 2020	0	0			1
August 2020	0	0			1

The total variation between revisions at an aggregate level is shown below for CTCX.

Month	Revision 1	Revision 3	Revision 7	Revision 14
Sep 2019	-6.11%	-6.48%	-6.48%	
Oct 2019	-0.07%	-0.07%	-0.09%	
Nov 2019	0.00%	0.00%	0.00%	
Dec 2019	0.00%	-0.20%	-0.22%	

Month	Revision 1	Revision 3	Revision 7	Revision 14
Jan 2020	-0.34%	-0.34%	-0.34%	
Feb 2020	0.00%	-0.41%	-0.34%	
Mar 2020	0.06%	0.53%	0.54%	
Apr 2020	1.90%	-38.03%		
May 2020	-12.37%	-50.17%		
June 2020	16.05%	7.62%		
July 2020	-0.01%	-0.21%		
August 2020	0.00%	-0.05%		

I reviewed the differences and found they were small at kWh level (less than 3000 kWh). The differences are caused by forward estimate being too high or low relative to the actual data, or delays in sites being set up for settlement in MADRAS.

CTCS Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Mar 2020	0	0	0		12
Apr 2020	0	0	0		14
May 2020	0	0	0		14
June 2020	1	1			19
July 2020	2	2			56
August 2020	1	1			56

The total variation between revisions at an aggregate level is shown below for CTCS.

Month	Revision 1	Revision 3	Revision 7	Revision 14
Mar 2020	-22.73%	-67.98%	-74.49%	
Apr 2020	-59.24%	-55.49%		

Month	Revision 1	Revision 3	Revision 7	Revision 14
May 2020	0.00%	-22.36%		
June 2020	-83.46%	-80.86%		
July 2020	77.32%	75.01%		
August 2020	16.97%	6.02%		

The main reason for the differences default forward estimate for CTCS was changed from 20 kWh per day to 55 kWh per day, resulting in large differences attributed to ICPs with default forward estimate for March 2020 revision 3 and April 2020 revision 1.

Differences for subsequent months are due to the large number of estimates during early revisions.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.12 With: Clause 6 Schedule 15.3 From: 01-Oct-19 To: 30-Jun-20	<p>CTCT</p> <p>Inaccurate FE caused the thresholds not to be met in some instances.</p> <p>CTCS</p> <p>Thresholds were not met for several revisions due to the large number of estimates during early revisions and that most estimates were based on 55 kWh per day which is too high for residential and too low for commercial. When the tranches were switched in, there was no history from CTCT to base the estimates on.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong for CTCT but are weak for CTCS because 55 units per day for residential and commercial is not a suitable estimate. Over all the controls are rated as moderate.</p> <p>The impact is low because Initial data is replaced with revised data and washed up.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<u>CTCT</u>		Proposed or actual date:	Investigating

<p>Contact has now implemented a process to use the month end midnight AMI reads as a source to calculate FE volumes from the last validated meter read to the end of the consumption month. As this read has not undergone all validations required for it to be considered a validated meter read Contact labels this consumption up to month end as FE.</p> <p>We have noticed an improvement in our initial submission accuracy as a consequence which will materially reduce the likelihood of Contact not meeting this accuracy requirement.</p> <p><u>CTCS</u></p> <p>The 55kwh estimate default is a system limitation within Madras that gets applied to sites where Simply Energy have not yet received an actual read. This issue unfortunately will continue to be a risk until such time as they move to Datahub as their NHH DA (see preventative actions).</p>	<p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>N/A</p>	
Preventative actions taken to ensure no further issues will occur	Completion date	
<p><u>CTCS</u></p> <p>The 55kwh estimate default is a system limitation within Madras that gets applied to sites where we have not yet received an actual read. Simply Energy will be able to be more specific on our forward estimate values so that they are aligned to the expected volumes when we transition to using Datahub as our NHH DA system</p> <p>They are also working with ADR to tighten their processes around no read events so that they resolve issues in a timelier manner.</p>	<p>Proposed or actual date:</p> <p><u>CTCS</u></p> <p>31.01.2022</p>	

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

Code reference

Clause 7 Schedule 15.3

Code related audit information

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

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

Audit observation

The event detail reports were examined to identify all ICPs which had a profile change during the report period. A sample of ICPs with profile changes were reviewed to confirm that there was an actual or permanent estimate reading on the day of the profile change.

Audit commentary

CTCT

All profile changes are conducted using an actual meter reading on the day of and/or the day before the profile change. I reviewed a sample of nine profile changes and confirmed all were changed on an actual or permanent estimate reading.

CTCX and CTCX

Simply Energy's policy is to complete profile changes on actual or permanent estimate readings.

CTCX had one ICP downgrade during the audit period, and no other profile changes. There were validated actual readings on the day that the profile change took effect.

CTCS had five profile changes, and meter readings were obtained in all cases.

Audit outcome

Compliant

13. SUBMISSION FORMAT AND TIMING

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

Code reference

Clause 8 Schedule 15.3

Code related audit information

For each category 3 of higher metering installation, a reconciliation participant must provide half hour submission information to the reconciliation manager.

For each category 1 or category 2 metering installation, a reconciliation participant must provide to the reconciliation manager:

- *Half hour submission information; or*
- *Non half hour submission information; or*
- *A combination of half hour submission information and non half hour submission information*

However, a reconciliation participant may instead use a profile if:

- *The reconciliation participant is using a profile approved in accordance with clause Schedule 15.5; and*
- *The approved profile allows the reconciliation participant to provide half hour submission information from a non half hour metering installation; and*
- *The reconciliation participant provides submission information that complies with the requirements set out in the approved profile.*

Half hour submission information provided to the reconciliation manager must be aggregated to the following levels:

- *NSP code*
- *reconciliation type*
- *profile*
- *loss category code*
- *flow direction*
- *dedicated NSP*
- *trading period*

The non half hour submission information that a reconciliation participant submits must be aggregated to the following levels:

- *NSP code*
- *reconciliation type*
- *profile*
- *loss category code*
- *flow direction*
- *dedicated NSP*
- *consumption period or day*

Audit observation

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry were reviewed in **section 2.1**.

Aggregation of NHH volumes is discussed in **section 12.3**, aggregation of HHR volumes is discussed in **section 11.4** and NSP volumes are discussed in **section 12.6**.

Audit commentary

No report aggregation discrepancies were identified. Submission information is provided to the reconciliation manager in the appropriate format and is aggregated to the following level:

- NSP code,
- reconciliation type,
- profile,
- loss category code,
- flow direction,
- dedicated NSP, and
- trading period for half hour metered ICPs and consumption period or day for all other ICPs.

The submitted data was also compared to billed data and appeared reasonable for CTCT and CTCS.

CTCX had some significant differences between billed and submitted data. Simply Energy is investigating the cause of the difference, which is recorded as non-compliance in **section 11.3**.

Audit outcome

Compliant

13.2. Reporting resolution (Clause 9 Schedule 15.3)

Code reference

Clause 9 Schedule 15.3

Code related audit information

When reporting submission information, the number of decimal places must be rounded to not more than two decimal places.

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

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

Audit observation

I reviewed the rounding of data on the AV080, AV090 and AV140 and reports as part of the aggregation checks. AV130 submissions were reviewed in **section 12.6**.

Audit commentary

Submission information is appropriately rounded to no more than two decimal places for CTCT, CTCS and CTCX.

Audit outcome

Compliant

13.3. Historical estimate reporting to RM (Clause 10 Schedule 15.3)

Code reference

Clause 10 Schedule 15.3

Code related audit information

By 1600 hours on the 13th business day of each reconciliation period the reconciliation participant must report to the reconciliation manager the proportion of historical estimates per NSP contained within its non half hour submission information.

The proportion of submission information per NSP that is comprised of historical estimates must (unless exceptional circumstances exist) be:

- *at least 80% for revised data provided at the month 3 revision (clause 10(3)(a))*
- *at least 90% for revised data provided at the month 7 revision (clause 10(3)(b))*
- *100% for revised data provided at the month 14 revision. (clause 10(3)(c))*

Audit observation

The timeliness of submissions of historic estimate was reviewed in **section 12.2**.

I reviewed nine AV080 reports to confirm that historic estimate requirements were met.

Audit commentary

CTCT

The quantity of historical estimates is contained in the submission file and is not a separate report. The proportion of historic estimate in the revision files was checked for nine reports, and the table below shows that compliance has not been achieved in all instances.

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Jun 2019			155	350
Jul 2019			198	352
Aug 2019			253	347
Dec 2019		327		364
Jan 2020		327		363
Feb 2020		331		365
Jun 2020	331			363
Jul 2020	330			364
Aug 2020	325			365

The table below shows that the percentage HE at a summary level for all NSPs is well above the required targets for 3 and 7-month revisions, but below the required target for the 14-month revision.

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Jun 2019	-	-	99.46%
Jul 2019	-	-	99.73%
Aug 2019	-	-	99.93%
Dec 2019	-	97.58%	-
Jan 2020	-	97.98%	-
Feb 2020	-	98.51%	-
Jun 2020	96.86%	-	-
Jul 2020	96.99%	-	-
Aug 2020	97.39%	-	-

As discussed in **section 6.8**, there are processes in place monitor read attainment, and attempt to resolve issues preventing read attainment. Following the transition to MRS in July 2019, resourcing issues resulted in poor read attainment in some areas and communications to customers regarding read attainment were temporarily suspended as a result. This combined with the COVID-19 lockdown, caused a decrease in read attainment and historic estimate proportions.

Permanent estimates are only entered where the readings can be validated against a set of actual validated readings, which has affected historic estimate proportions for revision 14.

CTCX

The quantity of historical estimates is contained in the submission file and is not a separate report. The proportion of historic estimate in the revision files was checked, and the table below shows that compliance has been achieved in most instances. Only one 14-month revision was available. The 3 month revision for June 2020 had a low proportion of HE because two of five ICPs did not have start readings sent to MADRAS, so estimates were created.

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Oct 2019	1	1	1	1
Nov 2019	1	1		1
Dec 2019	1	1		1

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Jan 2020	1	1		1
Feb 2020	2	2		2
Mar 2020	2	2		2
Apr 2020	1			1
May 2020	1			1
June 2020	0			1
July 2020	1			1
August 2020	1			1

The table below shows the percentage HE at a summary level for all NSPs.

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Oct 2019	100%	100%	100%
Nov 2019	100%	100%	
Dec 2019	100%	100%	
Jan 2020	100%	100%	
Feb 2020	100%	100%	
Mar 2020	100%	100%	
Apr 2020	97.58%		
May 2020	99.23%		
June 2020	62.13%		
July 2020	97.61%		
August 2020	97.54%		

CTCS

The quantity of historical estimates is contained in the submission file and is not a separate report. The proportion of historic estimate in the revision files was checked, and the table below shows that compliance has not been achieved in most instances. No 14-month revision was available.

The main reason for the low level of compliance is lack of meter readings and that all unmetered submissions are labelled as FE not HE,

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Mar 2020	2	2		13
Apr 2020	1	7		15
May 2020	0	6		15
June 2020	8	11		23
July 2020	38	53		88
August 2020	42			88
Sept 2020	51			87
Oct 2020	58			145
Nov 2020	83			158
Dec 2020	73			159

The table below shows the percentage HE at a summary level for all NSPs.

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Mar 2020	1.6%	100%	
Apr 2020	0.4%	82.7	
May 2020	41.8%	85.4%	
June 2020	63.3%	79.4%	
July 2020	69.0%	83.1%	
August 2020	74.1%		

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Sept 2020	76.9%		
Oct 2020	69.6%		
Nov 2020	78.3%		
Dec 2020	77.1%		

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 13.3</p> <p>With: Clause 10 of Schedule 15.3</p> <p>From: 01-Jun-19</p> <p>To: 30-Apr-21</p>	<p>CTCT</p> <p>Historic estimate thresholds were not met for some revisions.</p> <p>CTCS</p> <p>Low proportion of HE for many months.</p> <p>CTCX</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>		
Audit risk rating	Rationale for audit risk rating		
Medium	<p>The controls are rated as strong for CTCT because in most cases the thresholds were met. The controls for CTCS are weak leading to a large proportion of the submission quantities being estimated. Overall, the controls are recorded as moderate.</p> <p>The audit risk rating is medium, because the lack of actual data for CTCS leads to inaccurate submissions, as recorded in section 12.7.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p><u>CTCT</u></p> <p>We continue to work with our non-AMI meter reading provider to improve read attainment and to also targeting the long term no access properties.</p> <p><u>CTCS</u></p>		<p>Proposed or actual date:</p> <p><u>CTCT</u></p> <p>Ongoing</p> <p><u>CTCS</u></p> <p>Ongoing</p>	Identified

Simply Energy are working with meter read provider AD Riley to regularly review and resolve all ICPs that have had no actual read greater than 120 days		
Preventative actions taken to ensure no further issues will occur	Completion date	
<u>CTCS</u> Simply Energy's processes with ADR are under review and actions to tighten our process with them will fall out of that review.	Proposed or actual date: <u>CTCS</u> 31.08.2021	

CONCLUSION

Contact uses the CTCT, CTCS and CTCX participant codes.

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

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

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

CTCT

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

- The timeliness of updates for new connections and switching has improved.
- Registry data and switching data accuracy has generally improved, and issues relating to the calculation of average daily kWh in the CS files were resolved during the audit.
- Progress is being made with confirming historic unmetered loads and investigating long term unmetered BTS ICPs to determine whether they should be metered.
- Previous issues relating to incorrect MEP mapping in ORB have been resolved, and in almost all cases the correct MEP was nominated.

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

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

The following key areas require some improvement to increase compliance:

- **Delays in resolving data discrepancies and processing BPEMs**
There can be delays in processing some BPEMs, where they are considered to be lower priority such as failed MEP nominations. Not all discrepancies are checked and resolved each time validation reports are run, and some validation reports are not reviewed at all. The decrease in monitoring has occurred because of staffing changes, workloads and other work being prioritised above resolving the exceptions.
- **Distributed unmetered load**
Some distributed unmetered load issues are still existing, leading to incorrect submission information. Some audit reports are overdue. Many of the databases have now moved to CTCS.
- **Proportion of HE at 14 months**
Not all estimated reads are replaced by actual reads or permanent estimates by the 14 month revision.

CTCS and CTCX

For registry activities, I found that the exceptions are not consistently reviewed and actioned promptly, largely due to an increase in workloads, staff, and staff responsibility changes. There has been an increase in ICP numbers and ICP complexity with the incoming ICPs from CTCT. In addition to this Simply Energy has been switching customers between its own codes, which has caused an increase in

workloads. There have also been staffing changes within the operations area, with some temporary and new staff being responsible for operations.

For switching, most files were on time and most file content was accurate. I have recommended changes to the AN code hierarchy to ensure that the correct codes are applied, and Simply Energy is investigating issues relating to the accuracy of average daily kWh in CS files.

There are a significant number of issues causing inaccurate submissions, mostly for the CTCX code. The main issues are as follows:

- When revisions occur, zeroing of previously submitted combinations has not been occurring. The process for this is manual but there is insufficient resource to ensure this occurs.
- Variances between revisions are large due to the high number of estimates conducted during early revisions. A forward default estimate of 55 kWh per day is used regardless of customer size.
- Readings used for submission do not always reflect readings agreed in the RR process.
- Replacement HHR data does not always get loaded to replace estimates.
- Unmetered load submissions were checked. The Code requires the calculation to be based on the daily unmetered load figure recorded in the registry multiplied by the number of days in the month. The Madras system does not have an unmetered load capability; therefore, Simply Energy was creating dummy meters for each ICP and was calculating and sending EMS meter readings for the dummy meters to ensure submission was correct. Now that the quantity of unmetered load ICPs has increased into the hundreds, this step is not undertaken. All unmetered load ICPs, except those with the DST profile, have default submission created by Madras based on 55 units per day. This has led to over submission of standard unmetered load of 1,300,000 kWh since October 2020, over submission of shared unmetered load of 119,000 kWh since October 2020 and under submission of distributed unmetered load, where the profile is not DST, of 822,000 kWh since October 2020.

The high-level controls have been strengthened to ensure all ICPs have submission information and aggregation is correct; however, the controls to ensure the accuracy of submission information are still either not developed or are still in development stage.

Material change audits were conducted prior to the switching of ICPs to the CTCX and CTCX codes, but when these audits were conducted, there was no intention to switch unmetered load ICPs. Contact proceeded with switching unmetered load ICPs without first determining whether there were systems, processes and appropriately trained personnel to be able to ensure accurate submissions could occur. A material change audit should have been conducted and it would have identified that the capability to manage unmetered load did not exist. Inaccurate Unmetered load submissions have caused a large number of the non-compliances.

The two most urgent actions, which were also identified in the previous audit, are to increase the level of appropriately trained personnel and to strengthen the controls. The other important point to note is that implementing controls will only lead to improvements if there are personnel available to run the control reports and deal with discrepancies.

Conclusion

The audit found 48 non-compliance issues and 15 recommendations are made.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of 137, which is much higher than the previous score of 101, and which results in an indicative audit frequency of three months.

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

Contact's audit responses indicate that they accept the non-compliances and recommendations and intend to undertake corrective action. In many cases, investigations and improvements are already in development. To improve CTCS and CTCX compliance, additional experienced operational staff will be hired, processes will be reviewed and improved, and training will be carried out.

In recommending the next audit date, I have considered three issues:

1. The level of compliance has reduced considerably since the last audit.
2. There is a lot of work required to improve the CTCS and CTCX operation and this is expected to take time.
3. Many of the issues found have led to inaccurate submissions over many months, which need to be addressed by the 14-month revision.

Although the audit process takes time away from addressing issues, I recommend the next audit is completed in time for the 14-month revision for October 2020 (when many of the ICPs switched to CTCS), which is December 2021.

PARTICIPANT RESPONSE

Contact have reviewed this report and their comments are contained within its body.