

ELECTRICITY INDUSTRY PARTICIPATION CODE  
RECONCILIATION PARTICIPANT AUDIT REPORT



For

SIMPLY ENERGY LIMITED

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## EXECUTIVE SUMMARY

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

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

Simply Energy is in the process of migrating its SELX and SIMP ICPs to the SELS code. The migration commenced on 1 November 2020 and the balance of customers were transferred during 2021 with the latest switch effective 1/4/2021.

There has been a general increase in late information and decrease in accuracy, largely due to an increase in workloads, staff, and staff responsibility changes. There has been an increase in ICP numbers and ICP complexity due to ICPs switching from CTCT to CTCX (which is outside the scope of this audit but has increased workloads). There have also been staffing changes within the operations area, with some temporary and new staff being responsible for operations.

Some key areas of non-compliance were identified:

- there was no active ICP for a point of connection between 28 December 2012 and 20 January 2021, and submission did not occur for this period,
- 75 ICPs were not included in a HHR submission file, leading to default volume of 4 GWh being applied,
- many issues identified in the previous audit have not been resolved and in some cases, the 14-month revision timeframe has passed,
- HHR estimates are not replaced with actuals if the replacement file does not contain a register read, and
- zeroing had not occurred for some NSPs, resulting in over submission.

The audit found 42 non-compliance issues and makes 15 recommendations.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The future risk rating score is 122, resulting in an indicative audit frequency of three months. I have considered two points when making the next audit date recommendation. Firstly, that there are many issues that need to be resolved and re-audited and secondly that the remedial actions will take some time, especially when the same limited resource is also dealing with the issues for the CTCX and CTCX codes for Contact Energy. The next audit date for Contact Energy was recommended to be late 2021, I therefore recommend early 2022 for the next audit date for Simply Energy. Mid-March 2022 would be ideal.

The matters raised are shown in the tables below:

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Relevant information	2.1	11.2 & 15.2	Some inaccurate data is recorded and was not updated as soon as practicable.  Some submission data was inaccurate and was not corrected at the next available opportunity.	Weak	High	9	Identified
Electrical Connection of Point of Connection	2.11	10.33A	<i>SIMP</i>  Two new connections were not certified within five business days of the initial electrical connection.  One reconnection was not certified within five business days of the initial electrical connection.  <i>SELS</i>  One new connection was not certified within five business days of the initial electrical connection.	Moderate	Low	2	Identified
Provision of information on dispute resolution scheme	2.19	11.30A	Compass Communications does not include information on Utilities Disputes on its website or its invoices.  Mainpower does not include information on Utilities Disputes on its website.  Simply Energy does not include information on Utilities Disputes when responding to customer queries, but intends to resolve this.	Weak	Low	3	Identified
Provision of information on electricity plan comparison site	2.20	11.30B	Compass Communications does not include information on Powerswitch on its website, its invoices, or in outbound communications regarding price changes or billing.  Simply Energy does not include information on Powerswitch in outbound communications regarding pricing and service changes for customers with residential ANZSIC codes, but intends to resolve this.	Weak	Low	3	Identified
Changes to registry information	3.3	10 Schedule 11.1	<i>SIMP</i> <ul style="list-style-type: none"> <li>46 late updates to inactive status.</li> <li>18 late trader updates.</li> <li>57 late ANZSIC code updates, at least three of which were not genuine and</li> </ul>	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<p>related to correction of other attributes.</p> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>Three late updates to active status for reconnections.</li> <li>Nine late updates to inactive status.</li> <li>15 late trader updates.</li> <li>Ten late ANZSIC code update, at least three of which were not genuine and related to correction of other attributes.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>Two late updates to active status for reconnections.</li> <li>Two late updates to inactive status.</li> <li>One late trader update.</li> <li>18 late ANZSIC code updates, at least five of which were not genuine and related to correction of other attributes.</li> </ul>				
Trader responsibility for an ICP	3.4	11.18	<p><i>SIMP</i></p> <p>There was no active ICP for the point of connection at Kiosk 1, 180 Lambton Quay between 28/12/12 and 20/01/21.</p> <p><i>SELS</i></p> <p>The MEP nomination for 0000013601TC4D6 was not accepted within 14 business days of the event date.</p>	Weak	Low	3	Identified
Provision of information to the registry manager	3.5	9 Schedule 11.1	<p><i>SIMP</i></p> <ul style="list-style-type: none"> <li>40 late updates for new connections.</li> <li>ICP 0000003106TCEFF has a status date of 03/09/20 but should have 01/09/20.</li> <li>ICP 0000034114EA3CE has a status date of 30/06/20 but should have 29/06/20.</li> <li>ICP 0000572059NR221 has a status date of 25/09/20 but should have 21/09/20.</li> <li>A further three ICPs had incorrect active dates and were corrected during the audit.</li> </ul> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>27 late updates for new connections.</li> </ul>	Moderate	Low	2	Identified



Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<ul style="list-style-type: none"> <li>Three ICPs had incorrect active dates and were corrected during the audit.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>18 late updates for new connections, which were switched to SELX and had the initial status update re-processed.</li> </ul>				
ANZSIC codes	3.6	9 (1(k)) of Schedule 11.1	<p><i>SIMP</i></p> <p>Two ICPs have incorrect ANZSIC codes assigned.</p> <p><i>SELS</i></p> <p>Three ICPs had incorrect ANZSIC codes assigned. One was corrected during the audit.</p>	Strong	Low	1	Identified
Management of “active” status	3.8	17 Schedule 11.1	<p><i>SIMP</i></p> <ul style="list-style-type: none"> <li>ICP 0000003106TCEFF has a status date of 03/09/20 but should have 01/09/20.</li> <li>ICP 0000034114EA3CE has a status date of 30/06/20 but should have 29/06/20.</li> <li>ICP 0000572059NR221 has a status date of 25/09/20 but should have 21/09/20.</li> <li>A further three ICPs had incorrect active dates and were corrected during the audit.</li> <li>There was no active ICP for the point of connection at Kiosk 1, 180 Lambton Quay between 28/12/12 and 20/01/21.</li> </ul> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>Six SELS ICPs have more than one active customer.</li> <li>Two ICPs had incorrect active dates and were corrected during the audit.</li> <li>ICP 0000013012KP27B (active from 01/10/20) was not updated effective from the correct status date.</li> </ul>	Moderate	Low	2	Identified
Management of “inactive” status	3.9	19 Schedule 11.1	<p><i>SIMP</i></p> <p>Six inactive status updates had incorrect status reason codes applied.</p> <p>Four inactive status updates had incorrect event dates applied.</p>	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<p><i>SELS</i></p> <p>One inactive status update had an incorrect event date applied.</p> <p><i>SELX</i></p> <p>One inactive status update had an incorrect event date applied.</p>				
Inform registry of switch request for ICPs - standard switch	4.1	2 Schedule 11.3	<p><i>SELS</i></p> <p>One NT file was issued more than two business days after pre-conditions were cleared.</p>	Strong	Low	1	Identified
Losing trader must provide final information - standard switch	4.3	5 Schedule 11.3	<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><i>SIMP</i></p> <ul style="list-style-type: none"> <li>Three transfer CS files contained incorrect last actual read dates.</li> <li>Three transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply.</li> <li>One transfer CS file contained an incorrect read type.</li> <li>One transfer CS file contained a CSPREMISES row only.</li> <li>Five transfer CS files contained incorrect average daily kWh.</li> </ul> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>One transfer CS files contained an incorrect last actual read date.</li> <li>Four transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply.</li> <li>Four transfer CS files contained an incorrect read type.</li> </ul>	Weak	Medium	6	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<ul style="list-style-type: none"> <li>One transfer CS files contained an incorrect average daily kWh.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>One T2 breach.</li> <li>One transfer CS file contained an incorrect last actual read date.</li> <li>Five transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply.</li> <li>Five transfer CS files contained an incorrect read type.</li> <li>Five transfer CS files contained incorrect average daily kWh.</li> </ul>				
Retailers must use same reading - standard switch	4.4	9 Schedule 13.3	<p><i>SIMP</i></p> <p>Three RR files were not supported by at least two validated actual readings.</p> <p>ICP 0005107200WM4AB (event date 27/11/20) had an incorrect event read recorded in Datahub. 13142 was recorded instead of 13154.</p> <p>ICPs 0000772550TE557 (event date 07/07/20) and 1000002127BPPE4 (event date 20/01/21) did not have the agreed switch event readings recorded in MADRAS.</p> <p><i>SELS</i></p> <p>0000033275EA718 (event date 19/10/20) did not have the agreed switch event readings recorded in MADRAS.</p> <p><i>SELX</i></p> <p>0001270860PC7A5 (event date 07/08/20), 0000922534TUA6A (event date 04/11/20), 1000590726PC900 (event date 20/01/21), 0000906091TU572 (event date 24/02/21) and ICP 0001800470PC814 (event date 29/07/20) did not have the agreed switch event readings recorded in MADRAS.</p>	Weak	Low	3	Identified
Non-half hour switch event meter reading - standard switch	4.5	6(2) and (3) Schedule 11.3	<p><i>SIMP</i></p> <p>One RR issued under clause 6(2) and (3) Schedule 11.3 was rejected because an accompanying email was not sent, and was accepted on reissue.</p>	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Gaining trader informs registry of switch request - switch move	4.7	9 Schedule 11.3	<p><i>SIMP</i></p> <p>Two NT files were issued more than two business days after pre-conditions were cleared.</p> <p><i>SELS</i></p> <p>One NT file was issued more than two business days after pre-conditions were cleared.</p> <p><i>SELX</i></p> <p>One NT file was issued more than two business days after pre-conditions were cleared.</p>	Moderate	Low	2	Investigating
Losing trader provides information - switch move	4.8	10(1) Schedule 11.3	<p><i>SIMP</i></p> <p>The AN for 0000144501KP26B (event date 14/11/20) had a proposed event date of 14/11/20, which was the day before the gaining trader's requested date.</p> <p>One T2 breach.</p>	Strong	Low	1	Investigating
Losing trader must provide final information - switch move	4.10	11 Schedule 11.3	<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><i>SIMP</i></p> <ul style="list-style-type: none"> <li>Seven switch move CS files contained incorrect last actual read dates.</li> <li>Four switch move CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply.</li> <li>Three switch move CS files contained an incorrect read type.</li> <li>12 switch move CS files contained a CSPREMISES row only.</li> <li>Six switch move CS files contained an incorrect average daily kWh.</li> </ul> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>Six switch move CS files contained incorrect last actual read dates.</li> </ul>	Weak	Medium	6	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<ul style="list-style-type: none"> <li>One switch move CS file contained event reads which did not reflect the actual or estimated readings on the last day of supply.</li> <li>Five switch move CS files contained an incorrect read type.</li> <li>Four switch move CS files contained an incorrect average daily kWh.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>Three switch move CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply.</li> <li>Three switch move CS files contained an incorrect read type.</li> <li>One switch move CS file contained an incorrect average daily kWh.</li> </ul>				
Gaining trader changes to switch meter reading - switch move	4.11	6(1) and 6A Schedule 11.3	<p><i>SIMP</i></p> <ul style="list-style-type: none"> <li>One RR breach.</li> <li>One RR was not supported by two validated actual readings.</li> <li>ICP 0000204747DE2DC (event date 10/01/21) did not have the agreed switch event readings recorded in MADRAS.</li> <li>ICP 0000002043SF788 (event date 30/09/20) did not have the agreed switch event readings recorded in Datahub or MADRAS.</li> </ul> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>One RR breach.</li> <li>Two RRs were not supported by two validated actual readings.</li> <li>ICP 0110117012AP421 (event date 01/10/20) does not have the correct event reading recorded in Datahub. The correct reading is recorded in MADRAS for settlement.</li> <li>ICP 0003727196WF6B8 (event date 01/12/20) does not have a start read recorded in Datahub or MADRAS because the reading failed validation.</li> </ul>	Weak	Low	3	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<ul style="list-style-type: none"> <li>ICPs 0369229681LCC24 (event date 01/01/21), 0032300312DF387 (event date 27/01/21) did not have the agreed switch event readings recorded in MADRAS.</li> <li>ICP 1001127640LC366 (event date 11/12/20) is not recorded in MADRAS.</li> </ul> <p>SELX</p> <ul style="list-style-type: none"> <li>ICP 0001332060PCB11 (event date 23/01/21) did not have the agreed switch event readings recorded in MADRAS.</li> </ul>				
Gaining trader informs registry of switch request - gaining trader switch	4.12	14 Schedule 11.3	<p><i>SIMP</i></p> <p>One late HH NT.</p> <p><i>SELS</i></p> <p>One late HH NT.</p> <p>Two PT breaches.</p>	Moderate	Low	2	Investigating
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	<p><i>SIMP</i></p> <p>One NA breach.</p> <p>One SR breach.</p> <p>Two incorrect NW withdrawal reason codes.</p> <p><i>SELS</i></p> <p>Four NA breaches.</p> <p>One SR breach.</p> <p>Three incorrect NW withdrawal reason codes.</p> <p><i>SELX</i></p> <p>Two NA breaches.</p>	Strong	Low	1	Identified
Metering information	4.16	21 Schedule 11.3	<p><i>SIMP</i></p> <p>At least seven switch event readings did not reflect the actual or best estimate of the switch event reading.</p> <p><i>SELX</i></p> <p>At least eight switch event readings did not reflect the actual or best estimate of the switch event reading.</p> <p><i>SELS</i></p> <p>At least five switch event readings did not reflect the actual or best estimate of the switch event reading.</p>	Weak	Low	3	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Electricity conveyed & notification by embedded generators	6.1	10.13	<i>SELS</i> The MEP nomination for 0000013601TC4D6 was not accepted within 14 business days of the event date.	Weak	Low	3	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	<i>SIMP</i> 12 ICPs with incorrect application of readings. <i>SELS</i> 12 ICPs with incorrect application of readings. <i>SELX</i> 14 ICPs with incorrect application of readings.	Weak	Medium	6	Identified
Interrogate meters once	6.8	7(1) and (2) Schedule 15.2	<i>SIMP</i> For four ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist. <i>SELX</i> For one ICP unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Moderate	Low	2	Identified
NHH meters interrogated annually	6.9	8(1) and (2) Schedule 15.2	<i>SIMP</i> For at least ten ICPs unread in the previous 12 months, the best endeavours requirements were not met, and exceptional circumstances did not exist. <i>SELX</i> For at least two ICPs unread in the previous 12 months, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Moderate	Low	2	Identified
NHH meters 90% read rate	6.10	9(1) and (2) Schedule 15.2	<i>SIMP</i> For at least two ICPs unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist. <i>SELS</i> For at least one ICP unread in the previous four months, the best	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			endeavours requirements were not met, and exceptional circumstances did not exist.  <i>SELX</i>  For at least two ICPs unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist.				
Identification of readings	9.1	3(3) Schedule 15.2	<i>SIMP</i> At least four switch event readings were incorrectly classified as actual. <i>SELX</i> At least eight switch event readings were incorrectly classified as actual. <i>SELS</i> At least five switch event readings were incorrectly classified as actual.	Weak	Low	3	Identified
Half hour estimates	9.4	15 Schedule 15.2	<i>SELS</i> HHR estimated data is not replaced with actual data if the actual trading period volumes are lower than the estimated volumes.  Inaccurate estimations where the time periods used as a basis for estimations contains stat holidays.  Estimates not replaced with actuals if the replacement file does not contain a register read.	Weak	High	9	Investigating
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	<i>SIMP, SELS, SELX</i> AMI event logs are not routinely reviewed.	Moderate	Low	2	Investigating
Calculation of ICP days	11.2	15.6	<i>SIMP, SELS and SELX</i> Some ICP days were not reported correctly for some NSPs.	Moderate	Low	2	Identified
Electricity supplied information provision to the reconciliation manager	11.3	15.7	<i>SELS</i> Incorrect electricity supplied information from March to June 2020.	Moderate	Low	2	Identified
HHR aggregates information provision to the reconciliation manager	11.4	15.8	HHR aggregates file does not contain electricity supplied information.  <i>SIMP and SELS</i>  Some HHR aggregates errors due to late processing of events, late data or issues not identified during validation.	Moderate	Low	2	Identified



Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Creation of submission information	12.2	15.4	<p><i>SIMP</i></p> <p>Unmetered submission did not occur for February 2021 for ICP 0000514131NR159.</p> <p>Incorrect submission for HHR ICPs 0000009033NT7F6 and 0000033374NT4F6.</p> <p>There was no active ICP for the point of connection at Kiosk 1, 180 Lambton Quay between 28/12/12 and 20/01/21. No submission occurred during this period.</p> <p><i>SELS</i></p> <p>ICP 0000024997EA2A8 did not have submission information for February 2021.</p> <p>Late HHR vols file for September 2020.</p> <p>75 ICPs missing from submission for December 2020.</p>	Moderate	High	6	Identified
Allocation of submission information	12.3	15.5	<p><i>SIMP</i></p> <p>CSC0012 3,720 kWh was not zeroed for July 2019 R7.</p> <p><i>SELX</i></p> <p>KMO0331, 216 kWh was not zeroed for July 2019 R14. MTN0331, 23 kWh was not zeroed for July 2020 R3, 253 kWh was not zeroed for August 2020 R3</p>	Moderate	Low	2	Identified
Accuracy of submission information	12.7	15.12	<p>Some submission data was inaccurate and was not corrected at the next available opportunity.</p> <p>September 2020 HHR vols file for SELS sent late.</p>	Moderate	High	6	Identified
Permanence of meter readings for reconciliation	12.8	4 Schedule 15.2	<p><i>SIMP and SELX</i></p> <p>Some estimates are not replaced at R14.</p>	Moderate	Medium	4	Identified
Historical estimates and forward estimates	12.10	3 Schedule 15.3	<p>Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.</p>	Moderate	Medium	4	Identified
Forward estimate process	12.12	6 Schedule 15.3	<p><i>SIMP and SELX</i></p> <p>The accuracy threshold was not met for some revisions.</p>	Moderate	Low	2	Investigating
Historical estimate reporting to RM	13.3	10 of schedule 15.3	<p><i>SIMP, SELX and SELS</i></p> <p>Historic estimate targets were not met for all months and revisions.</p>	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Future Risk Rating						122	

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

## RECOMMENDATIONS

Subject	Section	Description	Recommendation
Electrical Connection of Point of Connection	2.11	Check meter certification dates	Check meter certification dates which changed after being reinstated or were not reinstated with the MEP: 0000007013NZA0A (SELS FCLM), 0110011967EL45F (SELS FCLM), 1002107974LC89D (SELX AMCI), and 1002107992LC3A8 (SELX AMCI).
Changes to registry information	3.3	Check status events for 0000013012KP27B (active from 01/10/20)	<i>SIMP</i> Follow up the reconnection and relocation paperwork for ICP 0000013012KP27B to confirm the correct active and inactive status dates and update Salesforce and the Registry as needed.
Trader responsibility for an ICP	3.4	Monitoring of active ICPs where the metering category is 9 or blank	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.
Management of "inactive" status	3.9	Monitoring of inactive consumption	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.
ICPs at new or ready status for 24 months	3.10	Monitoring of new and ready ICPs	A Registry List (type P) with proposed trader = SIMP, SELS and SELX 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.
ICPs at new or ready status for 24 months	3.10	ICPs for potential decommissioning	<i>SIMP</i> Check the 47 ICPs where new connections did not proceed which remain at new or ready status, to determine whether they should be decommissioned. <sup>1</sup> .

<sup>1</sup> 0001410003TCFB3, 0000007059TC6AD, 0000007065TC24B, 0000007072TC52C, 0000007081TC9FB, 0000007082TC53B, 0000007096TCE9C, 0000007119TCD0C, 0000007122TC420, 0000007123TC865, 0000007124TC5AF, 0000007127TC96F, 0000008129TC394, 0240000002PN271, 0240000008PN0E0, 0240000009PNCA5, 0240000010PN859, 0240000011PN41C, 0240000012PN8DC, 0240000013PN499, 0240000014PN953, 0240000015PN516, 0240000016PN9D6, 0240000017PN593, 0240000018PNA4D, 0240000019PN608, 0240000020PNFA1, 0240000021PN3E4, 0240000022PNF24, 0240000023PN361, 0240000024PNEAB, 0240000025PN2EE, 0240000026PNE2E, 0240000027PN26B, 0240000028PNDB5, 0240000029PN1F0, 0240000030PN50C, 0240000031PN949, 0240000032PN589, 0240000033PN9CC,

Subject	Section	Description	Recommendation
Losing trader response to switch request and event dates - standard switch	4.2	AN response code hierarchy	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.
Losing trader must provide final information - standard switch	4.3	CS estimated daily kWh	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.
Withdrawal of switch requests	4.15	Supporting information for withdrawals	Record information on the reasons for withdrawals, preferably within the case notes, so that they can be readily located.
Electricity conveyed & notification by embedded generators	6.1	Confirmation of distributed generation and installation of metering	<i>SIMP</i> Ensure that generation metering is installed for ICP 1001280320LC7AF. The ICP is currently under investigation to confirm the correct metering configuration.  <i>SELS</i> Ensure that generation metering is installed for ICP 0000015252EAB8A if generation is confirmed to be present.  <i>SELX</i> Confirm whether generation is installed for ICP 0000015253EA7CF and update the profile as necessary.
NHH meter reading application (	6.7	HHR upgrade process	SIMP, SELS and SELX  Develop and test procedures to handle meter upgrades and downgrades which occur part way through a month, for use in the event of changes between meter categories 1-2, and meter categories 3 or higher.
HHR estimates	9.4	Replacement of estimates with actual data	SELS  If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data.  HHR actual data is not currently loaded if it is lower than previously estimated data for the same period. It is expected that HHR actual data will replace estimated data.
HHR estimates	9.4	Replacement of actual data with actual data	SELS  If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.
NHH metering information data validation	9.5	Consumption on inactive reporting.	Develop reporting of inactive ICPs with consumption.
Allocation of submission information	12.3	Identification of reads missing from MADRAS	Conduct regular checks to ensure that:  1. Start and end dates are aligned in MADRAS and Datahub.  2. Start and end reads are present and consistent with expected values, including CS and accepted RR reads which have received an AMI reading on the same day.

0240000034PN406, 0240000035PN843, 0240000036PN483, 0240000037PN8C6, 0240000038PN718, 0240000039PNB5D, and 0240000040PN051

## ISSUES

Subject	Section	Description	Issue
		Nil	

## 1. ADMINISTRATIVE

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

#### Code reference

*Section 11 of Electricity Industry Act 2010.*

#### Code related audit information

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

#### Audit observation

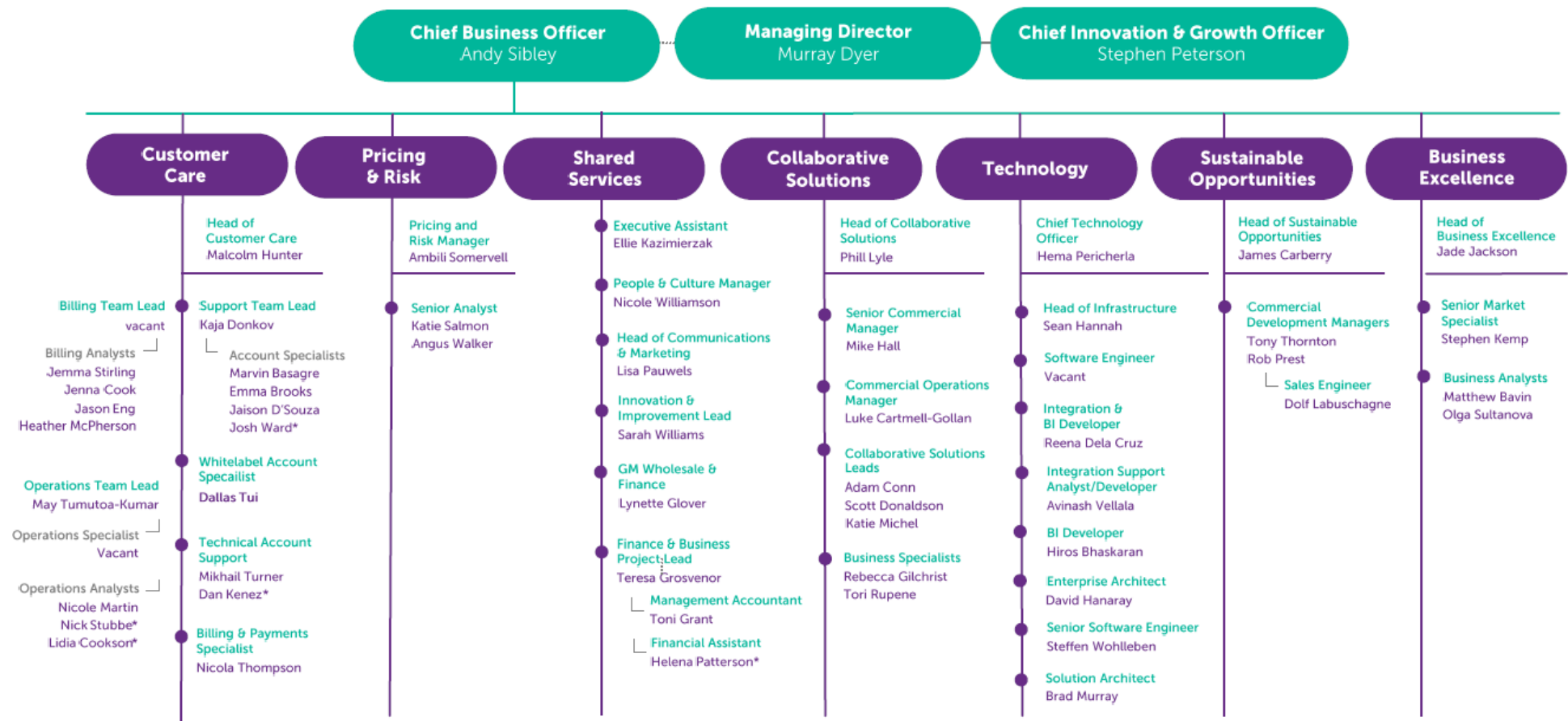
The Electricity Authority's website was reviewed to identify any exemptions relevant to the scope of this audit.

#### Audit commentary

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

## 1.2. Structure of Organisation

# Our people & structure



### 1.3. Persons involved in this audit

Auditors:

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

Simply Energy personnel assisting with this audit were:

Name	Title
Stephen Kemp	Senior Market Specialist

EMS personnel assisting with this audit were:

Name	Title
Sunny Feng	Data Analyst

### 1.4. Use of Agents (Clause 15.34)

#### Code reference

*Clause 15.34*

#### Code related audit information

*A reconciliation participant who uses an agent*

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

#### Audit observation

Use of agents was discussed with Simply Energy.

#### Audit commentary

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

- EMS, EDM I and AMS gather HHR metering data and EMS completes HHR reconciliation for SIMP and SELX, and NHH reconciliation for all codes.
- Wells provides NHH metering data.
- Northpower periodically provides manual meter readings for their three substations which do not have AMI meters installed, because Simply Energy's other NHH meter readers cannot gain access to read the meters. Simply Energy had intended to upgrade all the meters read by Northpower to AMI, but three ICPs have not been upgraded. The affected meters were last read on 19 September 2019. Simply Energy will follow up the upgrades and arrange for Northpower to continue to provide reads as necessary.

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

## 1.5. Hardware and Software

Simply Energy's processes use the following systems:

- Emersion records ICP, customer and invoicing information.
- Salesforce is used for the management of ICP information, including process workflows and switching.
- Meter reading data is imported into AXOS DataHub. Validated readings are transferred to the AXOS billing engines for billing and as billed reporting, and to EMS' MADRAS system for reconciliation for NHH ICP.
- HHR reconciliation submissions are created using DataHub.

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

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

## 1.6. Breaches or Breach Allegations

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

Reference	Date	Clause	Summary	Status	Result
2011SIMP1	3/03/21 12:00 AM	Part 15 clause 15.4 (1)	SELS (Simply Energy White Label) failed to submit data to the Reconciliation Manager by 16:00 on 06/10/2020. SELS failed to submit an accepted and validated AV-90 (HHRVOLS) submission by the deadline at 16:00 on BD4, their previous attempt failed, and they were not able to correct the file and resubmit before the deadline. SELS proceeded to email the Reconciliation Manager at 16:09 informing that they were still working on a corrected file submission. SELS submitted a corrected and accepted AV-090 at 16:12 on 06/10/2020, 12 minutes after the deadline.	closed	early closure
2103SIMP1	3/05/21 12:00 AM	Part 15 clause 15.2 (1) (a)	Simply Energy was missing approximately 4,000,000 kWh from its December 2020 submission and had to submit a volume dispute to resolve.	fact finding	no result yet

## 1.7. ICP Data

*SIMP*



The active ICPs from the list file are summarised by meter category in the table below. The 2021 list file was dated 7 March 2021. 25 active SIMP ICPs have a metering category of nine or blank, and all of these have the unmetered flag set to Y and are SB ICPs or have a daily unmetered kWh recorded.

Metering Category	2021	2020	2019	2018	2017	2016	2015
1	1,182	1,527	1,141	1,139	1,102	589	493
2	29	101	118	152	157	78	64
3	11	20	24	30	39	21	17
4	9	11	13	21	21	10	6
5	4	5	5	5	5	5	2
9	9	12	9	2	21	-	-
Blank	16	20	20	22	39	63	25

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)	1,260	1,696	1,330	1,371	1,081	766
Inactive – new connection in progress (1,12)	6	13	24	3	-	1
Inactive – electrically disconnected vacant property (1,4)	20	22	19	16	14	6
Inactive – electrically disconnected remotely by AMI meter (1,7)	28	12	4	2	-	-
Inactive – electrically disconnected at pole fuse (1,8)	4	4	5	4	1	-
Inactive – electrically disconnected due to meter disconnected (1,9)	6	6	3	1	3	1
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	3	3	3	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	6	6	4	-	12	13
Inactive – reconciled elsewhere (1,5)	-	-	-	1	1	1
Decommissioned (3)	484	450	395	331	272	158

## SELS

The active ICPs from the list file are summarised by meter category in the table below. The 2021 list file was dated 5 March 2021. Five active SELS ICPs have a metering category of nine or blank. All were timing differences, and the metering details were added to the registry, or the ICPs were decommissioned after the report was run.

Metering Category	2021	2020	2019
1	1431	395	5
2	117	9	-
3	13	1	-
4	4	-	-
5	1	-	-
9	1	-	-
Blank	4	-	-

Status	Number of ICPs (2021)	Number of ICPs (2020)	Number of ICPs (2019)
Active (2,0)	1,571	405	5
Inactive – new connection in progress (1,12)	6	-	-
Inactive – electrically disconnected vacant property (1,4)	12	-	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	1	-	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	1	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-
Decommissioned (3)	44	36	36

## SELX

The active ICPs from the list file are summarised by meter category in the table below. The 2021 list file was dated 7 March 2021. The five ICPs with a blank metering category are unmetered SB ICPs.

Metering Category	2021	2020	2019	2018	2017
1	573	644	781	242	13
2	26	25	45	23	-
3	6	6	5	-	-
4	5	4	2	-	-
5	-	-	-	-	-
9	-	-	-	-	-
Blank	5	5	5	-	-

Status	Number of ICPs (2021)	Number of ICPs (2020)	Number of ICPs (2019)	Number of ICPs (2018)	Number of ICPs (2017)
Active (2,0)	615	684	838	265	13
Inactive – new connection in progress (1,12)	-	1	-	-	-
Inactive – electrically disconnected vacant property (1,4)	4	3	3	1	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	2	2	1	1	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	1	-	1	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-	-	-
Inactive – reconciled elsewhere (1,5)	1	1	1	-	-
Decommissioned (3)	6	5	1	1	-

## 1.8. Authorisation Received

Authorisation was received from Simply Energy.

## 1.9. Scope of Audit

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

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

For SELS registry list, event detail report and audit compliance report for 1 July 2020 to 5 March 2021 and a registry list snapshot for 26 January 2021 were reviewed.

For SELX and SIMP registry lists, event detail reports and audit compliance reports for 1 July 2020 to 7 March 2021 and registry list snapshots for 13 January 2021 were reviewed.

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

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
(a) - Maintaining registry information and performing customer and embedded generator switching	EMS for part of clause 11 of schedule 11.1 only (registry discrepancies)	
(b) - Gathering and storing raw meter data	Wells – NHH Northpower – NHH (none received during the audit period) EMS – HHR (for SIMP and SELX) AMS – HHR EDMI - HHR	AMS Arc Innovations (Arc) Influx (FCLM) IntelliHUB Smartco WEL Networks (WASN) Nova (BOPE)
(c)(iii) - Creation and management of HHR & NHH volume information	EMS (for SIMP and SELX)	
(d)(i) - Calculation of ICP days	EMS	
(d)(ii) - delivery of electricity supplied information under clause 15.7	EMS – NHH EMS – HHR (for SIMP and SELX)	
(d)(iii) - delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8		
(e) - Provision of submission information for reconciliation	EMS – NHH	

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
	EMS – HHR (for SIMP and SELX)	

Wells, EMS, EDM1 and AMS' HHR agent audits will be submitted with this report. The MEPs provide AMI data as MEPs not agents, and the MEPs are subject to their own audit regime.

#### 1.10. Summary of previous audit

Simply Energy provided a copy of their previous audit report conducted in August 2021 by Rebecca Elliot (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
Relevant information	2.1	11.2 & 15.2	Some inaccurate data is recorded and was not updated as soon as practicable.  At least two examples found where the incorrect reads were used in the switching process resulting in under submission of 1,415 kWh.  Some submission data was inaccurate and was not corrected at the next available opportunity.	Still existing
Audit trails	2.4	21 Schedule 15.2	SalesForce user IDs are shared, and the audit trails do not record the individual user who made the change.	Cleared
Electrical Connection of Point of Connection	2.11	10.33A	<i>SIMP</i>  Four new connections were not certified within five business days of the initial electrical connection.  Two reconnections were not certified within five business days of the initial electrical connection.  <i>SELS</i>  One new connection was not certified within five business days of the initial electrical connection.	Still existing
Changes to registry information	3.3	10 Schedule 11.1	<i>SIMP</i> <ul style="list-style-type: none"> <li>52 late status updates.</li> <li>141 late trader updates.</li> <li>14 late ANZSIC code updates.</li> </ul> <i>SELS</i> <ul style="list-style-type: none"> <li>Two late status updates.</li> <li>One late trader update.</li> <li>One late ANZSIC code update.</li> </ul> <i>SELS</i>	Still existing

Subject	Section	Clause	Non-compliance	Status
			<ul style="list-style-type: none"> <li>Four late status updates.</li> <li>Four late trader updates.</li> </ul> <p>Two late ANZSIC code updates.</p>	
Provision of information to the registry manager	3.5	9 Schedule 11.1	<p><i>SIMP</i></p> <ul style="list-style-type: none"> <li>90 late updates for new connections.</li> <li>One ICP electrically connected but still at "Ready" on the registry.</li> <li>Two incorrect active dates applied.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>Two late updates for new connections.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>Five late updates for new connections.</li> <li>One ICP electrically connected but still at "Ready" on the registry.</li> </ul> <p>One incorrect active date applied.</p>	Still existing
ANZSIC codes	3.6	9 (1(k)) of Schedule 11.1	<p><i>SIMP</i> At least three ICPs with the incorrect ANZSIC codes assigned.</p>	Still existing
Management of "active" status	3.8	17 Schedule 11.1	<p><i>SIMP</i></p> <ul style="list-style-type: none"> <li>One ICP electrically connected but still at the "Ready" status on the registry.</li> <li>Two incorrect active dates applied.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>One ICP electrically connected but still at the "Ready" status on the registry.</li> </ul> <p>One incorrect active date.</p>	Still existing
Losing trader must provide final information - standard switch	4.3	5 Schedule 11.3	<p><i>SIMP</i></p> <ul style="list-style-type: none"> <li>Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing, and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next.</li> </ul>	Still existing

Subject	Section	Clause	Non-compliance	Status
			<ul style="list-style-type: none"> <li>One transfer CS file of those sampled sent as an estimate but was an actual read.</li> <li>One transfer CS file of those sampled with the incorrect last read date.</li> </ul> <p><i>SELX &amp; SELS</i></p> <p>Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing, and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next.</p>	
Gaining trader informs registry of switch request - switch move	4.7	9 Schedule 11.3	<i>SELS</i> All five NTs sampled had an incorrect switch type applied.	Still existing
Losing trader provides information - switch move	4.8	10(1) Schedule 11.3	<i>SELX</i> Two late CS files.	Still existing
Losing trader must provide final information - switch move	4.10	11 Schedule 11.3	<p><i>SIMP</i></p> <ul style="list-style-type: none"> <li>Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next.</li> <li>One switch move CS file with an incorrect last read date.</li> <li>One switch move CS file with an incorrect switch event read type.</li> </ul> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing and for AMI read sites the calculation is an average across 21 days rather than from one validated read to the next.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>Average daily kWh not calculated correctly for manually read ICPs due to the automatic update process failing and for AMI read sites the calculation is an average across 21 days rather than</li> </ul>	Still existing

Subject	Section	Clause	Non-compliance	Status
			<p>from one validated read to the next.</p> <ul style="list-style-type: none"> <li>One switch move CS files with an incorrect last actual read date.</li> </ul> <p>Three switch move CS files with incorrect switch event read type.</p>	
Gaining trader changes to switch meter reading - switch move	4.11	6(1) and 6A Schedule 11.3	<p><i>SELS</i></p> <ul style="list-style-type: none"> <li>One switch move RR was not supported by two validated actual readings.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>For one ICP, the readings in DataHub did not reflect the outcome of the RR process.</li> </ul> <p>For one ICP, the readings in Datahub did not reflect the read received in the CS file and no RR was issued.</p>	Still existing
Gaining trader informs registry of switch request - gaining trader switch	4.14	16 Schedule 11.3	<p><i>SIMP</i></p> <p>One late CS file.</p>	Cleared
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	<p><i>SIMP</i></p> <p>Two late NW files.</p> <p><i>SELX</i></p> <p>Two late NW files.</p>	Still existing
Electricity conveyed & notification by embedded generators	6.1	10.13	<p><i>SELS</i> Notification of gifting of generation had not been provided for 0001173611PC6E2, and the injection quantities were not quantified in the meantime. Notification of gifting was provided on 24/08/20.</p>	ICP has switched out
Collection of information by certified reconciliation participant	6.5	2 Schedule 15.2	<p><i>SIMP</i> Event log not downloaded for ICP 0000518204NR36D.</p>	Event logs are not being routinely reviewed.
NHH meter reading application	6.7	6 Schedule 15.2	<p><i>SELX</i></p> <ul style="list-style-type: none"> <li>For one ICP, the readings in DataHub did not reflect the outcome of the RR process.</li> <li>For one ICP, the readings in Datahub did not reflect the read received in the CS file and no RR was issued.</li> </ul>	Still existing



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

Subject	Section	Clause	Non-compliance	Status
Meter data used to derive volume information	9.3	3(5) Schedule 15.2	<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>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>	Cleared
Half hour estimates	9.4	15 Schedule 15.2	<p><i>SELS</i></p> <p>HHR estimated data is not replaced with actual data if the actual trading period volumes are lower than the estimated volumes.</p> <p>ICP 0000014504EACAF had actual data for the first four trading periods of 25/06/20 replaced with null values and then estimated, when the MEP provided a partial replacement file. The issue occurred because Datahub imported the whole file including the null periods.</p>	Still existing
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	<p><i>SIMP</i></p> <p>Event log not downloaded during interrogation of ICP 0000518204NR36D.</p>	Still existing
Calculation of ICP days	11.2	15.6	<p><i>SIMP</i></p> <p>Some ICP days were not reported correctly in April and May 2020 because there were delays in updating ICP end dates. Revised data will be provided before r14.</p> <p><i>SELS</i></p> <p>Some ICP days were not reported correctly in November 2019 because some end dates were incorrectly updated by the MADRAS workflow. Revised data will be provided before r14, and a system fix is being investigated.</p>	Still existing

Subject	Section	Clause	Non-compliance	Status
Electricity supplied information provision to the reconciliation manager	11.3	15.7	<p><i>SELS</i></p> <p>The difference between billed and submission volumes is significant from March 2020 onwards, even when the invoice and reconciliation periods are aligned. Simply Energy intends to investigate the reasons for these differences, and submit revised data as required.</p>	Still existing
HHR aggregates information provision to the reconciliation manager	11.4	15.8	<p>HHR aggregates file does not contain electricity supplied information.</p> <p><i>SIMP</i></p> <p>ICPs 0000033673EAA96 and 0158947339LC9D1 were omitted from some HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICPs. EMS has corrected their system and revised data will be submitted through the revision process.</p> <p>ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22/01/20 on 24/01/20.</p> <p><i>SELX</i></p> <p>ICP 0000033673EAA96 was omitted from some HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICPs.</p> <p><i>SELS</i></p> <p>ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error. ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22/01/20 on 24/01/20.</p> <p>HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20/07/20 and will be included in the next revision.</p>	Still existing
Creation of submission information	12.2	15.4	<p><i>SIMP</i></p> <p>NHH ICP 0007165486RN00D switched in effective from 20/04/20 on 22/04/20,</p>	Still existing

Subject	Section	Clause	Non-compliance	Status
			<p>but the unmetered load register was not created until June 2020 so the ICP was excluded from the April 2020 r0 and r1 and May 2020 r0.</p> <p>HHR ICPs 0000033673EAA96 and 0158947339LC9D1 were incorrectly excluded from HHR revision submissions produced from June 2020 onwards for SIMP.</p> <p>HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error.</p> <p><i>SELS</i></p> <p>HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3.</p> <p>Revisions have not been consistently produced for SELS, which can result in switch timing and data changes taking an extended period to wash out. Simply Energy intends to create all revisions from now on.</p> <p><i>SELX</i></p> <p>HHR ICP 0000033673EAA96 was incorrectly excluded from HHR revision submissions produced from June 2020 onwards for SIMP.</p>	
Allocation of submission information	12.3	15.5	<p><i>SIMP</i></p> <p>Zero lines were not inserted for the following AV080 submissions:</p> <ul style="list-style-type: none"> <li>• CSC0012 Jan 19 r14, Feb 19 r14, Jul 19 r7</li> <li>• PWC0012 Dec 18 r14, Jan 19 r14, Feb 19 r14</li> <li>• ASB0331 Jul 19 r7, Aug 19 r7</li> <li>• TDS0011 Jul 19 r7</li> <li>• NBS0011 Jan 20 r3</li> </ul> <p><i>SELS</i></p> <p>Notification of gifting of generation had not been provided for 0001173611PC6E2, and the injection quantities were not quantified in the meantime. Notification of gifting was provided on 24/08/20.</p> <p><i>SELX</i></p> <p>Zero lines were not inserted for the following AV080 submissions:</p> <ul style="list-style-type: none"> <li>• WPR0661 Feb 19 r14</li> </ul>	<p>Still existing</p> <p>ICP has switched out</p>

Subject	Section	Clause	Non-compliance	Status
			<ul style="list-style-type: none"> <li>KMO0331 Jul 19 r7.</li> </ul>	
Accuracy of submission information	12.7	15.12	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	<i>SIMP and SELX</i> Some estimates are not replaced at R14.	Still existing
Historical estimates and forward estimates	12.10	3 Schedule 15.3	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Still existing
Forward estimate process	12.12	6 Schedule 15.3	<i>SIMP</i> The accuracy threshold was not met for all revisions for Mar-19 r1, Jul-19 r3, Nov-19 r1 and r3.	Still existing
Historical estimate reporting to RM	13.3	10 of schedule 15.3	<i>SIMP</i> Historic estimate targets were not met for all months and revisions.  <i>SELX</i> Historic estimate targets were not met for all months and revisions.	Still existing

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

Subject	Section	Clause	Recommendation	Status
Losing trader response to switch loss	4.2	AN response code hierarchy	Consider adding the MU (unmetered supply) and OC (occupied premises) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.	Not implemented
Electricity conveyed & notification by embedded generators	6.1	Notification of gifting	<p><i>SIMP</i></p> <p>Provide a notification of gifting of generation to the reconciliation manager for ICP 0000518204NR36D.</p> <p><i>SELX</i></p> <p>Provide a notification of gifting of generation to the reconciliation manager for ICP 0001173611PC6E2.</p>	<p>Implemented</p> <p>Switched out</p>
Derivation of meter readings	6.6	Meter condition information	Review all meter condition information provided by Wells to identify any meter events which could affect accuracy.	Not implemented
NHH meter reading application	6.7	HHR upgrade process	<p>SIMP, SELS and SELX</p> <p>Develop and test procedures to handle meter upgrades and downgrades which occur part way through a month, for use in the event of changes between meter categories 1-2, and meter categories 3 or higher.</p>	Not implemented
HHR interrogation data requirement	6.13	Regarding clause 11(2) Schedule 15.2	<p><i>SIMP</i></p> <p>EMS should keep a schedule of all manual downloads confirming that event logs have been received.</p>	Implemented
Half hour estimates	9.4	HHR estimation process	<p><i>SELS</i></p> <p>Take HHR midnight readings into account (if available) when calculating HHR estimates.</p>	Implemented
Half hour estimates	9.4	HHR estimation for new ICPs	<p><i>SELS</i></p> <p>Improve the HHR estimation process so that Datahub can apply estimates where data for an equivalent day is not available.</p>	Implemented

Subject	Section	Clause	Recommendation	Status
Half hour estimates	9.4	Replacement of estimates with actual data	<p><i>SELS</i></p> <p>If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data.</p> <p>HHR actual data is not currently loaded if it is lower than previously estimated data for the same period. It is expected that HHR actual data will replace estimated data.</p>	Not Implemented
Half hour estimates	9.4	Replacement of actual data with actual data	<p><i>SELS</i></p> <p>If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.</p>	Not Implemented
NHH metering information data validation	9.5	Validation of actual reads lower than previous estimates	<p>Review the validation process for reads that fail validation because they are lower than previous estimates.</p> <p>In these situations, if the actual readings are confirmed to be accurate, they should be applied.</p> <p>Where revision 14 has already been issued, the permanent estimate process should be used to ensure that all consumption is captured.</p>	Not Implemented
Electronic meter readings and estimated readings	9.6	HHR validation of consumption patterns	<p><i>SELS</i></p> <p>Validation of HHR consumption patterns should be completed at ICP level as well as aggregate level.</p> <p>Consider improving the checks for unexpected zeros to enable them to be completed more efficiently.</p>	Implemented
Electricity supplied information provision to the reconciliation manager	11.3	Billed versus submission differences	<p>Differences between billed and submission data are monitored but should also be investigated to determine the causes and whether corrective action is required.</p>	Not Implemented

Subject	Section	Clause	Recommendation	Status
Allocation of submission information	12.3	Identification of reads missing from MADRAS	<p>Conduct regular checks to ensure that:</p> <ol style="list-style-type: none"> <li>1. Start and end dates are aligned in MADRAS and Datahub.</li> </ol> <p>Start and end reads are present and consistent with expected values, including CS and accepted RR reads which have received an AMI reading on the same day.</p>	Not Implemented
Allocation of submission information	12.3	AV080 zeroing process	<p>The zeroing process is currently completed for the AV110 but also needs to be completed for the AV080.</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>	Not Implemented
Permanence of meter readings for reconciliation	12.8	Determine reasons for unexpected forward estimate at BPE0331 for Feb 2019 r14	<p><i>SELX</i></p> <p>Investigate why forward estimate remained for POCO-BPE0331 RPS BPE X N for Feb 2019 r14 and resolve any issues causing invalid forward estimate.</p>	Implemented



## 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

##### Registry and static data accuracy

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 due to ICPs switching from CTCT to CTCS (which is outside the scope of this audit but has increased 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	The Salesforce Dashboard reports ICPs which have T9 series ANZSIC codes. 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.
ICPs with estimated switch in reads with an AMI meter	The Salesforce Dashboard reports ICPs with estimated switch in reads with an AMI meter. These ICPs were checked fortnightly to determine whether a read renegotiation was required. The checks have not been completed since January 2021, and at least 341

Exception	Findings
	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.
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 February 2021. 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 April 2021 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>
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 21/01/21, and 107 ICPs are to be checked.</p>
ICPs with an initial electrical connection date populated and inactive new connection in progress status	A report is run from the registry approximately every six months. Simply Energy plans to complete this monthly in the future. This report was previously monitored at least twice each month to identify ICPs which may have become active without having their status updated.

Exception	Findings
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, an exception is generated for review. The operations team is advised by the Data Management Analyst where metering details need to be checked and updated.</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>

### *SIMP*

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

Issue	2021	2020	2019	2018	2017	Comments
Status mismatch between registry and Simply Energy	6	-	6	-	-	Six ICPs had inactive status reason codes applied. See <b>section 3.9</b> .
ICP is at ready or inactive new connection in progress status but is active	-	2	-	-	-	Compliant.
Active date variance with Initial Electrical Connection Date	67	8	-	-	-	The exceptions were reviewed and a sample of 14 were checked. Six ICPs had incorrect active status dates, and three were corrected during the audit. See <b>sections 3.5</b> and <b>3.8</b> .
Incorrect active date	10	2	-	-	-	<p>Six ICPs had incorrect active status dates, and three were corrected during the audit. See <b>sections 3.5</b> and <b>3.8</b>.</p> <p>Four ICPs had incorrect inactive status event dates applied. See <b>section 3.9</b>.</p>
Active with no MEP and unmetered flag = N	-	7	4	4	6	Compliant.
Incorrect submission flag or profile	12	-	2	-	-	All now resolved
Active with blank ANZSIC codes	3	4	4	-	-	Three active ICPs have a blank ANZSIC code, all are embedded network residual load ICPs, and this is acceptable. Refer to <b>section 3.6</b> .

Issue	2021	2020	2019	2018	2017	Comments
Active with ANZSIC "T99" not stated	-	-	-	6	-	Compliant.
Active with ANZSIC "T994" don't know	-	-	-	-	-	Compliant.
Active with an incorrect ANZSIC code	2	3	3	1	-	See <b>section 3.6</b> .
Category 9 but Active with MEP and UML "N"	-	-	-	-	-	Compliant.
ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	-	-	-	Compliant.
ICPs with unmetered load flag Y but load is recorded as zero	-	-	-	-	-	Compliant.
ICPs with incorrect shared unmetered load	-	-	-	-	-	Compliant.
ICPs with Distributed Generation indicated but no DG profile	3	-	-	-	-	<p>One ICP had generation recorded by the distributor and an I flow register, without a distributed generation profile recorded. This was a timing difference, the switch was withdrawn and reprocessed with SELS as the trader and PV1 profile is now correctly recorded from the switch in date.</p> <p>The registry list recorded two ICPs with generation indicated by the distributor, and no I flow register. One is being investigated and notification of gifting has been provided for the other.</p> <p>See <b>section 6.1</b>.</p>

## SELS

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

Issue	2021	2020	2019	Comments
Status mismatch between registry and Simply Energy	-	-	-	Compliant.
ICP is at ready or inactive new connection in progress status but is active	3	-	-	See <b>section 3.8</b> .
Active date variance with Initial Electrical Connection Date	73	-	-	The exceptions were reviewed and a sample of 13 were checked. Two ICPs had incorrect active status dates, and were corrected during the audit. See <b>sections 3.5 and 3.8</b> .
Incorrect active date	4	-	-	Three ICPs had incorrect active status dates, and two were corrected during the audit. See <b>sections 3.5 and 3.8</b> .  One ICP had an incorrect inactive status date applied. See <b>section 3.9</b> .
Active with no MEP and unmetered flag = N	5	-	-	Five active ICPs with metering category blank or 9 did not have unmetered load details recorded. All were timing differences, and the metering details were added to the registry, or the ICPs were decommissioned after the report was run.
Incorrect submission flag	0	-	-	Compliant.
Active with blank ANZSIC codes	-	-	-	Compliant.
Active with ANZSIC "T999" not stated	-	-	-	Compliant.
Active with ANZSIC "T994" don't know	-	-	-	Compliant.
Active with an incorrect ANZSIC code	1	-	-	See <b>section 3.6</b> .
Category 9 but Active with MEP and UML "N"	-	-	-	Compliant.
ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	-	Compliant.
ICPs with unmetered load flag Y but load is recorded as zero	-	-	-	Compliant.

Issue	2021	2020	2019	Comments
ICPs with incorrect shared unmetered load	-	-	-	Compliant.
ICPs with Distributed Generation indicated but no DG profile	4	1	-	<p>Two ICPs had generation recorded by the distributor and an I flow register, without a distributed generation profile recorded. Both were timing differences and PV1 profile is now correctly recorded.</p> <p>The registry list recorded two ICPs with generation indicated by the distributor, and no I flow register. One is in the process of having its metering replaced, and the other is under investigation.</p> <p>Refer to <b>section 6.1</b>.</p>

### SELX

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

Issue	2021	2020	2019	2018	2017	Comments
Status mismatch between registry and Simply Energy	-	-	-	1	-	Compliant
ICP is at ready or inactive new connection in progress status but is active	-	1	-	-	-	Compliant
Active date variance with Initial Electrical Connection Date	14	-	-	-	-	The exceptions were reviewed and a sample of six updates were checked and confirmed to be correct.
Incorrect active date	1	-	-	-	-	One ICP had an incorrect active status date applied. Refer to <b>section 3.9</b> .
Active with no MEP and unmetered flag = N	-	-	-	-	-	Compliant.
Incorrect submission flag	2	-	-	-	-	Both now resolved
Active with blank ANZSIC codes	5	-	-	-	-	Five active ICPs have a blank ANZSIC code, all are embedded network residual load ICPs, and this is acceptable. Refer to <b>section 3.6</b> .
Active with ANZSIC "T999" not stated	-	-	-	-	-	Compliant.
Active with ANZSIC "T994" don't know	-	-	-	-	-	Compliant.

Issue	2021	2020	2019	2018	2017	Comments
Active with an incorrect ANZSIC code	1	-	2	-	-	See <b>section 3.6</b> .
Category 9 but Active with MEP and UML "N"	-	-	-	-	-	Compliant.
ICPs with Distributor unmetered load populated but retail unmetered load is blank	-	-	-	-	-	Compliant.
ICPs with unmetered load flag Y but load is recorded as zero	-	-	-	-	-	Compliant.
ICPs with incorrect shared unmetered load	-	-	-	-	-	Compliant.
ICPs with Distributed Generation indicated but no DG profile	-	1	1	-	-	Compliant.

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

*SIMP*

- ICP 0000003106TCEFF has a status date of 3 September 2020 but should have 1 September 2020,
- ICP 0000034114EA3CE has a status date of 30 June 2020 but should have 29 June 2020,
- ICP 0000572059NR221 has a status date of 25 September 2020 but should have 21 September 2020,
- ICP 0000555298NRE21 has a status date of 9 February 2021 but should have 10 February 2021,
- ICP 0000536808NRB74 has a status date of 9 February 2021 but should have 10 February 2021,
- ICP 0000519025NR9DA has a status date of 9 February 2021 but should have 10 February 2021,
- ICP 0005211398ALD99 has a status date of 14 December 2020 but should have 15 February 2020,
- ICP 0230120018PNA5D has status reason 1,5 from 15 October 2020 but should have 1,12,
- ICP 0230120017PN583 has status reason 1,5 from 15 October 2020 but should have 1,12,
- ICP 0230120016PN9C6 has status reason 1,5 from 15 October 2020 but should have 1,12,
- ICP 0230120015PN506 has status reason 1,5 from 15 October 2020 but should have 1,12,
- ICP 0230120014PN943 has status reason 1,5 from 15 October 2020 but should have 1,12, and

- ICP 1000591469PC6D8 has status reason 1,4 from 15 October 2020 but should have 1,12.
- SELS**
- ICP 0000025484EA06D's MEP nomination should have been effective 22 July 2020 when the case for meter change was raised instead of 23 June 2020, and
  - ICP 0000013075KP041 has a status date of 23 October 2020 but should have 24 October 2020.
- SELX**
- ICP 0048140600PCA85 has a status date of 9 November 2020 but should have 10 November 2020.

### Read and volume data accuracy

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

Defective meters	<p>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.</p> <p>One defective meter was identified for SELS during the audit. The correction was based on the best available information and was processed accurately.</p>
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> <p>No multiplier corrections were identified for SIMP, SELS or SELX.</p>
Bridged meters	<p>Bridging of meters is against Simply Energy's policies. A correction process is followed in the unlikely event bridging occurs. Estimated consumption during the bridged period will be calculated based on the consumption on the replacement meter, or historic consumption prior to the stopped or faulty period.</p> <ul style="list-style-type: none"> <li>• If the meter is replaced as part of the un-bridging process, the estimated consumption during the bridged period is added as a permanently estimated meter removal read and sent to EMS.</li> <li>• If the meter is not replaced, a pseudo meter will be created to record the estimated consumption, so that it is included in reconciliation submissions.</li> </ul> <p>No bridged meters were identified during the audit period for SIMP, SELS or SELX.</p>
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 reviews any reads received after the end date and takes corrective action if consumption while disconnected is identified. This includes confirming whether the consumption is genuine and updating the ICP status and data stream dates if necessary.</p> <p>Simply Energy request that Wells stop manually reading meters once they become disconnected, but do not routinely ask the MEPs to stop reading AMI ICPs. I note that reads are often unable to be obtained by the MEP where the meter is disconnected.</p>





Non-compliance	Description		
<p>Audit Ref: 2.1</p> <p>With: Clause 11.2 &amp; 15.2</p> <p>From: 1-Jul-20</p> <p>To: 30-Apr-21</p>	<p>Some inaccurate data is recorded and was not updated as soon as practicable.</p> <p>Some submission data was inaccurate and was not corrected at the next available opportunity.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</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 recorded as weak because they have not been minimising risk to an acceptable level.</p> <p>The audit risk rating is assessed to be high based on the impact on submission accuracy and other participants.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/21	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such, and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>		30/9/21	

## 2.2. Provision of information (Clause 15.35)

### Code reference

Clause 15.35

### Code related audit information

*If an obligation exists to provide information in accordance with Part 15, a participant must deliver that information to the required person within the timeframe specified in the Code, or, in the absence of any*

*such timeframe, within any timeframe notified by the Authority. Such information must be delivered in the format determined from time to time by the Authority.*

#### **Audit observation**

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

#### **Audit commentary**

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

#### **Audit outcome**

Compliant

### **2.3. Data transmission (Clause 20 Schedule 15.2)**

#### **Code reference**

*Clause 20 Schedule 15.2*

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

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

#### **Audit observation**

##### **NHH**

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

Northpower periodically provides manual meter readings for their three substations which do not have AMI meters installed, because Simply Energy's other NHH meter readers cannot gain access to read the meters. Northpower's NHH data is emailed as a PDF file, and manually entered directly into Datahub. No readings have been received during the audit period, and these ICPs appear on the 12-month unread report.

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

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

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

##### **HHR**

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

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

### Audit commentary

#### NHH readings

All NHH read and AMI volume data is securely transferred.

Compliance for the data transmission process is confirmed for the sample of NHH and AMI readings checked. There were further examples of readings not being sent to MADRAS, as there were in the last audit. Non-compliance is recorded in **section 12.7** for the reads which were not transferred to MADRAS.

#### HHR readings

*SIMP* Compliance is with this clause is recorded in EMS' agent report.

*SELX* Compliance is with this clause is recorded in EMS' agent report.

*SELS* Compliance is confirmed for the sample of readings and volumes checked for SELS.

### Audit outcome

Compliant

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

### Code reference

*Clause 21 Schedule 15.2*

### Code related audit information

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

*The audit trail must include details of information:*

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

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

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

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

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

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

### Audit observation

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

### Audit commentary

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

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

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

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.

### 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 Simply Energy's current terms and conditions.

### Audit commentary

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

### Audit outcome

Compliant

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

### Code reference

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

### Code related audit information

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

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

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

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

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

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

#### **Audit observation**

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

#### **Audit commentary**

Simply Energy's contract with their customers includes consent to access for authorised parties for the duration of the contract. Where another party has difficulty arranging access to the metering installation, Simply Energy provides assistance by working with the customer to resolve the issue. There were no issues where access to metering could not be arranged.

#### **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:*

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

#### **Audit observation**

The SIMP, SELX and SELS registry list files as of 7 March 2021 were examined to confirm compliance. Loss compensation processes were discussed.

#### **Audit commentary**

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

## Audit outcome

Compliant

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

#### Code reference

Clause 11.15B

#### Code related audit information

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

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

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

#### Audit observation

I reviewed Simply Energy's current terms and conditions.

#### Audit commentary

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

## Audit outcome

Compliant

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

#### Code reference

Clause 10.32

#### Code related audit information

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

- *accept responsibility for their obligations in Parts 10, 11 and 15 for the point of connection; and*

- *have an arrangement with an MEP to provide one or more metering installations for the point of connection.*

#### Audit observation

The new connection 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**.

The new connection job template was viewed.

#### Audit commentary

Simply Energy obtains the customer and ICP information required to complete the new connection either directly from the customer, or from their white label customer who liaises with the end customer. 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. 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.

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

*SIMP* I checked 11 new connections for SIMP and found that responsibility had been accepted before initial electrical connection.

ICP 1001271955LC18B is at “ready” status with an initial electrical connection date populated. The network confirmed the ICP was not connected, and it has now been decommissioned.

*SELS* I checked ten new connections for SELS and found that responsibility had been accepted before initial electrical connection.

One ICP at “ready” status and two ICPs at “inactive - new connection in progress” status with an initial electrical connection date populated:

- ICP 0000018047EAC4F was a timing difference, and has been updated to active,
- ICP 0000015772EA3DA is part of an ICP split, and the volume is being reconciled against the existing ICP until the meter is certified, and
- ICP 0000017222EAD97 is part of an ICP split, and investigation is underway to determine the ICP it is split from and arrange for the meter to be certified; the status will be updated once this process is complete.

*SELX* There were no genuine new connections for SELX. All of the events which appeared to be initial status updates for new connections were actually replacement of the previous retailer’s status update to active after a backdated switch to SELX was processed, because the wrong trader code was applied initially.

I checked the AC020 reports to confirm whether all active ICPs which did not have unmetered load details recorded were metered.



<b>SIMP</b>	All active SIMP ICPs have metering or unmetered load details recorded. MEP nominations for new connections were accepted within 14 business days.
<b>SELS</b>	<p>Five active ICPs with metering category blank or 9 did not have unmetered load details recorded. All were timing differences, and the metering details were added to the registry, or the ICPs were decommissioned after the report was run.</p> <p>Two ICPs did not have their MEP nominations accepted within 14 business days. ICP 0000100013TC695 was invalidly included on the report, SELS did not issue any trader updates which changed the proposed MEP. 0000013601TC4D6 was claimed and had its MEP nominated late, due to inadequate monitoring of new connections. The late MEP nomination acceptance is recorded as non-compliance in <b>section 3.4</b>.</p>
<b>SELX</b>	All active SELX ICPs have metering or unmetered load details recorded. No new connections were completed.

#### 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, one 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

If a temporary electrical connection is required, Simply Energy will ensure that the ICP is claimed so that they are recorded as responsible for the ICP in the registry. No potential temporary electrical connections were identified.

#### Audit outcome

Compliant

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

### Code reference

Clause 10.33A(1)

### Code related audit information

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

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

### Audit observation

The new connection 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

#### Active ICPs without metering

I checked the AC020 reports to confirm whether all active ICPs which did not have unmetered load details recorded were metered.

**SIMP** All active SIMP ICPs have metering or unmetered load details recorded. MEP nominations for new connections were accepted within 14 business days.

**SELS** Five active ICPs with metering category blank or 9 did not have unmetered load details recorded. All were timing differences, and the metering details were added to the registry, or the ICPs were decommissioned after the report was run.

Two ICPs did not have their MEP nominations accepted within 14 business days. ICP 0000100013TC695 was invalidly included on the report, SELS did not issue any trader updates which changed the proposed MEP. 0000013601TC4D6 was claimed and had its MEP nominated late, due to inadequate monitoring of new connections. The late MEP nomination acceptance is recorded as non-compliance in **section 3.4**.

**SELX** All active SELX ICPs have metering or unmetered load details recorded. No new connections were completed.

#### 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.

**SIMP** Two new connections were not certified within five business days of the initial electrical connection according to the registry. ICPs 0110129102KP249 and 1002108485UN2B3 were examined and certification was confirmed to be genuinely late.

- SELS** Six new connections were not certified within five business days of the initial electrical connection according to the registry. Three were certified on the initial electrical connection date, but the registry was updated late by the MEP. The other three meter certification events were reversed by the MEP as part of a trader code change:
- the meter certification for 0000034229EA86E was genuinely late,
  - the reinstated certification date for 0000007013NZA0A is believed to be incorrect, and
  - the meter certification for 0110011967EL45F has not been reinstated.

**SELX** Two new connections were not certified within five business days of the initial electrical connection according to the registry. These were not genuine new connections by SELX, the original meter certification events were reversed by the MEP as part of a trader code change and reinstated from a different date. The reinstated dates for ICPs 1002107974LC89D and 1002107992LC3A8 are believed to be incorrect.

Non-compliance is recorded for the two SIMP ICPs and one SELS ICP confirmed to have genuinely late meter certification. I recommend the ICPs with changed or missing certification dates following reversal of the original MEP record are checked with the MEP.

Description	Recommendation	Audited party comment	Remedial action
Check meter certification dates	Check meter certification dates which changed after being reinstated or were not reinstated with the MEP:  0000007013NZA0A (SELS FCLM),  0110011967EL45F (SELS FCLM),  1002107974LC89D (SELX AMCI), and  1002107992LC3A8 (SELX AMCI).	Simply will review the two SELS ICPs and ensure that our internal records are accurate and that our process manages these situations - These are AMI sites.  The SELX ICPs when initially claimed under SIMP, the certification was checked and approved. When they were re-claimed under SELX we missed this step. We believe our existing processes for TOU sites are adequate.	Investigating

## 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.

**SIMP** ICP 0000144548TR8F3 was not certified within five business days of the reconnection date on 22 July 2020. The case for the reconnection recorded that a certificate of compliance was required for the meter board, but re-certification was not specifically requested from the MEP. The meter remains uncertified.

**SELS** There were no reconnections with expired meter certification found for SELS.

**SELX** There were no reconnections with expired meter certification found for SELX.

## Bridged meters

No bridging occurred during the audit period.

## Audit outcome

### Non-compliant

Non-compliance	Description		
<p>Audit Ref: 2.11</p> <p>With: Clause 10.33A</p> <p>From: 22-Jul-20</p> <p>To: 30-Apr-21</p>	<p><i>SIMP</i></p> <p>Two new connections were not certified within five business days of the initial electrical connection.</p> <p>One reconnection was not certified within five business days of the initial electrical connection.</p> <p><i>SELS</i></p> <p>One new connection was not certified within five business days of the initial electrical connection.</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		
<b>Low</b>	<p>Controls are rated as moderate as they will ensure compliance most of the time, but I note that the process to request meter certification or meter replacement for reconnections was not followed as expected in one instance.</p> <p>The audit risk is low as the volume of ICPs affected was small.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/21	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>		30/9/21	

## 2.12. Arrangements for line function services (Clause 11.16)

### Code reference

Clause 11.16

### Code related audit information

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

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

### Audit observation

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

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

### Audit commentary

Networks must be recorded in Salesforce before ICPs can be assigned to them. Simply Energy confirmed there are arrangements in place with all networks they currently trade on.

### Audit outcome

Compliant

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

### Code reference

Clause 10.36

### Code related audit information

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

### Audit observation

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

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

### Audit commentary

MEPs must be recorded in Salesforce before ICPs can be assigned to them. 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 Simply Energy, it is less likely that the switch was successfully completed at a later date. The ICPs were checked to determine compliance.

### Audit commentary

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.

<i>SIMP</i>	Three ICPs had a switch in date during the audit period, and were reconnected as part of the switching process. None of the affected switches were withdrawn.
<i>SELS</i>	22 ICPs had a switch in date during the audit period, and were reconnected as part of the switching process. None of the affected switches were withdrawn.
<i>SELX</i>	Three ICPs had a switch in date during the audit period, and were reconnected as part of the switching process. None of the affected switches were withdrawn.

### 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 which were no longer supplied by Simply Energy.

#### Audit commentary

Simply Energy checks that SIMP, SELS, or SELX is listed as the current trader in the registry before initiating a disconnection.

- |             |   |
|-------------|---|
| <i>SIMP</i> | 15 ICPs no longer supplied by Simply Energy were disconnected. The disconnections were completed prior to an NT being received. |
| <i>SELS</i> | Two ICPs no longer supplied by SELS were disconnected. The disconnections were completed prior to an NT being received.         |
| <i>SELX</i> | Three ICPs no longer supplied by SELX were disconnected. The disconnections were completed prior to an NT being received.       |

#### 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 un-bridge a load control switch – if the load control switch does not control a to me 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

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 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 confirmed to be 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.



### Audit commentary

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

### 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

The process to ensure that the ICP identifier is printed on every invoice or document relating to the sale of electricity was discussed, and an invoice was reviewed.

### Audit commentary

The invoices for all brands supplying ICPs under the SIMP, SELS or SELX codes 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. Simply Energy's website and a sample of customer communications were reviewed.

### Audit commentary

I checked whether clear and prominent information on Utilities Disputes is displayed on the website, invoices, in response to customer queries, and in terms and conditions, for all brands supplying ICPs under the SIMP, SELS or SELX codes.

The following exceptions were identified:

- Compass Communications does not include information on Utilities Disputes on its website or its invoices,
- Mainpower does not include information on Utilities Disputes on its website, and
- Simply Energy does not include information on Utilities Disputes when responding to customer queries but intends to resolve this.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.19 With: Clause 11.30A  From: 01-Apr-21 To: 28-May-21	Compass Communications does not include information on Utilities Disputes on its website or its invoices. Mainpower does not include information on Utilities Disputes on its website. Simply Energy does not include information on Utilities Disputes when responding to customer queries, but intends to resolve this. 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 all brands achieved partial compliance.		
Actions taken to resolve the issue		Completion date	Remedial action status
See Preventative Actions		N/a	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Information regarding Utilities Disputes will be added to the automated signature for any communication sent via Simply Energy email channels.  The various Retail brands supplied by Simply Energy have all been provided the information they require to be compliant and Simply Energy will ensure this information is provided on their primary communication channels, website and invoices.		30/6/2021	

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

#### Code reference

Clause 11.30B

#### Code related audit information

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

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

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

## Audit observation

The process to ensure that information on Powerswitch is provided to customers was discussed. Simply Energy's website and a sample of customer communications were reviewed.

## Audit commentary

Information on Powerswitch is required to be provided to the customer for any ICP with a residential ANZSIC code.

I checked whether information on Powerswitch is provided for all brands supplying ICPs with residential ANZSIC codes under the SIMP, SELS or SELX codes. The following exceptions were identified:

- Compass Communications does not include information on Powerswitch on its website, its invoices, or in outbound communications regarding price changes or billing, and
- Simply Energy does not include information on Powerswitch in outbound communications regarding pricing and service changes for customers with residential ANZSIC codes, but intends to resolve this.

All retailers intend to communicate to customers annually regarding Consumer Powerswitch.

## Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 2.20</p> <p>With: Clause 11.30B</p>      <p>From: 01-Apr-21</p> <p>To: 28-May-21</p>	<p>Compass Communications does not include information on Powerswitch on its website, its invoices, or in outbound communications regarding price changes or billing.</p> <p>Simply Energy does not include information on Powerswitch in outbound communications regarding pricing and service changes for customers with residential ANZSIC codes, but intends to resolve this.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</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	The controls are rated as weak as there is not a consistent approach. The audit risk rating is low because all brands achieved partial compliance.

Actions taken to resolve the issue	Completion date	Remedial action status
See Preventative Actions	N/a	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Information regarding Powerswitch will be added to the automated signature for any communication sent via Simply Energy email channels.</p> <p>The various Retail brands we manage have all been provided the information they require to be compliant and Simply Energy will ensure this information is provided on their primary communication channels, website and invoices.</p>	30/6/2021	

### 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

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

##### Audit outcome

Compliant

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

##### Code reference

Clause 11.7(2)

##### Code related audit information

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

### Audit observation

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

### Audit commentary

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

### Audit outcome

Compliant

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

### Code reference

*Clause 10 Schedule 11.1*

### Code related audit information

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

### Audit observation

The 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

#### Updates to active status

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

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SIMP	2015	13	92%	2.6
	2016	65	32%	30.27
	2017	29	59%	7
	2018	14	88%	4
	2019	7	68%	8
	2020	16	60%	14.75
	<b>2021</b>	-	<b>100%</b>	<b>0.50</b>
SELS	2020	1	75%	5.33

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
	<b>2021</b>	<b>3</b>	<b>88.89%</b>	<b>4.85</b>
SELX	2018	2	100%	4
	2019	14	88%	2
	2020	2	86.7%	12
	<b>2021</b>	<b>2</b>	<b>50.00%</b>	<b>89.50</b>

All five late updates were reviewed and found to be delayed by:

- backdated switches because Simply Energy could not update the status until the switch was complete (where a service order for reconnection is raised during the switching process, job completion paperwork may be received before the switch completes and when this occurs Simply Energy raises a future dated case in Salesforce as a reminder to process the reconnection once the switch is complete - in some cases these dates were pushed forward by over one week, causing late updates), and
- late receipt of paperwork confirming reconnection, and delays in processing the paperwork once it was received.

The active status updates were processed effective from the correct event date apart from SELS ICP 0000013012KP27B (active from 1 October 2020). The ICP was reconnected on switch in on 1 October 2020, but a job for reconnection and relocation was not raised until 16 October 2020. Job completion paperwork has not been received, and the MEP has re-certified the meter from 20 November 2020. No readings were received until the meter was relocated, and consumption was estimated to be zero. Non-compliance is recorded in **sections 2.1** and **3.8**, because it appears unlikely that the reconnection date is correct since the reconnection was not requested until after this date.

Description	Recommendation	Audited party comment	Remedial action
Check status events for 0000013012KP27B (active from 01/10/20)	Follow up the reconnection and relocation paperwork for ICP 0000013012KP27B to confirm the correct active and inactive status dates and update Salesforce and the Registry as needed.	We will follow up with the MEP in question to locate the paperwork and adjust records where necessary.	Investigating

### Updates to inactive status

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

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SIMP	2019	67	52.7%	9.57
	2020	36	68.14%	29.84
	<b>2021</b>	<b>46</b>	<b>48.31%</b>	<b>10.06</b>
SELS	2019	-	-	-
	2020	1	0%	51
	<b>2021</b>	<b>9</b>	<b>75.00%</b>	<b>7.56</b>
SELX	2019	21	16%	34
	2020	2	86.67%	12
	<b>2021</b>	<b>2</b>	<b>50.00%</b>	<b>77.5</b>

An extreme case sample of the three latest or all late updates per status reason code were reviewed and I found the late updates were caused by:

- late receipt of paperwork confirming the disconnection, and/or delays in processing the paperwork once it was received,
- processing an unnecessary update to 1,12 (inactive - new connection in progress) status, where an ICP was updated after the active event date and could have been updated directly to “active” status,
- corrections where the ICP was claimed from an earlier active date in error, and a backdated update to 1,12 (inactive - new connection in progress) status was required to remove the period between the original update and correct active status date.

The inactive status updates were processed with the correct status and event date apart from:

- 10 SIMP ICPs which had incorrect event dates or status reason codes,
- one SELS ICP which had an incorrect event date, and
- one SELX ICP which had an incorrect event date.

The incorrect information is recorded as non-compliance in **sections 2.1** and **3.9**.



### Trader updates

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

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SIMP	2020	141	91.03%	2.47
	<b>2021</b>	<b>18</b>	<b>72.73%</b>	<b>7.23</b>
SELS	2020	1	90.00%	2
	<b>2021</b>	<b>15</b>	<b>67.39%</b>	<b>6.30</b>
SELX	2020	4	96.26%	2.28
	<b>2021</b>	<b>1</b>	<b>83.33%</b>	<b>1.17</b>

An extreme case sample of the five latest or all late updates were reviewed for each participant code to determine why they were late:

- eight were corrections to either the settlement flag or the profile,
- two were caused by delays in processing meter changes, and
- one was a backdated switch.

The trader updates contained the correct attributes and effective dates apart from the MEP nomination for SELS ICP 0000025484EA06D, which should have been effective 22 July 2020 when the case for meter change was raised instead of 23 June 2020. The inaccurate event date is recorded as non-compliance in **section 2.1**.

### ANZSIC code updates

The code requires the trader to update the ANZSIC code within 20 business days of trading at the ICP commencing. The audit compliance report was examined and found:

Code	Review period end	Number of ANZSIC code updates made more than 20 business days after trading commenced
SIMP	2020	14
	<b>2021</b>	<b>57</b>
SELS	2020	1
	<b>2021</b>	<b>10</b>
SELX	2020	2
	<b>2021</b>	<b>18</b>

An extreme case sample of the five latest or all late updates were reviewed for each participant code to determine why they were late. I found that all the updates coincided with backdated new connections, or profile and/or submission type corrections. The profile and submission type corrections appeared to be initial ANZSIC code updates because they replaced earlier records.

## Audit outcome

### Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.3</p> <p>With: Clause 10 Schedule 11.1</p> <p>From: 12-Oct-20 To: 24-Feb-21</p>	<p><i>SIMP</i></p> <ul style="list-style-type: none"> <li>• 46 late updates to inactive status.</li> <li>• 18 late trader updates.</li> <li>• 57 late ANZSIC code updates, at least three of which were not genuine and related to correction of other attributes.</li> </ul> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>• Three late updates to active status for reconnections.</li> <li>• Nine late updates to inactive status.</li> <li>• 15 late trader updates.</li> <li>• Ten late ANZSIC code update, at least three of which were not genuine and related to correction of other attributes.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>• Two late updates to active status for reconnections.</li> <li>• Two late updates to inactive status.</li> <li>• One late trader update.</li> <li>• 18 late ANZSIC code updates, at least five of which were not genuine and related to correction of other attributes.</li> </ul> <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		
<b>Low</b>	<p>The controls are rated as moderate, the processes are manual and as volume increases the risk of errors being made increases.</p> <p>The audit risk rating is assessed to be low as the overall volume of backdated events was small.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>	30/9/2021	
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### 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

##### **Retailers responsibility to nominate and record the MEP in the registry**

Simply Energy has 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.

**SIMP** All active SIMP ICPs have metering or unmetered load details recorded. All active metered ICPs have an MEP recorded.

All 185 MEP nominations identified on the event detail report were accepted. All MEP nominations for new connections were accepted within 14 business days.

**SELS** Five active ICPs with metering category blank or 9 did not have unmetered load details recorded. All were timing differences, and the metering details were added to the registry, or the ICPs were decommissioned after the report was run.

All 154 MEP nominations identified on the event detail report were accepted.

Two ICPs did not have their MEP nominations accepted within 14 business days. ICP 0000100013TC695 was invalidly included on the report, SELS did not issue any trader updates which changed the proposed MEP. 0000013601TC4D6 was claimed and had its MEP nominated late, due to inadequate monitoring of new connections. The late MEP nomination acceptance is recorded as non-compliance below.

**SELX** All active SELX ICPs have metering or unmetered load details recorded. All active metered ICPs have an MEP recorded.

All 30 MEP nominations identified on the event detail report were accepted.

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	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 the material change process for unmetered load (Contact Audit), a review will be completed to ensure volumes in our systems match the unmetered values in the registry - both retailer and distributor.	Investigating

### ICP decommissioning

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

**SIMP** A sample of five decommissioned ICPs were checked. Final readings were obtained and the MEP was notified.

The previous audit recorded that ICP 1002064408LCF02 should have been recorded as decommissioned - set up in error. I confirmed that the ICP was temporarily active before it was decommissioned and the current status is correct.

ICP 0000006003CB3C1 was created in 2012 by TENCO with SIMP as the proposed trader and was electrically connected from 28 December 2012. The ICP was not claimed by Simply

Energy. No meter installation or connection paperwork was received, and the building owner did not confirm that the ICP was required. The ICP was moved to “decommissioned - set up in error” status on 27 August 2015. In 2020 a tenant moved in and wanted to be supplied by Nova. A new ICP 0000006023CBE94 was created and claimed by SELS from 21 January 2021, and then switched to TODD the following day. There was no active ICP for this point of connection from 28 December 2012 until 20 January 01/2021, and the load (if any) during this period is unknown.

**SELS** A sample of five decommissioned ICPs were checked. Final readings were obtained and the MEP was notified.

**SELX** One ICP was decommissioned. A final reading was obtained and the MEP was notified.

### Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.4</p> <p>With: Clause 11.18</p> <p>From: 14-Jan-21</p> <p>To: 10-Mar-21</p>	<p><i>SIMP</i></p> <p>There was no active ICP for the point of connection at Kiosk 1, 180 Lambton Quay between 28/12/12 and 20/01/21.</p> <p><i>SELS</i></p> <p>The MEP nomination for 0000013601TC4D6 was not accepted within 14 business days of the event date.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are currently rated as weak because regular monitoring of new connections and ICPs at new and ready status is not occurring.</p> <p>The impact of the late MEP nomination is low because the MEP nomination was accepted by the MEP.</p> <p>The impact of having no active ICP at Kiosk 1, 180 Lambton Quay between 28/12/12 and 20/01/21 is unknown.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The ICP at Kiosk 1, 180 Lambton Quay was energised by the Network without Simply Energy being advised. Upon being advised that the site was energised and a client wanted to sign in, Simply Energy made the site Active and held this for one day before ICP switched to Nova.</p> <p>The increase of additional resource in the Operations Team should mitigate these timeliness issues in future.</p>		30/6/2021	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>	30/9/2021	

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

#### Code reference

Clause 9 Schedule 11.1

#### Code related audit information

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

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

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

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

#### Audit observation

The new connection 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

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

#### Timeliness of status updates

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

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SIMP	2015	26	75%	6.9
	2016	22	41%	30.8
	2017	25	83%	5
	2018	21	86%	4
	2019	46	73%	5
	2020	90	74.06%	4.91
	<b>2021</b>	<b>40</b>	<b>64.60%</b>	<b>18.43</b>
SELS	2020	2	33.33%	16.67
	<b>2021</b>	<b>27</b>	<b>65.38%</b>	<b>9.55</b>
SELX	2017	-	100%	-
	2018	1	50%	9
	2019	1	50%	7.5
	2020	5	54.55%	15.45
	<b>2021</b>	<b>18</b>	<b>0.00%</b>	<b>40.50</b>

The late updates were examined:

*SIMP*

Eight late updates were made more than 30 business days after the event date, and the latest update was 571 business days after the event date. I checked an extreme case sample of the ten latest updates and three late updates over six business days to determine why they were late and found:

- for two ICPs a backdated decommissioning process resulted in their initial status update to active being reversed, and a correction was processed to reinstate the record,
- for six ICPs late notification to claim the ICP was provided by TENCO - the ICPs were claimed and moved to active status the day after notification was provided, and
- five status updates were delayed by late paperwork confirming the correct active date; for four ICPs there was a further delay in processing the paperwork once it was received.

The updates were completed with the correct status and event date.

*SELS*

Six late updates were made more than 30 business days after the event date, and the latest update was 92 business days after the event date. I checked and extreme case

sample of the ten latest updates and four late updates over 13 business days to determine why they were late and found:

- five had an incorrect trader code assigned, and the status update was completed once the network event was reversed and the correct trader was selected,
- eight were delayed by late paperwork confirming the correct active date, and then further delays before the paperwork was processed, and
- one late update was caused by a backdated ICP de-amalgamation for Electricity Ashburton.

The updates were completed with the correct status and event date.

*SELX* There were no genuine new connections. The late updates appeared to be a new connection because a backdated switch to SELX was completed, and SELX replaced the previous trader's initial update to active.

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

### **Accuracy of status updates**

The AC020 report was examined for each code:

*SIMP* There was one ICP at ready status with an initial electrical connection date populated. The network confirmed the ICP was not connected, and it has now been decommissioned.

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 67 ICPs with date discrepancies:

Exception type	Quantity	Commentary
Active date = initial electrical connection date and active date ≠ meter certification date	7	A sample of three ICPs were checked. ICP 0000003106TCEFF has a status date of 03/09/20 but should have 01/09/20.
Active date ≠ initial electrical connection date and active date = meter certification date	2	Both ICPs were checked. ICP 0000034114EA3CE has a status date of 30/06/20 but should have 29/06/20.
Active status with no initial electrical connection date or meter cert date	8	A sample of three ICPs were checked. All three had incorrect status dates recorded on the registry, which were corrected during the audit.
IECD and meter cert date do not match the active date	19	A sample of three ICPs were checked. ICP 0000572059NR221 has a status date of 25/09/20 but should have 21/09/20.
No initial electrical connection date and active date = meter certification date	31	A sample of three ICPs were checked, and had the correct active status date.

*SELS* There was one ICP at ready status and two ICPs at inactive new connection in progress status with an initial electrical connection date populated:



- ICP 0000018047EAC4F was a timing difference, and has been updated to active status,
- ICP 0000015772EA3DA is part of an ICP split, and the volume is being reconciled against the existing ICP until the meter is certified, and
- ICP 0000017222EAD97 is part of an ICP split, and investigation is underway to determine the ICP it is split from and arrange for the meter to be certified; the status will be updated once this process is complete.

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 73 ICPs with date discrepancies:

Exception type	Quantity	Commentary
Active date = initial electrical connection date and active date $\neq$ meter certification date	19	A sample of three ICPs were checked, and had the correct active status date.
Active status with no initial electrical connection date or meter cert date	7	A sample of three ICPs were checked, and had the correct active status date.
IECD and meter cert date do not match the active date	3	A sample of three ICPs were checked. Two had incorrect status dates which were corrected during the audit.
No initial electrical connection date and active date = meter certification date	43	A sample of three ICPs were checked, and had the correct active status date.
No meter certification date and active date = initial electrical connection date	1	The ICP had an incorrect status date which was corrected during the audit.

#### SELX

There were no genuine new connections. All ICPs which appeared to be new connections were caused by backdated switches to SELX, where SELX replaced the previous trader's initial update to active. All ICPs with initial electrical dates populated had been made active.

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 14 ICPs with date discrepancies:

Exception type	Quantity	Commentary
Active status with no initial electrical connection date or meter cert date	2	Both ICPs were checked, and had the correct active status date.
No initial electrical connection date and active date = meter certification date	11	A sample of three ICPs were checked, and had the correct active status date.
No initial electrical connection date and active date $\neq$ meter certification date	1	The ICP had the correct active status date.

I re-checked ICP 0000034019EA591 which had an active date discrepancy during the previous audit. The correct active date was 2 December 2019, but the paperwork receipt date of 9 December 2019 was applied. A correction has not been processed because revision 14 has already been completed.

#### MEP nominations

MEP nominations are normally made when new ICPs are claimed at “inactive - new connection progress” status. Where the update to “inactive - new connection progress” status is made after the ICP is initially electrically connected, the MEP nomination will also be late. Some late updates to “inactive - new connection progress” and late MEP nominations are recorded as non-compliance in **section 3.3**.

#### ANZSIC code updates

The code requires the trader to update the ANZSIC code within 20 business days of trading at the ICP commencing. The audit compliance report was examined and found:

Code	Review period end	Number of ANZSIC code updates made more than 20 business days after trading commenced
SIMP	2020	14
	<b>2021</b>	<b>57</b>
SELS	2020	1
	<b>2021</b>	<b>10</b>
SELX	2020	2
	<b>2021</b>	<b>18</b>

An extreme case sample of the five latest or all late updates were reviewed for each participant code to determine why they were late. I found that all the updates coincided with backdated new connections, or profile and/or submission type corrections. The profile and submission type corrections appeared to be initial ANZSIC code updates because they replaced earlier records.

#### **Audit outcome**

Non-compliant

Non-compliance	Description
Audit Ref: 3.5 With: Clause 9 Schedule 11.1	<p><i>SIMP</i></p> <ul style="list-style-type: none"> <li>40 late updates for new connections.</li> <li>ICP 0000003106TCEFF has a status date of 03/09/20 but should have 01/09/20.</li> <li>ICP 0000034114EA3CE has a status date of 30/06/20 but should have 29/06/20.</li> <li>ICP 0000572059NR221 has a status date of 25/09/20 but should have 21/09/20.</li> <li>A further three ICPs had incorrect active dates and were corrected during the audit.</li> </ul>

From: 06-Aug-20 To: 03-Mar-21	<p>SELS</p> <ul style="list-style-type: none"><li>27 late updates for new connections.</li><li>Three ICPs had incorrect active dates and were corrected during the audit.</li></ul> <p>SELX</p> <ul style="list-style-type: none"><li>18 late updates for new connections, which were switched to SELX and had the initial status update re-processed.</li></ul> <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, the processes are manual and as volume increases the risk of errors being made increases.</p> <p>The audit risk rating is low as the bulk of new connection updates are being made within five business days and the volume of incorrect active statuses/dates was small.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.		30/9/2021	
This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.			

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

#### Code reference

*Clause 9 (1(k) of Schedule 11.1*

#### Code related audit information

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

## Audit observation

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

## Audit commentary

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

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

No ICPs with metering category two or higher have domestic ANZISC codes.

ANZISC codes for a diverse sample of 25 ICPs were checked, and 23 were confirmed to be correct. ICPs 0230120004PN3EE (H451 Cafes Restaurants and Takeaway Food Services) and 0230120006PN36B (H451100 Cafes and Restaurants) are vacant sites and should be recorded with L671200 Non-Residential Property Operators.

**SELS** No ICPs have blank or T99 series ANZISC codes.

Apartment building ICP 0000508585CEF21 has meter category 3 with a 000000 residential ANZISC code, but should be recorded as L671100 Residential Property Operators. No ICPs with metering category two have domestic ANZISC codes.

ANZISC codes for a diverse sample of 25 ICPs were checked.

- 23 ANZISC codes were confirmed to be correct,
- ICP 0000010082TC9BA which was recorded as a department store but should be recorded as H451 Cafes Restaurants and Takeaway Food Services, and
- the ANZISC code for ICP 0000001151KPEBB was incorrect and was corrected during the audit.

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

No ICPs with metering category two or higher have domestic ANZISC codes.

ANZISC codes for a diverse sample of 15 ICPs were checked and found to be correct.

## Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6  With: Clause 9 (1(k)) of Schedule 11.1    From: 26-Jan-21  To: 28-May-21	<i>SIMP</i>  Two ICPs have incorrect ANZSIC codes assigned.  <i>SELS</i>  Three ICPs had incorrect ANZSIC codes assigned. One was corrected during the audit.  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	Controls are rated as strong, because they are sufficient to ensure that most ANZSIC codes are recorded correctly.  The audit risk rating is low because there is no impact on settlement outcomes and a low impact on the Electricity Authority’s reporting accuracy.		
Actions taken to resolve the issue		Completion date	Remedial action status
All ICPs noted during the audit have now been resolved.		10/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
ANZSIC code will become a required field during ICP sign up and will become part of our customer conversations during RFP processes		31/1/2022	

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

#### Code reference

*Clause 9(1)(f) of Schedule 11.1*

#### Code related audit information

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

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

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

#### Audit observation

The processes to manage unmetered load were examined.

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

- unmetered load is identified by the distributor, but none is recorded by Simply Energy; and

- Simply Energy's unmetered load figure does not match with the Distributor's figure where it was possible to calculate this if the Distributor is using the recommended format and the variance is greater than 1.0 kWh 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

Simply Energy record 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 with new unmetered ICPs switching in to the CTCS participant code (which is outside the scope of this audit), and the reads have not been consistently 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.

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.

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.

**SIMP** SIMP supplies 28 active ICPs with unmetered load recorded.

Three SB ICPs with the unmetered flag set to yes have zero daily unmetered kWh correctly recorded. All other unmetered load ICPs have a non-zero daily unmetered kWh.

All ICPs with unmetered load recorded by the distributor have trader unmetered load recorded.

The AC020 report recorded one ICP with a difference between the trader and distributor unmetered load. The report had mis-calculated a difference because the distributor load in kW had been treated as W. My recalculation found that the trader and distributor unmetered load matched exactly.

There were no unmetered builders temporary supplies recorded on the registry list.

**SELS** SELS supplies three active ICPs with unmetered load recorded. All unmetered load ICPs have a non-zero daily unmetered kWh.

All ICPs with unmetered load recorded by the distributor have trader unmetered load recorded. The AC020 report did not record any differences between the trader and distributor unmetered load of more than  $\pm 0.1$  kWh.

There were no unmetered builders temporary supplies recorded on the registry list.

**SELX** SELX supplies five SB ICPs, which correctly have unmetered kWh of zero recorded. No SELX ICPs have distributor unmetered load details recorded. There were no unmetered builders temporary supplies recorded on the registry list.

### Audit outcome

Compliant

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

#### Code reference

Clause 17 Schedule 11.1

#### Code related audit information

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

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

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

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

#### Audit observation

The new connection 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

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. Salesforce will not allow an ICP to become “active” without either a meter or a dummy meter (for unmetered load).

I checked the accuracy of status updates to “active”, and whether there was more than one customer per ICP for each code:

**SIMP** There is one customer per ICP for SIMP.

As discussed in **section 2.9**, ICP 1001271955LC18B is at “ready” status with an initial electrical connection date populated. The network confirmed the ICP was not connected, and it has now been decommissioned.

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

The accuracy of new connection status updates was assessed in **section 3.5**, and the following exceptions were identified:

- ICP 0000003106TCEFF has a status date of 3 September 2020 but should have 1 September 2020,

- ICP 0000034114EA3CE has a status date of 30 June 2020 but should have 29 June 2020,
- ICP 0000572059NR221 has a status date of 25 September 2020 but should have 21 September 2020, and
- a further three ICPs had incorrect active dates and were corrected during the audit.

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

As discussed in **section 3.4**, ICP 0000006003CB3C1 was connected on 28 December 2012 but was not claimed by Simply Energy. No meter installation or connection paperwork was received, and the building owner did not confirm that the ICP was required. The ICP was moved to “decommissioned set up in error” status on 27 August 2015. A new ICP 0000006023CBE94 was created and claimed by SELS from 21 January 2021, and then switched to TODD the following day. There was no active ICP for this point of connection from 28 December 2012 until 20 January 2021, and the load (if any) during this period is unknown.

**SELS** Six SELS ICPs have more than one customer.

- 0003133498AA34C has 18 metering installations attached for airline gates. The customer (airline) for each gate varies according to the airport’s flight schedule. The airport provides gate usage dates and times which are matched to the meter data so that the appropriate customer can be billed.
- 9999999992CL9B0 has three metering installations attached for airline gates. The airport provides arrival and departure dates, times, and gates, which are matched to the meter data so that the appropriate customer can be billed.
- 0104090016TC089, 0104090017TCCCC, 0104090018TC312 and 0104090021TCABB have air conditioning connected, and are shared by three customers. SELS splits the charges for these ICPs between the three customers.

One ICP is at “ready” status and two ICPs at “inactive - new connection in progress” status with an initial electrical connection date populated:

- ICP 0000018047EAC4F was a timing difference, and has been updated to “active” status,
- ICP 0000015772EA3DA is part of an ICP split, and the volume is being reconciled against the existing ICP until the meter is certified, and
- ICP 0000017222EAD97 is part of an ICP split, and investigation is underway to determine the ICP it is split from and arrange for the meter to be certified; the status will be updated once this process is complete.

Two SELS ICPs have been at “inactive - new connection in progress” status for more than two years. Both were timing differences and have since been updated to “active” status.

The accuracy of new connection status updates was assessed in **section 3.5**. Two ICPs had incorrect active dates and were corrected during the audit.

A sample of three reconnection updates were checked for accuracy. The updates were processed effective from the correct event date apart from SELS ICP 0000013012KP27B (active from 1 October 2020). The ICP was reconnected on switch in on 1 October 2020, but a job for reconnection and relocation was not raised until 16 October 2020. Job completion paperwork has not been received, and the MEP has re-certified the meter from 20 November 2020. No readings were received until the meter was relocated, and consumption was estimated to be zero. Non-compliance is recorded because it appears



unlikely that the reconnection date is correct since the reconnection was not requested until after this date.

**SELX** There is one customer per ICP for SELX.

There were no genuine new connections for SELX. All of the events which appeared to be initial status updates for new connections were actually replacement of the previous retailer's status update to active after a backdated switch to SELX was processed, because the wrong trader code was applied initially.

No ICPs are currently at inactive new connection in progress status.

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

I re-checked ICP 0000034019EA591 which had an active date discrepancy during the previous audit. The correct active date was 2 December 2019, but the paperwork receipt date of 9 December 2019 was applied. A correction has not been processed because revision 14 has already been completed.

## Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 3.8</p> <p>With: Clause 17 Schedule 11.1</p> <p>From: 01-Oct-20</p> <p>To: 30-Apr-21</p>	<p><i>SIMP</i></p> <ul style="list-style-type: none"> <li>ICP 0000003106TCEFF has a status date of 03/09/20 but should have 01/09/20.</li> <li>ICP 0000034114EA3CE has a status date of 30/06/20 but should have 29/06/20.</li> <li>ICP 0000572059NR221 has a status date of 25/09/20 but should have 21/09/20.</li> <li>A further three ICPs had incorrect active dates and were corrected during the audit.</li> <li>There was no active ICP for the point of connection at Kiosk 1, 180 Lambton Quay between 28/12/12 and 20/01/21.</li> </ul> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>Six SELS ICPs have more than one active customer.</li> <li>Two ICPs had incorrect active dates and were corrected during the audit.</li> <li>ICP 0000013012KP27B (active from 01/10/20) was not updated effective from the correct status date.</li> </ul> <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

<b>Low</b>	<p>The controls are rated as moderate, the processes are manual and as volume increases the risk of errors being made increases. Regular monitoring of new connections and ICPs at new and ready status is not occurring.</p> <p>The audit risk rating is low as the volume of ICPs with incorrect active statuses/dates is small.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Following the audit a Project will be created to resolve all historical issues that are resolvable. This is related to the 4x ICPs with wrong statuses still.</p> <p>The ICPs with multiple customers will be reviewed and resolved if possible.</p>		30/11/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>		30/9/2021	

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

#### Code reference

Clause 19 Schedule 11.1

#### Code related audit information

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

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

#### Audit observation

The disconnection process was examined using the AC020 and event detail reports. The timeliness of data for disconnections is assessed in **section 3.3**, and a sample of updates were checked for accuracy.

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

#### Audit commentary

##### 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.

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

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

Review of a sample of 19 updates to “inactive” confirmed that the correct statuses and dates were applied apart from:

ICP	Date	Applied date / status value	Correct date/ status value
0000555298NRE21	09/02/2021	09/02/2021	10/02/2021
0000536808NRB74	09/02/2021	09/02/2021	10/02/2021
0000519025NR9DA	09/02/2021	09/02/2021	10/02/2021
0230120018PNA5D	15/10/2020	1,5	1,12
0230120017PN583	15/10/2020	1,5	1,12
0230120016PN9C6	15/10/2020	1,5	1,12
0230120015PN506	15/10/2020	1,5	1,12
0230120014PN943	15/10/2020	1,5	1,12
1000591469PC6D8	14/09/2020	1,4	1,12
0005211398ALD99	14/12/2020	14/12/2020	15/12/20

*SELS* No ICPs which did not have the AMI flag set to yes were recorded as remote disconnections.

Two SELS ICPs have been at “inactive - new connection in progress” status for more than two years. Both were timing differences and have since been updated to “active” status.

Review of a sample of ten updates to inactive confirmed that the correct statuses and dates were applied apart from:

ICP	Date	Applied date / status value	Correct date/ status value
0000013075KP041	23/10/2020	23/10/2020	24/10/2020

*SELX* No ICPs which did not have the AMI flag set to yes were recorded as remote disconnections.

No ICPs are at “inactive - new connection in progress” status.

Review of a sample of four updates to inactive confirmed that the correct statuses and dates were applied apart from:

ICP	Date	Applied date / status value	Correct date/ status value
0048140600PCA85	09/11/2020	09/11/2020	10/11/2020

#### ICPs with inactive consumption

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	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 our 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

No inactive ICPs with consumption were identified during the audit period for SIMP, SELS or SELX.

#### **Audit outcome**

Non-compliant



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

#### Code reference

Clause 15 Schedule 11.1

#### Code related audit information

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

#### Audit observation

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

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

#### Audit commentary

New connections 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 27/04/21 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 date populated and inactive new connection in progress status	<p>A report is run from the registry approximately every six months. Simply Energy plans to complete this monthly in the future. This report was previously monitored at least twice each month to identify ICPs which may have become active without having their status updated.</p>

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	A Registry List (type P) with proposed trader = SIMP, SELS and SELX 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.	A new process will be created to run daily LIS files requesting ICPs at New and Ready status, and these will then be monitored in Sales Force on a Dashboard by the Operations Team within the Trader Audit Compliance area.	Investigating

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

ICPs at “new” or “ready” status were reviewed:

**SIMP** Analysis of the registry list found 80 ICPs at the “new” and “ready” statuses for two years or more. A sample of 49 ICPs were examined and found:

- no request/application was received for one ICP,
- one ICP has been decommissioned because it was set up in error, and
- for 47 ICPs a request for connection was received but did not proceed, and the ICPs were not livened.

**SELS** ICP 0000017222EAD97 has been at “ready” status for more than two years. It is part of an ICP split, and investigation is underway to determine the ICP it is split from and arrange for the meter to be certified. The status will be updated once this process is complete.

**SELX** No ICPs at “new” or “ready” status were identified.

Description	Recommendation	Audited party comment	Remedial action
ICPs for potential decommissioning	<b>SIMP</b> Check the 47 ICPs where new connections did not proceed which remain at new or ready status, to determine whether they should be decommissioned. <sup>2</sup>	A new process will be created to run daily LIS files requesting ICPs at New and Ready status, and these will then be monitored in Sales Force on a Dashboard by the Operations Team within the Trader Audit Compliance area.  These issues will be reviewed once new process created.	Investigating

<sup>2</sup> 0001410003TCFB3, 0000007059TC6AD, 0000007065TC24B, 0000007072TC52C, 0000007081TC9FB, 0000007082TC53B, 0000007096TCE9C, 0000007119TC0D0, 0000007122TC420, 0000007123TC865, 0000007124TC5AF, 0000007127TC96F, 0000008129TC394, 0240000002PN271, 0240000008PN0E0, 0240000009PNCA5, 0240000010PN859, 0240000011PN41C, 0240000012PN8DC, 0240000013PN499, 0240000014PN953, 0240000015PN516, 0240000016PN9D6, 0240000017PN593, 0240000018PNA4D, 0240000019PN608, 0240000020PNFA1, 0240000021PN3E4, 0240000022PNF24, 0240000023PN361, 0240000024PNEAB, 0240000025PN2EE, 0240000026PNE2E, 0240000027PN26B, 0240000028PNDB5, 0240000029PN1F0, 0240000030PN50C, 0240000031PN949, 0240000032PN589, 0240000033PN9CC, and

## Audit outcome

Compliant

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0240000034PN406, 0240000035PN843, 0240000036PN483, 0240000037PN8C6, 0240000038PN718,  
0240000039PNB5D, and 0240000040PN051



## 4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

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

#### Code reference

*Clause 2 Schedule 11.3*

#### Code related audit information

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

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

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

#### Audit observation

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

#### Audit commentary

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

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, Simply Energy loads the batch of ICPs directly into Salesforce and arranged for Emersion to load the ICPs over the next two to three days. This prevents 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, unless a specific transfer date is required. In those cases, transfer switches may be requested as switch moves.

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

I checked the metering category for the 480 transfer switch ICPs where this information was available on the registry list or PR255 report, and found none had metering categories of three or above.

**SELS** Four of the five NT files checked were sent within two business days of pre-conditions being cleared. The NT file for 0000030931EA559 (event date 1 January 2021) was sent 12 business days after pre-conditions were cleared. All of the NTs checked had the correct switch type selected.

I checked the metering category for the 193 transfer switch ICPs where this information was available on the registry list or PR255 report, and found none had metering categories of three or above.

**SELX** 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 79 transfer switch ICPs where this information was available on the registry list or PR255 report, and found none had metering categories of three or above.

### Audit outcome

#### Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 2 of Schedule 11.3  From: 14-Dec-20 To: 05-Jan-21	<b>SELS</b> One NT file was issued more than two business days after pre-conditions were cleared.  Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as strong, because 1/15 files checked was sent late, and the late update occurred during a period of reduced staffing over the Christmas to New Year period.  The impact is low because the file was issued within one business day of the proposed event date.		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>	30/9/2021	
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#### 4.2. Losing trader response to switch request and event dates - standard switch (Clauses 3 and 4 Schedule 11.3)

##### Code reference

*Clauses 3 and 4 Schedule 11.3*

##### Code related audit information

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

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

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

##### Audit observation

The event detail report was reviewed to:

- identify AN files issued by Simply Energy 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

##### AN content

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

The process to determine AN codes is automated. The 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).

Description	Recommendation	Audited party comment	Remedial action
AN response code hierarchy	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.	<p>Simply Energy will work to improve our Operational workflows in the following areas. If we receive a switch loss with a MI code a new process workflow will be triggered which requires our Operations Team to collaborate with our Customer Facing Team to confirm that the ICP is vacant. If not then use OC for occupied premises.</p> <p>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> <p>If not within these two categories it falls to our default process.</p>	Investigating

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.

The accuracy of AN content was checked for each participant code and AN response code:

**SIMP** Ten transfer AN files were issued, nine of the ICPs had the AMI metering flag set to yes and were correctly issued with the AD (advanced metering) response code. ICP 0000131019WAA96 (event date 24 January 2021) had the AA (acknowledge and accept) response code correctly applied.

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

- nine (90%) had a proposed event date within five business days of the NT receipt date, and
- all had proposed event dates within ten business days of the NT receipt date.

**SELS** Ten transfer AN files were issued, all of the ICPs had the AMI metering flag set to yes and were correctly issued with the AD (advanced metering) response code.

The event detail report was reviewed for all ten transfer ANs to assess compliance with the setting of event dates requirements. All had a proposed event date within five business days of the NT receipt date.

**SELX** 27 transfer AN files were issued. 24 of the ICPs had the AMI metering flag set to yes and were correctly issued with the AD (advanced metering) response code. The other three ICPs correctly had the AA (acknowledge and accept) response code applied.

The event detail report was reviewed for all 27 transfer ANs to assess compliance with the setting of event dates requirements:

- 25 (92.5%) had a proposed event date within five business days of the NT receipt date, and
- all had proposed event dates within ten business days of the NT receipt date.

### **AN timeliness**

The timeliness of AN files is monitored using the switch breach report. The switch breach report did not record any late transfer AN files for SIMP, SELS or SELX.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 5 Schedule 11.3*

### **Code related audit information**

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

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

### **Audit observation**

The event detail report was reviewed to identify CS files issued by Simply Energy 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**

#### **CS timeliness**

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

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

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

*SELX* The switch breach report recorded four breaches for transfer switches:

- three E2 breaches where the CS actual transfer date is more than ten business days after receipt of the NT; none of the breaches were valid, and the CS files were issued within ten business days of receipt of the NT, and
- one T2 breach where the CS arrival date is more than three business days after the receipt of the NT, and no AN or NW is issued; there was a delay in identifying and processing the late file during a busy period.

### **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 from Datahub.

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>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>	<p>Automation of the Switch Loss process will be investigated: We will look to introduce an automated workflow generated off the back of the switch loss record received from Registry. We 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.</p> <p>Further automation will be introduced to automatically generate the correct average daily kWh based on the last two actual reads in accordance with the code.</p>	Investigating

The content of CS files was checked for each code:

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

Average daily kWh	Count of transfer CS files	Comment
Negative	-	
Zero	7	A sample of five were checked, and confirmed to be correct.
More than 200 kWh	3	All three were checked and found to be incorrect. The differences were between +134 and +268 kWh.

Three CS files had an estimated switch event read, but the last actual read date was the last day of supply.

- 0001334102WAEAA (event date 27 October 2020) had an incorrect last actual read date, which should have been 26 October 2020 not 26 October 2019.
- 0000010108TE759 (event date 19 February 2021) had an incorrect event read. The read was recorded as 380 (actual) but should have been 396 (actual). An RR was later issued and accepted for 396.
- 0000155306WA83E (event date 28 February 2021) had an incorrect event read and read type. The reads were recorded as r1 24493 (actual) and r2 20335 (actual). The reads related to the actual readings on 25 February 2021 and estimates of consumption up to 27 February 2021 should have been provided.

Three CS files had an actual switch event read, but the last actual read date was before the last day of supply.

- 0716423563LCB29 (event date 26 January 2021) had an incorrect event read and read type. The read was recorded as 140456 (estimate) but should have been 140396 (actual). An RR was later issued and accepted for 140395.

- 0109978196LC245 (event date 19 December 2020) had an incorrect last actual read date, which should have been 8 December 2020 not 18 December 2020.
- 0000025134EA7DA (event date 1 January 2021) had an incorrect last actual read date, which should have been 30 December 2020 not 31 December 2020.

One transfer CS file was sent with only a CSPREMISES line. For HHR settled ICPs, the information required to populate the CS file is not available so the files are processed without the CSMETERINSTALL, CSMETERCOMP and CSMETERCHANNEL rows. Where a CS file is rejected by the registry, it is processed manually but only the fields requested by the registry user interface will be populated.

The accuracy of the content of CS files was confirmed by checking a sample of a further two CS files. Both contained incorrect average daily kWh:

- 0000026570EAA94 (event date 1 January 2021) contained average daily kWh of 58 but should have been 51.
- 0000113604UN787 (event date 9 June 2020) contained average daily kWh of 19, but should have been 46.

**SELS** Analysis of the estimated daily kWh on the event detail report did not identify any transfer CS files with average daily kWh which was negative, zero, or more than 200 kWh.

Five CS files had an actual switch event read, but the last actual read date was before the last day of supply.

- 0000016667EAFDC (event date 27 January 2021) had an incorrect last actual read date, which should have been 26 January 2021 not 26 March 2020.
- 0002125070TC63A (event date 11 February 2021) had an incorrect event read and read type. The read was recorded as 2577 (actual). The read related to the actual reading on 9 February 2021 and an estimate of volume up to 10 February 2021 should have been provided.
- 1001280367TC8A6 (event date 11 February 2021) had an incorrect event read and read type. The read was recorded as 233 (actual). The read related to the actual reading on 9 February 2021 and an estimate of volumes up to 10 February 2021 should have been provided. The switch was later withdrawn.
- 0007198797RNA5A (event date 15 February 2021) had an incorrect event read and read type. The read was recorded as 208 (actual). The read related to the actual reading on 11 February 2021 and an estimate of volumes up to 14 February 2021 should have been provided.
- 0005892066RN525 (event date 4 March 2021) had incorrect event reads and read types. The reads were recorded as r1 21723 (actual) and r2 30517 (actual). The reads related to the actual readings on 2 March 2021 and an estimate of volumes up to 3 March 2021 should have been provided.

The accuracy of the content of CS files was confirmed by checking a sample of a further two transfer switches. One contained correct content, and the CS for 0000000311NT585 (event date 20 August 2020) contained average daily kWh of 76 instead of 72.

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

Estimated daily kWh	Count of transfer CS files	Comment
Negative	-	



Zero	2	Both were checked and found to be incorrect. Both differences were 10 kWh.
More than 200 kWh	2	Both were checked and found to be incorrect. The differences were between -22 and -204 kWh.

Nine transfer CS files had inconsistencies between last actual read dates and switch event read types.

One CS file had an estimated switch event read, but the last actual read date was on the last day of supply. ICP 0046144142PCB68 (event date 2 September 2020) had an incorrect last actual last actual read date, which should have been 6 August 2020 not 1 September 2020.

Eight CS files had an actual switch event read, but the last actual read date was before the last day of supply. I checked a sample of five CS files and found they all had incorrect event reads and event read types:

- 0086437920PC7E1 (event date 28 February 2021) the readings were recorded as r1 46061 (actual) and r2 25126 (actual); these readings related to 25 February 2021 and volumes should have been estimated up to 27 February 2021,
- 0000910503TU234 (event date 6 March 2021) the reading was recorded as 7335 (actual); this reading related to 4 March 2021 and volumes should have been estimated up to 5 March 2021,
- 0044117900PC5A3 (event date 11 February 2021) the readings were recorded as r1 14397 (actual) and r2 17317 (actual); these readings related to 9 February 2021 and volumes should have been estimated up to 10 February 2021,
- 0001964970PCDA8 (event date 3 March 2021) the readings were recorded as r1 32842 (actual) and r2 11109 (actual); these readings related to 1 March 2021 and volumes should have been estimated up to 2 March 2021, and
- 1001145572UNC14 (event date 6 March 2021) the reading was recorded as 25141 (actual); this reading related to 4 March 2021 and volumes should have been estimated up to 5 March 2021.

The accuracy of the content of CS files was confirmed by checking a sample a further two transfer switches. One contained correct content, and the CS for 0000001009NZ7F6 (event date 28 June 2020) contained average daily kWh of 76 instead of 52.

Simply Energy explained that some of the data accuracy issues occurred during periods where new and temporary staff were processing switches, and that Simply Energy had taken action to provide further training around February 2021 after finding some accuracy issues. I obtained another set of event detail reports for 25 March 2021 to 25 April 2021 and found that the issues were still present up to April 2021. I found the following exceptions across a total of 1,108 transfer and switch move CS files:

- one SIMP and two SELS CS files with an actual switch event reading and a last actual read date before the last day of supply; it is highly likely that the last actual read date and/or event reading and/or read type are incorrect,
- five SIMP, four SELX, and ten SELS CS files with an estimated switch event reading and last actual read date on the last day of supply, it is highly likely that the last actual read date and/or event reading and/or read type are incorrect, and
- one SIMP CS file with an actual switch event reading and last actual read date after the period of supply; the last actual read date, event reading, or event read type may be incorrect.

#### Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.3</p> <p>With: Clause 5 Schedule 11.3</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><i>SIMP</i></p> <ul style="list-style-type: none"> <li>• Three transfer CS files contained incorrect last actual read dates.</li> <li>• Three transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply.</li> <li>• One transfer CS file contained an incorrect read type.</li> <li>• One transfer CS file contained a CSPREMISES row only.</li> <li>• Five transfer CS files contained incorrect average daily kWh.</li> </ul> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>• One transfer CS files contained an incorrect last actual read date.</li> <li>• Four transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply.</li> <li>• Four transfer CS files contained an incorrect read type.</li> <li>• One transfer CS files contained an incorrect average daily kWh.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>• One T2 breach.</li> <li>• One transfer CS file contained an incorrect last actual read date.</li> <li>• Five transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply.</li> <li>• Five transfer CS files contained an incorrect read type.</li> <li>• Five transfer CS files contained incorrect average daily kWh.</li> </ul> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>
Audit risk rating	Rationale for audit risk rating
Medium	<p>The controls are assessed to be weak due to the number of exceptions found. Procedures are in place to determine the correct switch event read, read type, and last actual read date, but are not consistently and correctly followed by staff creating CS files.</p> <p>The impact is assessed to be medium based on the number of exceptions identified, although the actual impact of the exceptions is low.</p> <ul style="list-style-type: none"> <li>• The difference between the applied and correct readings was small and in some cases the gaining trader issued an RR which was accepted.</li> <li>• There were only two genuinely late CS files across all switches conducted by Simply Energy. The files were four business days late.</li> <li>• The incorrect read types can impact on the gaining trader's ability to issue read renegotiations under Clause 6(2) and (3) Schedule 11.3.</li> </ul>

Actions taken to resolve the issue	Completion date	Remedial action status
N/a - unable to "resolve" now that its switched	N/a	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Automation of the switch request process is currently in development and will be deployed in the near future.	31/10/21	

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

##### Code reference

Clause 6(1) and 6A Schedule 11.3

##### Code related audit information

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

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

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

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

##### Audit observation

The process for the management of read 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 Datahub and MADRAS 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 Datahub and MADRAS.

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

##### Audit commentary

##### 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.

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

### **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 Simply Energy is the gaining trader and they dispute the switch meter reading because the validated meter reading or permanent estimate provided by the losing trader differs by 200 kWh or more, 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.

*SIMP* Seven RR files were issued for transfer switches; five were accepted and two were rejected. I checked all seven RRs determine whether there was a genuine reason for the RRs, they were supported by two validated actual readings, and the reads recorded in DataHub and MADRAS reflected the outcome of the RR process. The following exceptions were identified:

- 1001122329UNAF6 (event date 18 November 2020) was not supported by two validated actual readings,
- 0000180146TUD6A (event date 17 December 2020) was not supported by two validated actual readings,
- 0000018225EA93D (event date 29 July 2020) was not supported by two validated actual readings, and
- 0005107200WM4AB (event date 27 November 2020) had an incorrect event read recorded in Datahub; 13142 was recorded instead of 13154.

Five AC files were issued; two were rejected and three were accepted. One rejection was accepted on reissue with different reads, and one was not reissued. Datahub and MADRAS reflected the outcome of the RR process.

Review of five transfer CS files with estimated reads where no RR was issued, confirmed that the correct readings were recorded in DataHub and MADRAS except for 0000772550TE557 (event date 7 July 2020) and 1000002127BP44 (event date 20 January 2021) which had their switch event reads removed in MADRAS.

*SELS* Five RR files were issued for transfer switches; four were accepted and one was rejected. All five files were checked, including the rejected request. I found there was a genuine reason for the RRs, they were supported by at least two validated readings, and the reads recorded Datahub and MADRAS reflected the outcome of the RR process.

No AC files were issued for transfer switches.

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

0000033275EA718 (event date 19 October 2020) which had its switch event reads removed in MADRAS.

**SELX** One RR file was issued for a transfer switch and was accepted. I found there was a genuine reason for the RR, it was supported by at least two validated actual readings. The reads recorded in Datahub reflected the outcome of the RR process, but ICP 0001800470PC814 (event date 29 July 2020) had an incorrect reading recorded for 216300965/1 in MADRAS. 13026 was recorded instead of 13018.

Three AC files were issued relating to one ICP. Two files were rejections, and the third request was accepted with the same readings following reconsideration. Datahub and MADRAS reflected the outcome of the RR process.

Review of five transfer CS files with estimated reads where no RR was issued, confirmed that the correct readings were recorded in DataHub and MADRAS except for 0001270860PC7A5 (event date 7 August 2020), 0000922534TUA6A (event date 4 November 2020), 1000590726PC900 (event date 20 January 2021) and 0000906091TU572 (event date 24 February 2021) which had their switch event reads removed in MADRAS.

## Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.4</p> <p>With: Clause 9 Schedule 11.3</p> <p>From: 07-Jul-20</p> <p>To: 20-Jan-21</p>	<p><i>SIMP</i></p> <p>Three RR files were not supported by at least two validated actual readings.</p> <p>ICP 0005107200WM4AB (event date 27/11/20) had an incorrect event read recorded in Datahub. 13142 was recorded instead of 13154.</p> <p>ICPs 0000772550TE557 (event date 07/07/20) and 1000002127BP4E4 (event date 20/01/21) did not have the agreed switch event readings recorded in MADRAS.</p> <p><i>SELS</i></p> <p>0000033275EA718 (event date 19/10/20) did not have the agreed switch event readings recorded in MADRAS.</p> <p><i>SELX</i></p> <p>0001270860PC7A5 (event date 07/08/20), 0000922534TUA6A (event date 04/11/20), 1000590726PC900 (event date 20/01/21), 0000906091TU572 (event date 24/02/21) and ICP 0001800470PC814 (event date 29/07/20) did not have the agreed switch event readings recorded in MADRAS.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>
Audit risk rating	Rationale for audit risk rating

<b>Low</b>	<p>The controls are rated as weak:</p> <ul style="list-style-type: none"> <li>• Simply Energy's policies are compliant but processes to ensure that RR requests are supported by two actual readings are not always followed.</li> <li>• Missing start reads are not being promptly identified and resolved.</li> </ul> <p>The impact is low because forward estimate will be created for reconciliation until the start readings are loaded, and then revised data will be provided through the wash up process.</p>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Following the audit a Project will be created to resolve all historical issues, those that can be resolved will be.		30/09/2021	
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>		30/09/2021	

#### 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

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

**SIMP** I identified three RR files issued to SIMP within five business days of CS completion where the NT specified an HHR profile. One was accepted, one was validly rejected because the CS file contained actual readings. The RR for ICP 0166826022LC4ED (event date 7 January 2021) was initially rejected because no accompanying email was sent and was accepted on reissue once an email was received.

SIMP did not issue any RR files under Clause 6(2) and (3) of schedule 11.3.

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

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

#### Audit outcome

Non-compliant

Non-compliance	Description	
Audit Ref: 4.5 With: Clause 6(2) and (3) Schedule 11.3  From: 26-Jan-21 To: 26-Jan-21	<b>SIMP</b> One RR issued under clause 6(2) and (3) Schedule 11.3 was rejected because an accompanying email was not sent, and was accepted on reissue. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are rated as strong because compliant processes are in place, and one exception was identified. The impact is low because the RR was accepted on reissue once correspondence was received.	
Actions taken to resolve the issue		Completion date
This issue was resolved upon acceptance of the reissue.		15/6/2021
Preventative actions taken to ensure no further issues will occur		Completion date
		Identified

<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>	30/9/2021	
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#### 4.6. Disputes - standard switch (Clause 7 Schedule 11.3)

##### Code reference

Clause 7 Schedule 11.3

##### Code related audit information

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

##### Audit observation

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

##### Audit commentary

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

##### Audit outcome

Compliant

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

##### Code reference

Clause 9 Schedule 11.3

##### Code related audit information

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

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

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

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



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

#### Audit observation

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

#### Audit commentary

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

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, Simply Energy loads the batch of ICPs directly into Salesforce and arranged for Emersion to load the ICPs over the next two to three days. This prevents 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. Transfer switch type is usually applied where a customer is transferring between retailers at an address, unless a specific transfer date is required. In those cases, transfer switches may be requested as switch moves.

**SIMP** Three of the five NT files checked were sent within two business days of pre-conditions being cleared. The NT files for 0000002125DE6B7 (event date 4 February 2021) and 0000009950TE909 (26 June 2020) were sent seven and nine days after pre-conditions being cleared due to a delay in processing the requests. The switch type was correctly selected based on application information for all five NTs.

I checked the metering category for the 66 switch move ICPs where this information was available on the registry list, and found none had metering categories of three or above.

**SELS** Four of the five NT files checked were sent within two business days of pre-conditions being cleared. The NT file for 0000008071KP64A (event date 25 November 2020) was sent three business days after pre-conditions being cleared due to a delay in processing the request. The switch type was correctly selected based on application information for all five NTs.

I checked the metering category for the 1,063 switch move ICPs where this information was available on the registry list or PR255 report, and found none had metering categories of three or above.

**SELX** Four of the five NT files checked were sent within two business days of pre-conditions being cleared. The NT file for 0000168483TRA81 (event date 4 March 2021) was sent five business days after pre-conditions being cleared due to a delay in processing the request. The switch type was correctly selected based on application information for all five NTs.

I checked the metering category for the 18 switch move ICPs where this information was available on the registry list or PR255 report, and found none had metering categories of three or above.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.7 With: Clause 9 Schedule 11.3     From: 26-Jun-20 To: 01-Mar-21	<b>SIMP</b> Two NT files were issued more than two business days after pre-conditions were cleared.  <b>SELS</b> One NT file was issued more than two business days after pre-conditions were cleared.  <b>SELX</b> One NT file was issued more than two business days after pre-conditions were cleared.  Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as moderate, because 4/15 files checked were sent late, and the late updates occurred throughout the audit period.  The impact is low because the file was issued within ten business days of the proposed event date.		
Actions taken to resolve the issue		Completion date	Remedial action status
N/a - late responses, unable to "resolve"		N/a	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
Automation of the switch request process is currently in development and will be deployed in the near future.		31/10/2021	

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

##### Code reference

Clause 10(1) Schedule 11.3

##### Code related audit information

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

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

#### **Audit observation**

The event detail report was reviewed to:

- identify AN files issued by Simply Energy 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**

##### **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.

The accuracy of AN content was checked for each participant code and AN response code:

*SIMP* I checked a diverse sample of three ANs with each AN response code and found they were correctly applied.

The event detail report was reviewed for all 949 switch move ANs to assess compliance with the setting of event dates requirements.

- All ANs had proposed event dates within ten business days of the NT receipt date.
- The AN for 0000144501KP26B (event date 14 November 2020) had a proposed event date of 14 November 2020, which was the day before the gaining trader's requested date. The service team confirmed that the switch event date should have been completed on 14 November 2020 so Simply Energy should have created a notice of withdrawal for date failure instead of changing the AN event date. The

user who issued the AN had earlier been advised of the correct process, and written instructions were provided.

**SELS** 108 switch move AN files were issued. 100 of the ICPs had the AMI metering flag set to yes and were correctly issued with the AD (advanced metering) response code. I checked the other eight AN files and confirmed the response codes were correctly applied.

The event detail report was reviewed for all 108 switch move ANs to assess compliance with the setting of event dates requirements.

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

**SELX** 48 switch move AN files were issued. 43 of the ICPs had the AMI metering flag set to yes and were correctly issued with the AD (advanced metering) response code. I checked the other five AN files and confirmed the response codes were correctly applied.

The event detail report was reviewed for all 48 switch move ANs to assess compliance with the setting of event dates requirements.

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

### **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.

**SIMP** The switch breach history report recorded no AN breaches and two CS breaches, including:

- One E2 breach 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 transfer date or more than ten business days after receipt of the NT. The breach was not genuine because the NT proposed date and actual transfer date matched.
- One T2 breach where the CS arrival date is more than five business days after NT receipt and no NW was provided and the AN and NT proposed event dates match. The delay was caused by a monitoring issue; the Salesforce workflow indicated that an NW had been sent, but the registry had not been updated and the registry acknowledgement error was not identified through Simply Energy's monitoring of acknowledgements or the switch breach report. The failure occurred during a period with a large number of breaches appearing on the switch breach report relating to a group of new ICPs in the process of switching out to other retailers, and a new staff member learning the switching process.

**SELS** The switch breach report history report recorded no AN breaches and one E2 CS breach for a switch move. The E2 breach was not genuine because the NT proposed date and actual transfer date matched.

**SELX** The switch breach history report did not record any AN or CS breaches for switch moves.

### **Audit outcome**

Non-compliant

Non-compliance	Description		
Audit Ref: 4.8 With: Clause 10(1) Schedule 11.3  From: 02-Nov-20 To: 19-Nov-20	<i>SIMP</i> The AN for 0000144501KP26B (event date 14/11/20) had a proposed event date of 14/11/20, which was the day before the gaining trader's requested date. One T2 breach. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as strong and the impact as low. Processes are in place but were not correctly followed in two instances. The audit risk rating is low there were only two genuinely late CS files across all switches conducted by Simply Energy. The file was six business days late.		
Actions taken to resolve the issue		Completion date	Remedial action status
N/a - unable to "resolve" now that its switched		N/a	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
Automation of the switch request process is currently in development and will be deployed in the near future.		31/10/2021	

#### 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 Simply Energy during the audit period, and assess compliance with the requirement to meet the setting of event dates requirement.

##### Audit commentary

Event dates and switch completion were reviewed for each code:

<i>SIMP</i>	<p>Analysis found all switch move ANs had a valid switch response code, and switches were completed as required by this clause.</p> <p>Three switch move ANs proposed a different transfer date to the gaining trader's requested date, and were completed effective from SIMP's AN proposed event date within ten business days of NT receipt.</p>
<i>SELS</i>	<p>Analysis found all switch move ANs had a valid switch response code, and switches were completed as required by this clause.</p> <p>No switch move ANs proposed a different transfer date to the gaining trader's requested date.</p>
<i>SELX</i>	<p>Analysis found all switch move ANs had a valid switch response code, and switches were completed as required by this clause.</p> <p>No switch move ANs proposed a different transfer date to the gaining trader's requested date.</p>

#### 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 Simply Energy 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

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 new ticket has been raised to investigate this issue.

The content of CS files was checked for each code:

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

Estimated daily kWh	Count of switch move CS files	Comment
Negative	-	
Zero	169	A sample of five files were checked and found to be correct.
More than 200 kWh	15	The five largest differences were checked. Two were incorrect, and the differences were between +7 and +289 kWh.

16 CS files had an estimated switch event read, but the last actual read date was on the last day of supply. A sample of five were checked:

- 0000144476KP3F8 (event date 1 October 2020) had an incorrect last actual read and read type, which should have been 111 (actual) not 161 (estimated),
- 0000144483KPEA0 (event date 24 September 2020) had an incorrect last actual read date, which should have been 22 September 2020 not 23 September 2020,
- 0000144486KP3EF (event date 23 September 2020) had an incorrect last actual read date, which should have been 21 September 2020 not 22 September 2020,
- 1001280327TCA03 (event date 1 November 2020) had an incorrect last actual read date, which should have been 17 March 2020 not 31 October 2020, and
- 0000003103TC3B0 (event date 1 December 2020) had an incorrect last actual read date, which should have been 1 September 2020 not 30 November 2020.

Five CS files had an actual switch event read, but the last actual read date was before the last day of supply.

- 0000550618NR04A (event date 25 February 2021) had an incorrect switch event read and read type. The readings related to the last actual read date on 23 February 2021. Volumes should have been estimated up to 24 February 2021.

- 0000008071KP64A (event date 1 November 2020) had an incorrect switch event read and read type. The readings related to the last actual read date on 30 October 2020. Volumes should have been estimated up to 31 October 2020.
- 0287687031LCC35 (event date 3 September 2020) had an incorrect last actual read date, event reading, and event read type. A customer estimate read from 1 September 2020 was applied as an actual switch event reading and the last actual read date. Volumes should have been estimated up to 2 September 2020, and the correct last actual read date was 29 January 2020.
- 0002121220WF498 (event date 1 November 2020) had an incorrect last actual read date, which should have been 31 October 2020 not 31 October 2018.
- 0002623330WF17A (event date 1 November 2020) had an incorrect last actual read date, which should have been 31 October 2020 not 6 October 2020.

12 switch move CS files for meter category two HHR settled ICPs, and one switch move file for a category one NHH settled ICP were sent with only a CSPREMISES line. For HHR settled ICPs, the information required to populate the CS file is not available so the files are processed without the CSMETERINSTALL, CSMETERCOMP and CSMETERCHANNEL rows. For the NHH settled ICP the registry generated a "693" error because reads could not be matched to all meter installations. Where a CS file is rejected by the registry, it is processed manually but only the fields requested by the registry user interface will be populated.

The accuracy of the content of CS files was confirmed by checking a sample a further two switch moves. One CS contained correct content, and the CS for ICP 0000003105TC23F (event date 1 March 2021) contained average daily kWh of 208 but should have been 203.

#### SELS

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

Estimated daily kWh	Count of switch move CS files	Comment
Negative	-	
Zero	18	A sample of five files were checked. One was incorrect by 5 kWh.
More than 200 kWh	3	All three files were checked and found to be incorrect. The differences were between -5 and +555 kWh.

Two CS files had an estimated switch event read, but the last actual read date was on the last day of supply.

- 0000144509KP07F (event date 13 October 2020) had an incorrect last actual read date, which should have been 11 October 2020 not 12 October 2020.
- 0006664067RN8E1 (event date 1 January 2021) had an incorrect last actual read date, which should have been 30 December 2020 not 31 December 2020.

Seven CS files had an actual switch event read, but the last actual read date was before the last day of supply. I checked a sample of five and found:

- 0000029786EA86B (event date 24 November 2020) had an incorrect last actual read date, which should have been 23 November 2020 not 23 March 2020.
- 1000755403UN337 (event date 18 December 2020) had an incorrect last actual read date, which should have been 17 December 2020 not 17 October 2020.



- 0000010088TCB2B (event date 13 January 2021) had an incorrect last actual read date, which should have been 12 January 2021 not 31 October 2020.
- 0007121250RN7D3 (event date 26 February 2021) had an incorrect last actual read date, which should have been 25 February 2021 not 25 February 2021.
- 0143492039LCB97 (event date 1 January 2021) had an incorrect event reading and read type. The reading of 80343 (actual) related to 8 December 2020. Volumes should have been estimated up to 31 December 2020.

The accuracy of the content of CS files was confirmed by checking a sample a further two switch moves and found to be correct.

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

Estimated daily kWh	Count of switch move CS files	Comment
Negative	-	
Zero	2	Both files were checked and found to be correct.
More than 200 kWh	-	

Three CS files had an actual switch event read, but the last actual read date was before the last day of supply. I found they all had incorrect event reads and event read types:

- 0084782004PCA58 (event date 5 February 2021) the readings were recorded as r1 75449 (actual), r2 43559 (actual) and r3 10007 (actual). These readings related to 3 February 2021 and volumes should have been estimated up to 4 February 2021.
- 0001332060PCB11 (event date 22 January 2021) the reading was recorded as 27706 (actual). This reading related to 20 January 2021 and volumes should have been estimated up to 21 January 2021.
- 0000920875TU2C2 (event date 18 February 2021) the readings were recorded as r1 40765 (actual) and r2 45356 (actual). These readings related to 16 February 2021 and volumes should have been estimated up to 17 February 2021. An RR was later accepted for r1 40777 (actual) and r2 45356 (actual).

The accuracy of the content of CS files was confirmed by checking a sample of a further two switch moves. One contained correct content, and the CS for 0002222901WF8D2 (event date 1 November 2020) contained average daily kWh of 122 instead of 89.

Simply Energy explained that some of the data accuracy issues occurred during periods where new and temporary staff were processing switches, and that Simply Energy had taken action to provide further training around February 2021 after finding some accuracy issues. I obtained another set of event detail reports for 25 March 2021 to 25 April 2021 and found that the issues were still present up to April 2021. I found the following exceptions across a total of 1,108 transfer and switch move CS files:

- one SIMP and two SELS CS files with an actual switch event reading and a last actual read date before the last day of supply; it is highly likely that the last actual read date and/or event reading and/or read type are incorrect,
- five SIMP, four SELX, and ten SELS CS files with an estimated switch event reading and last actual read date on the last day of supply; it is highly likely that the last actual read date and/or event reading and/or read type are incorrect, and
- one SIMP CS file with an actual switch event reading and last actual read date after the period of supply; the last actual read date, event reading, or event read type may be incorrect.

## Audit outcome

### Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.10</p> <p>With: Clause 11 Schedule 11.3</p> <p>From: 12-Jun-20</p> <p>To: 06-Mar-21</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><i>SIMP</i></p> <ul style="list-style-type: none"> <li>Seven switch move CS files contained incorrect last actual read dates.</li> <li>Four switch move CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply.</li> <li>Three switch move CS files contained an incorrect read type.</li> <li>12 switch move CS files contained a CSPREMISES row only.</li> <li>Six switch move CS files contained an incorrect average daily kWh.</li> </ul> <p><i>SELS</i></p> <ul style="list-style-type: none"> <li>Six switch move CS files contained incorrect last actual read dates.</li> <li>One switch move CS file contained event reads which did not reflect the actual or estimated readings on the last day of supply.</li> <li>Five switch move CS files contained an incorrect read type.</li> <li>Four switch move CS files contained an incorrect average daily kWh.</li> </ul> <p><i>SELX</i></p> <ul style="list-style-type: none"> <li>Three switch move CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply.</li> <li>Three switch move CS files contained an incorrect read type.</li> <li>One switch move CS file contained an incorrect average daily kWh.</li> </ul> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>
Audit risk rating	Rationale for audit risk rating
<b>Medium</b>	<p>The controls are assessed to be weak due to the number of exceptions found. Procedures are in place to determine the correct switch event read, read type, and last actual read date, but are not consistently and correctly followed by staff creating CS files.</p> <p>The impact is assessed to be medium based on the number of exceptions identified, although the actual impact of the exceptions is low.</p> <ul style="list-style-type: none"> <li>The difference between the applied and correct readings was small and in some cases the gaining trader issued an RR which was accepted.</li> <li>There were only two genuinely late CS files across all switches conducted by Simply Energy. The file was four business days late.</li> </ul>
Actions taken to resolve the issue	
Completion date	Remedial action status

N/a - unable to "resolve" now that its switched	N/a	Investigating
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
Automation of the switch request process is currently in development and will be deployed in the near future.	31/10/2021	

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

##### Code reference

Clause 12 Schedule 11.3

##### Code related audit information

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

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

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

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

##### Audit observation

The process for the management of read 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 Datahub and MADRAS 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 Datahub and MADRAS.

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

#### Audit commentary

##### 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.

*SIMP* The switch breach history report recorded one late RR and no late AC files for switch moves. The RR was a subsequent RR after the initial request was rejected.

*SELS* The switch breach history report recorded one late RR and no late AC files for switch moves. The RR was completed as a result of a decommissioning where the removal read was lower than the switch in read, and was delayed by investigation.

*SELX* The switch breach history report did not record any late RR or AC files for switch moves.

##### 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 Simply Energy is the gaining trader and they dispute the switch meter reading because the validated meter reading or permanent estimate provided by the losing trader differs by 200 kWh or more, 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.

*SIMP* Eight RR files were issued for switch moves; six were accepted and two were rejected. I checked all eight RRs determine whether there was a genuine reason for the RRs, they were supported by two validated actual readings, and the reads recorded in DataHub and MADRAS reflected the outcome of the RR process. One exception was identified; 0000032780WEA83 (event date 1 June 2020) was not supported by two validated actual readings.

20 AC files were issued for switch moves; 15 were acceptances and five were rejections. A sample of 12 files were checked including the rejected files. Three of the rejections were accepted on reissue with the same reads after reconsideration, one was accepted on reissue with different reads, and one was not reissued. Datahub and MADRAS reflected the outcome of the RR process, except for 0000002043SF788 (event date 30 September 2020) which had meter 216133899 r1 recorded with 9782, instead of the agreed switch read of 10353.

Review of five switch move CS files with estimated reads where no RR was issued confirmed that the correct readings were recorded in Datahub and MADRAS except for 0000204747DE2DC (event date 10 January 2021) which had its switch event reading removed in MADRAS.

**SELS** 17 RR files were issued for switch moves; all were accepted. I checked a sample of five RRs to determine whether there was a genuine reason for the RRs, they were supported by two validated actual readings, and the reads recorded in DataHub and MADRAS reflected the outcome of the RR process. The following exceptions were identified:

- 0000004060KPB22 (event date 1 December 2020) was not supported by two validated actual readings,
- 0000013075KP041 (event date 1 October 2020) was not supported by two validated actual readings, and
- 0110117012AP421 (event date 1 October 2020) did not have the correct event reading recorded in Datahub; 434140 is recorded instead of 424094; the correct reading is recorded in MADRAS for settlement.

Three AC files were issued for switch moves; all were acceptances. DataHub and MADRAS reflected the correct outcome of the RR process except for 0003727196WF6B8 (event date 1 December 2020) which does not have a start read recorded in Datahub or MADRAS because the reading failed validation. A case has been assigned to investigate this issue.

Review of all three switch move CS files with estimated reads where no RR was issued confirmed that the correct readings were recorded in recorded in Datahub and MADRAS except for 0369229681LCC24 (event date 1 January 2021), 0032300312DF387 (event date 27 January 2021) which do not have start reads recorded in MADRAS and 1001127640LC366 (event date 11 December 2020) which is not recorded in MADRAS.

**SELX** No RR files were issued for switch moves.

Three AC files were issued for switch moves; two were accepted and one was rejected. The rejection was valid, and Datahub and MADRAS reflected the outcome of the RR process.

Review of two switch move CS files with estimated reads where no RR was issued, confirmed that the correct readings were recorded in Datahub and MADRAS except for 0001332060PCB11 (event date 23 January 2021) which had its start read removed in MADRAS.

## Audit outcome

### Non-compliant

Non-compliance	Description
Audit Ref: 4.11 With: Clause 6(1) and 6A Schedule 11.3	<p><b>SIMP</b></p> <ul style="list-style-type: none"> <li>• One RR breach.</li> <li>• One RR was not supported by two validated actual readings.</li> <li>• ICP 0000204747DE2DC (event date 10/01/21) did not have the agreed switch event readings recorded in MADRAS.</li> <li>• ICP 0000002043SF788 (event date 30/09/20) did not have the agreed switch event readings recorded in Datahub or MADRAS.</li> </ul> <p><b>SELS</b></p> <ul style="list-style-type: none"> <li>• One RR breach.</li> <li>• Two RRs were not supported by two validated actual readings.</li> <li>• ICP 0110117012AP421 (event date 01/10/20) does not have the correct event reading recorded in Datahub. The correct reading is recorded in MADRAS for settlement.</li> </ul>

<p>From: 11-Dec-20</p> <p>To: 11-Feb-21</p>	<ul style="list-style-type: none"><li>ICP 0003727196WF6B8 (event date 01/12/20) does not have a start read recorded in Datahub or MADRAS because the reading failed validation.</li><li>ICPs 0369229681LCC24 (event date 01/01/21), 0032300312DF387 (event date 27/01/21) did not have the agreed switch event readings recorded in MADRAS.</li><li>ICP 1001127640LC366 (event date 11/12/20) is not recorded in MADRAS.</li></ul> <p>SELX</p> <ul style="list-style-type: none"><li>ICP 0001332060PCB11 (event date 23/01/21) did not have the agreed switch event readings recorded in MADRAS.</li></ul> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Low</b>	<p>The controls are rated as weak:</p> <ul style="list-style-type: none"><li>Simply Energy’s policies are compliant but processes to ensure that RR requests are supported by two actual readings are not always followed.</li><li>Missing start reads are not being promptly identified and resolved.</li></ul> <p>The impact is low because forward estimate will be created for reconciliation until the start readings are loaded, and then revised data will be provided through the wash up process.</p>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
<p>Following the audit a Project will be created to resolve all historical issues that are resolvable.</p> <p>Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.</p>		30/9/2021	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	

<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p> <p>Automation of the switch request process is currently in development and will be deployed in the near future.</p>	31/10/2021	
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#### 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 Simply Energy 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**

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

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, 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 prevents 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.

**SIMP** Two HH NT files were issued for ICPs with metering category 3. One was sent within three business days of pre-conditions being cleared, and both had the correct switch type was selected. The NT file for 0000438016MP0FD (event date 1 July 2020) was issued six business days after pre-conditions were cleared.

I checked the metering category for the 480 transfer switch ICPs and 66 switch move ICPs where this information was available on the registry list or PR255 report, and found none had metering categories of three or above.

**SELS** 26 HH NT files were issued for ICPs with metering categories 3, 4 or 5. The five NT files checked had the correct switch type selected. The NT file for 0000025613EA847 (event date 1 December 2020) was issued 16 business days after pre-conditions were cleared.

I checked the metering category for the 193 transfer switch ICPs and 1,063 switch move ICPs where this information was available on the registry list or PR255 report, and found none had metering categories of three or above.

The switch breach history report recorded two PT breaches where the proposed transfer date is more than 90 days before the NT arrival date. One was delayed because the wrong trader code was initially applied, and the other was delayed by late notification that the switch was required from the customer.

**SELX** No HH NT files were issued.



I checked the metering category for the 79 transfer switch ICPs and 18 switch move ICPs where this information was available on the registry list or PR255 report, and found none had metering categories of three or above.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.12 With: Clause 14 Schedule 11.3  From: 23-Jun-20 To: 14-Dec-20	<i>SIMP</i> One late HH NT. <i>SELS</i> One late HH NT. Two PT breaches. Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as moderate, as the delays were caused by late initiation of the switches or the wrong trader code being selected in error. The impact is low because a small number of switches were affected.		
Actions taken to resolve the issue		Completion date	Remedial action status
N/a - late responses, unable to "resolve"		N/a	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
Automation of the switch request process is currently in development and will be deployed in the near future.		31/10/2021	

#### 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 Simply Energy 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

#### AN timeliness

The timeliness of AN files is monitored using the switch breach report. The switch breach report did not record any late HH AN files for SIMP, SELS or SELX.

#### AN Content

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**.

**SIMP** 24 AN files were issued for a HH switches, and the response codes were as expected.

**SELS** One AN file was issued for a HH switch, and the response code was as expected.

**SELX** Two AN files were issued for a HH switches, and the response codes were as expected.

### Audit outcome

Compliant

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

### Code reference

*Clause 16 Schedule 11.3*

### Code related audit information

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

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

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

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

### Audit observation

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

### Audit commentary

#### CS timeliness

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

*SIMP* No late HH CS files were recorded on the switch breach history report.

*SELS* The switch breach history report recorded one WR breach where the CS arrival date was more than two business days after the arrival date of an AW rejecting the withdrawal, and a subsequent NW was not provided before delivery of the NW. The breach was not genuine, SELS issued the CS within two business days of receiving an AN from the other trader.

*SELX* No HH CS files were issued, and no late files were recorded on the switch breach history report.

### **CS Content**

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

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

*SELS* 25 HH CS files were issued, and the content was correct. One switch was withdrawn before completion.

*SELX* No HH CS files were issued.

### **Audit outcome**

Compliant

#### 4.15. (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 Simply Energy, and check a sample for accuracy,
- identify all switch withdrawal acknowledgements issued by Simply Energy, 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

###### 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 monitoring 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.

*SIMP* The switch breach history recorded:

- one NA breach for a NW issued more than two calendar months after the CS transfer date which was delayed by late notification from the white label customer that a withdrawal was required,
- one SR breach for a transfer NW delivered more than three business days after NT receipt, where the NW arrives directly after the NT which was delayed while SIMP confirmed with the customer that a second NW was required, and
- no late AW files.

Analysis of the event detail report found one (0.9%) of the 106 NWs were issued more than two calendar months after the switch date, and the ICP also had a NA breach recorded.

*SELS* The switch breach history recorded:

- four NA breaches for a NWs issued more than two calendar months after the CS transfer date; two were primarily caused by backdated CS completion and two were delayed while SELS confirmed whether the withdrawal was required,
- one SR breach for a switch move NW delivered more than 10 business days after the initial NW for the same trader requesting the withdrawal; SELS attempted to send the NW but it was rejected by the registry, and not detected through the monitoring of acknowledgement files resulting the file being issued 26 business days overdue, and
- no late AW files.

Analysis of the event detail report found three (4.2%) of the 70 NWs were issued more than two calendar months after the switch date. The ICPs also had NA breaches recorded.

*SELX* The switch breach history recorded:

- two NA breaches for a NWs issued more than two calendar months after the CS transfer date which were delayed by late notification from the customer that a withdrawal required and investigation to confirm whether a withdrawal was required, and
- no late AW files.

Analysis of the event detail report found two (11.7%) of the 17 NWs were issued more than two calendar months after the switch date. The ICPs also had NA breaches recorded.

## **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.

*SIMP* The content of 14 NW files was checked. The withdrawal reason codes were correct apart from:

- 0000033671CH657 (event date 21 December 2020) which was requested as CE (customer error) but should have been requested as WP (wrong premises), and
- 0000144486KP3EF (event date 22 October 2020) which was requested as MI (metering issue) but should have been requested as DF (date failed).

Six (8.2%) of the 73 AW files issued were rejections. I reviewed a sample of five rejections and found they were validly rejected.

*SELS* The content of 13 NW files was checked. The withdrawal reason codes were correct apart from:

- 1002107974LC89D (event date 1 November 2020) and 0110011967EL45F (event date 25 November 2020) which were requested as CE (customer error) but should have been requested as UA (unauthorised switch) because the ICPs had been requested by the wrong Simply Energy trader code, and
- 0307323315LC895 (event date 1 October 2020) which was requested as MI (metering issue) but should have been requested as DF (date failed).

I was unable to confirm whether the withdrawal reason code for 0000012218KPB4D (event date 1 November 2020) was correct as insufficient information was available.

Four (9.7%) of the 41 AW files issued were rejections. All four rejections were checked and found they were validly rejected.

**SELX** The content of 11 NW files was checked, and in all cases, the withdrawal reasons provided by Simply Energy were accurate.

Three (12.5%) of the 24 AW files issued were rejections, and two related to one ICP. All three rejections were checked and found they were validly rejected.

Recommendation	Description	Audited party comment	Remedial action
Supporting information for withdrawals	Record information on the reasons for withdrawals, preferably within the case notes, so that they can be readily located.	A new process will be developed to ensure all withdrawals have a case created in Salesforce and that notes are easily accessible for review at a later date.	Investigating

## 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: 02-Nov-20</p> <p>To: 02-Mar-21</p>	<p><i>SIMP</i></p> <p>One NA breach.</p> <p>One SR breach.</p> <p>Two incorrect NW withdrawal reason codes.</p> <p><i>SELS</i></p> <p>Four NA breaches.</p> <p>One SR breach.</p> <p>Three incorrect NW withdrawal reason codes.</p> <p><i>SELX</i></p> <p>Two NA breaches.</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		
<b>Low</b>	<p>The controls are rated as strong. Almost all NWs were delayed by investigation to confirm whether the NW was required, and most NW content was accurate.</p> <p>The impact is assessed to be low because a small proportion of NWs were issued late, or with incorrect codes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>N/a - unable to retrospectively "resolve"</p> <p>Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.</p>		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p>		30/9/2021	

#### 4.16. Metering information (Clause 21 Schedule 11.3)

##### Code reference

Clause 21 Schedule 11.3

##### Code related audit information

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

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

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

##### Audit observation

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

##### Audit commentary

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

The readings contained in CS files contained an actual reading or reasonable estimate up to the last day of supply apart from:

Code	ICP and event date	Comment	Difference	Report Section
SELS	0002125070TC63A (11/02/21)	The read related to the actual reading on 09/02/21 and should not have been recorded as actual.	+ 1 day estimate	4.3
SELS	1001280367TC8A6 (11/02/21)	The read related to the actual reading on 09/02/21 and should not have been recorded as actual.	+ 1 day estimate	4.3
SELS	0007198797RNA5A (15/02/21)	The read related to the actual reading on 11/02/21 and should not have been recorded as actual.	+ 4 days estimate	4.3
SELS	0005892066RN525 (04/03/21)	The reads related to the actual readings on 02/03/21 and should not have been recorded as actual.	+ 1 day estimate	4.3
SELS	0143492039LCB97 (01/01/21)	The reading related to 08/12/20 and should not have been recorded as actual.	+ 23 days estimate	4.10
SELX	0086437920PC7E1 (28/02/21)	These readings related to 25/02/21 and should not have been recorded as actual.	+ 2 days estimate	4.3
SELX	0000910503TU234 (06/03/21)	This reading related to 04/03/21 and should not have been recorded as actual.	+ 1 day estimate	4.3
SELX	0044117900PC5A3 (11/02/21)	These readings related to 09/02/21 and should not have been recorded as actual.	+ 1 day estimate	4.3



Code	ICP and event date	Comment	Difference	Report Section
SELX	0001964970PCDA8 (03/03/21)	These readings related to 01/03/21 and should not have been recorded as actual.	+ 1 day estimate	4.3
SELX	1001145572UNC14 (06/03/21)	This reading related to 04/03/21 and should not have been recorded as actual.	+ 1 day estimate	4.3
SELX	0084782004PCA58 (05/02/21)	These readings related to 03/02/21 and should not have been recorded as actual.	+ 1 day estimate	4.10
SELX	0001332060PCB11 (22/01/21)	This reading related to 20/01/21 and should not have been recorded as actual.	+ 1 day estimate	4.10
SELX	0000920875TU2C2 (18/02/21)	These readings related to 16/02/21 and should not have been recorded as actual.	+ 1 day estimate	4.10
SIMP	0000010108TE759 (19/02/21)	The read was recorded as 380 (actual) instead of 396 (actual). An RR was later issued and accepted.	+16 kWh RR accepted	4.3
SIMP	0000155306WA83E (28/02/21)	The reads related to the actual readings on 25/02/21 and should not have been recorded as actual.	+ 2 days estimate	4.3
SIMP	0716423563LCB29 (26/01/21)	The read was recorded as 140456 (estimate) instead of 140396 (actual). An RR was later issued and accepted.	-60 kWh RR accepted	4.3
SIMP	0000144476KP3F8 (01/10/20)	The read was recorded as 161 (estimated) instead of 111 (actual).	-50 kWh	4.10
SIMP	0000550618NR04A (25/02/21)	The readings related to the last actual read date on 23/02/21 and should not have been recorded as actual.	+ 1 day estimate	4.10
SIMP	0000008071KP64A (01/11/20)	The readings related to the last actual read date on 30/10/20 and should not have been recorded as actual.	+ 1 day estimate	4.10
SIMP	0287687031LCC35 (03/09/20)	A customer estimate read from 01/09/20 was applied as an actual switch event reading and the last actual read date and should not have been recorded as actual.	+ 1 day estimate	4.10

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

#### Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.16</p> <p>With: Clause 21 Schedule 11.3</p> <p>From: 03-Sep-20 To: 03-Mar-21</p>	<p><i>SIMP</i></p> <p>At least seven switch event readings did not reflect the actual or best estimate of the switch event reading.</p> <p><i>SELX</i></p> <p>At least eight switch event readings did not reflect the actual or best estimate of the switch event reading.</p> <p><i>SELS</i></p> <p>At least five switch event readings did not reflect the actual or best estimate of the switch event reading.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are assessed to be weak due to the number of exceptions found. Procedures are in place to determine the correct switch event read and read type, but are not consistently and correctly followed by staff creating CS files.</p> <p>The impact is assessed to be low, the difference between the applied and correct readings was small and in some cases the gaining trader issued an RR which was accepted.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
N/a - unable to "resolve" now that its switched		N/a	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
Automation of the switch request process is currently in development and will be deployed in the near future.		31/10/2021	

#### 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 31/03/20. A sample were checked to determine compliance.

#### **Audit commentary**

Simply Energy do not contact customers who are switching out.

*SIMP* Four NWs were issued with a CX withdrawal reason code, and SIMP was the gaining trader for one. The other trader requested that SIMP issue the CX withdrawal.

*SELS* One NW was issued with a CX withdrawal reason code, and SELS was the gaining trader.

*SELX* One NW was issued with a CX withdrawal reason code, and SELX was the gaining trader.

#### **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

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

- |             |  |
|-------------|--|
| <b>SIMP</b> | One ICP with shared unmetered load is supplied, and I confirmed that the daily unmetered kWh was consistent with the distributor's unmetered load details. |
| <b>SELS</b> | One ICP with shared unmetered load is supplied, and I confirmed that the daily unmetered kWh was consistent with the distributor's unmetered load details. |

SELX No ICPs with shared unmetered load are currently supplied.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 10.14 (2)(b)*

#### Code related audit information

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

#### Audit observation

The 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

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

SIMP	SIMP supplies 28 active ICPs with unmetered load recorded. None have an unmetered load over 3,000 kWh per annum.
SELS	SELS supplies two active ICPs with unmetered load recorded. Neither have an unmetered load over 3,000 kWh per annum.
SELX	SELX supplies five unmetered SB ICPs. No ICPs have an unmetered load over 3,000 kWh per annum.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 10.14 (5)*

#### Code related audit information

*If the unmetered load limit is exceeded the retailer must:*

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

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

#### **Audit observation**

The 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**

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

<i>SIMP</i>	SIMP supplies 28 active ICPs with unmetered load recorded. None have an unmetered load over 6,000 kWh per annum.
<i>SELS</i>	SELS supplies two active ICPs with unmetered load recorded. Neither have an unmetered load over 6,000 kWh per annum.
<i>SELX</i>	SELX supplies five unmetered SB ICPs. No ICPs have an unmetered load over 6,000 kWh per annum.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 11 Schedule 15.3, Clause 15.37B*

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

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

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

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

#### **Audit observation**

Processes for distributed unmetered load were discussed.

#### **Audit commentary**

Simply Energy does not supply any distributed unmetered load under the SIMP, SELS or SELX trader codes.

Simply Energy is aware of the requirements for DUML, including tracking of load changes as discussed in the Authority's memo dated 18 June 2019. If any DUML load switches in, they intend to settle the load as NHH.

#### **Audit outcome**

Compliant

## 6. GATHERING RAW METER DATA

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

#### Code reference

*Clause 10.13, Clause 10.24 and Clause 15.13*

#### Code related audit information

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

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

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

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

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

#### Audit observation

Processes for metering, submission, and distributed generation were reviewed. The registry list and AC020 reports were examined to determine compliance.

#### Audit commentary

##### Metering installations installed

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

**SIMP** All active SIMP ICPs have metering or unmetered load details recorded. MEP nominations for new connections were accepted within 14 business days.

**SELS** Five active ICPs with metering category blank or 9 did not have unmetered load details recorded. All were timing differences, and the metering details were added to the registry, or the ICPs were decommissioned after the report was run.

Two ICPs did not have their MEP nominations accepted within 14 business days. ICP 0000100013TC695 was invalidly included on the report, SELS did not issue any trader updates which changed the proposed MEP. 0000013601TC4D6 was claimed and had its MEP nominated late, due to inadequate monitoring of new connections. The late MEP nomination acceptance is recorded as non-compliance in **section 3.4**.

**SELX** All active SELX ICPs have metering or unmetered load details recorded. No new connections were completed.

## Generation

As discussed in **section 2.1**, 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. 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.

**SIMP** Review of the registry list identified 38 active ICPs which had generation capacity recorded by the distributor.

The AC020 report identified one ICP which had generation recorded by the distributor and an I flow register, without a distributed generation profile recorded. This was a timing difference, the switch was withdrawn and reprocessed with SELS as the trader and PV1 profile is now correctly recorded from the switch in date.

The registry list recorded two ICPs with generation indicated by the distributor, and no I flow register:

- as found in the 2018 - 2020 audits, ICP 0000518204NR36D does not have generation metering recorded on the registry but the distributor had recorded generation, and Northpower confirmed that because the load taken from the grid exceeds the generation it is not expected that any excess generation would be injected into the network, so an injection register will not be installed (notification of gifting has been provided), and
- ICP 1001280320LC7AF has generation only, and AMS has recorded the flow direction for both meter registers as X (the ICP is currently under investigation to confirm the correct metering configuration).

All ICPs which had a generation profile recorded by SIMP also had non-zero generation capacity recorded by the distributor.

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

**SELS** Review of the registry list identified 41 active ICPs which had generation capacity recorded by the distributor.

The AC020 report identified two ICPs which had generation recorded by the distributor and an I flow register, without a distributed generation profile recorded. Both were timing differences and PV1 profile is now correctly recorded.

The registry list recorded two ICPs with generation indicated by the distributor, and no I flow register:

- the meter for ICP 0000010642EAA06 is in the process of being replaced with an import/export meter; once this is complete the profile will be updated to RPS PV1, and
- the metering for ICP 0000015252EAB8A is currently under investigation to confirm the correct configuration.

All ICPs which had a generation profile recorded by SELS also had non-zero generation capacity recorded by the distributor.

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



**SELX** Review of the registry list identified one active ICP which had generation capacity recorded by the distributor. The AC020 report did not identify any ICPs with generation connected where the trader had not recorded a generation profile. The profile applied was consistent with the distributor fuel type.

ICP 0000015253EA7CF has a generation profile recorded by SELX, and zero generation capacity and installation type L recorded by the distributor. Simply Energy is investigating with their customer to confirm whether generation is connected.

The 2019 and 2020 audits recorded that ICP 0001173611PC6E2 had generation recorded on the registry by the distributor but did not have generation metering or a generation profile recorded. Simply Energy confirmed that the customer does have solar generation and wishes to gift it, and notification of gifting was provided following the previous audit. The ICP has since switched out.

Description	Recommendation	Audited party comment	Remedial action
Confirmation of distributed generation and installation of metering	<p><i>SIMP</i></p> <p>Ensure that generation metering is installed for ICP 1001280320LC7AF. The ICP is currently under investigation to confirm the correct metering configuration.</p> <p><i>SELS</i></p> <p>Ensure that generation metering is installed for ICP 0000015252EAB8A if generation is confirmed to be present.</p> <p><i>SELX</i></p> <p>Confirm whether generation is installed for ICP 0000015253EA7CF and update the profile as necessary.</p>	Simply are liaising with clients to understand the site. Updates will be made to Registry and submission where required.	Investigating

### Bridged meters

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

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.1 With: Clause 10.13  From: 14-Jan-21 To: 10-Mar-21	<b>SELS</b> The MEP nomination for 0000013601TC4D6 was not accepted within 14 business days of the event date. Potential impact: Low Actual impact: Low Audit history: Once Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The MEP nomination was delayed because the ICP was claimed late, primarily due to a decrease in monitoring of new connections from January 2021. The current controls are weak because regular monitoring of new connections is not occurring. The impact is low because the MEP nomination was accepted by the MEP.		
Actions taken to resolve the issue		Completion date	Remedial action status
N/a - late responses, unable to "resolve"  Following the Contact Energy audit two additional people with previous electricity industry knowledge have been employed. A further role has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.		30/9/2021	

## 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 whether SIMP, SELS, or SELX are responsible for any GIPs.

#### **Audit commentary**

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

#### **Audit outcome**

Not applicable

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

#### **Code reference**

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

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

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

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

#### **Audit observation**

The 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**

<b>SIMP</b>	SIMP uses Authority profiles DFP, HHR, RPS, UML and PV1, and non-standard profiles T07 and T23.  ICPs with the T07 and T23 profiles require HHR or AMI metering, or a certified control device. Review of the AC020 report and registry information confirmed that all ICPs on profiles requiring a certified control device had AMI or HHR metering, or a certified control device.
<b>SELS</b>	SELS uses Authority profiles HHR, RPS, UML and PV1. None of the profiles require a certified control device.
<b>SELX</b>	SELX uses Authority profiles DFP, HHR, RPS, and PV1, and non-standard profiles SBL and SFI. None of the profiles require a certified control device.

#### **Audit outcome**

Compliant

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

##### Code reference

Clause 10.43(2) and (3)

##### Code related audit information

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

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

##### Audit observation

Processes relating to defective metering were examined.

##### Audit commentary

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

One defective meter was identified for SELS during the audit. ICP 0000025245EADC1 switched in with a stopped meter. It was identified and corrected, and the MEP was advised.

I reviewed Simply Energy's validation processes in **sections 9.5** and **9.6**, and found they are sufficient to detect potential stopped and faulty meters. Corrections for defective meters are discussed in **section 2.1**.

##### Audit outcome

Compliant

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

##### Code reference

Clause 2 Schedule 15.2

##### Code related audit information

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

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

*2(3) - The reconciliation participant must ensure the interrogation cycle is such that 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:*

- ensure the system is to within +/- 5 seconds of NZST or NZDST,*
- compare the meter time to the system time,*
- determine the time error of the metering installation,*
- if the error is less than the maximum permitted error, correct the meter's clock,*

- e) *if the time error is greater than the maximum permitted error then:*
  - i) *correct the metering installation's clock,*
  - ii) *compare the metering installation's time with the system time,*
  - iii) *correct any affected raw meter data.*
- f) *download the event log.*

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

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

#### **Audit observation**

The data collection and clock synchronisation processes were examined.

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

#### **Audit commentary**

##### **HHR**

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

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

##### **AMI**

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

#### **Audit outcome**

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 Wells' agent audit. Simply Energy'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, and a sample of customer and photo readings were checked in DataHub and MADRAS.

#### **Audit commentary**

##### **Derivation of volume and labelling of readings**

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

##### **Wells readings**

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

Wells also provides a notes file with its readings which are imported into Salesforce. These are only reviewed where an issue is identified through the read attainment or validation processes. Any phone calls or emails from Wells are actioned as they are received.

##### **Northpower readings**

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

Northpower staff validate the readings as they are taken and check the meter serial number and meter condition as required by clause 5 Schedule 15.2. Northpower's read collection PDF file includes the results of checks of the meter register number and meter condition, and this information is reviewed when the reads are received by Simply Energy. No examples of Northpower meter condition events requiring investigation or action were identified during the audit period, because reads have not been conducted. This is discussed further in **section 6.9**.

##### **Customer and photo readings**

Simply Energy accepts customer readings and photo readings.

If Wells obtains a customer reading, a no read is recorded, and the customer reading is provided as a note in the reading file. One example of customer readings provided by Wells was identified during the audit. This reading was not used and was not sent to MADRAS.

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

## 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	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		
<b>Low</b>	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
See preventative actions		N/a	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
WELLS currently provide Simply Energy with Meter Condition details in a standardised format.  Simply Energy will introduce reporting (and supporting automated data exchange processes) into our core operational workflow to identify ICPs on SIMP/SELS/SELX where the Meter Condition is flagged as an issue and requires investigation.  Additionally, a workflow will be created to run analysis of volumes consumed on any ICPs before and after any event identified.		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 and Northpower are applied correctly.

The content of CS and RR files was examined in **sections 4.3, 4.4, 4.10 and 4.11** and the readings provided by Simply Energy were found to contain a number of errors, as follows:

#### **SIMP**

- three transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply,
- ICP 0005107200WM4AB (event date 27 November 2020) had an incorrect event read recorded in Datahub; 13142 was recorded instead of 13154,
- ICPs 0000772550TE557 (event date 7 July 2020) and 1000002127BP44 (event date 20 January 2021) did not have the agreed switch event readings recorded in MADRAS,
- four switch move CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply,
- ICP 0000204747DE2DC (event date 10 January 2021) did not have the agreed switch event readings recorded in MADRAS, and
- ICP 0000002043SF788 (event date 30 September 2020) did not have the agreed switch event readings recorded in Datahub or MADRAS.

#### **SELS**

- four transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply,
- 0000033275EA718 (event date 19 October 2020) did not have the agreed switch event readings recorded in MADRAS,
- one switch move CS file contained event reads which did not reflect the actual or estimated readings on the last day of supply,
- ICP 0110117012AP421 (event date 1 October 2020) does not have the correct event reading recorded in Datahub; the correct reading is recorded in MADRAS for settlement,
- ICP 0003727196WF6B8 (event date 1 December 2020) does not have a start read recorded in Datahub or MADRAS because the reading failed validation, and
- ICPs 0369229681LCC24 (event date 1 January 2021), 0032300312DF387 (event date 27 January 2021) did not have the agreed switch event readings recorded in MADRAS.

#### **SELX**

- five transfer CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply,
- 0001270860PC7A5 (event date 7 August 2020), 0000922534TUA6A (event date 4 November 2020), 1000590726PC900 (event date 20 January 2021), 0000906091TU572 (event date 24



February 2021) and ICP 0001800470PC814 (event date 29 July 2020) did not have the agreed switch event readings recorded in MADRAS,

- three switch move CS files contained event reads which did not reflect the actual or estimated reading on the last day of supply, and
- ICP 0001332060PCB11 (event date 23 January 2021) did not have the agreed switch event readings recorded in MADRAS.

I followed up corrections required following the 2020 audit:

- ICP 0000920729TU6DB (event date 22 May 2019) - the RR was accepted but the reads have not been updated in Salesforce for two of three registers resulting in under submission of 380 kWh; this was not resolved and is now outside the 14-month revision period,
- ICP 0000012112WEA2A - SELX used their reconnection reads and not the reads provided in the CS file and no RR was issued resulting in under submission of 1,035 kWh; this was not resolved and is now outside the 14-month revision period, and
- ICP 000001142KP8D6 - the end of day reading on the switch in date was used as the switch event reading because MADRAS can only apply one reading per day so under submission by 222 kWh occurred, which was not resolved and is now outside the 14-month revision period (a recommendation to improve validation of start and end reads in MADRAS is made in **section 12.3**).

I checked the process for NHH to HHR meter changes in relation to this clause. These changes normally only occur for category 1 and 2 HHR meters, and the changes are applied effective from 12am on the first day of the month. The movement between NHH and HHR aligns with the actual volume data. No examples were identified during the audit.

In the event that an ICP's metering is upgraded from NHH category 1 or 2 to HHR category 3 or higher, or downgraded from HHR category 3 or higher to NHH category 1 or 2, the change of submission type must occur when the meter is changed, rather than on the first day of the month.

I recommend that procedures are developed and tested for changes part way through the month.

Recommendation	Description	Audited party comment	Remedial action
HHR upgrade process	<i>SIMP, SELS and SELX</i> Develop and test procedures to handle meter upgrades and downgrades which occur part way through a month, for use in the event of changes between meter categories 1-2, and meter categories 3 or higher.	Simply Energy's existing process allows for a change on the meter change date; examples can be provided where required.	Identified

No upgrades or downgrades were identified on the event detail report for SIMP or SELX.

#### Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.7</p> <p>With: Clause 6</p> <p>Schedule 15.2</p> <p>From: 01-Jun-20</p> <p>To: 07-Mar-21</p>	<p><i>SIMP</i></p> <p>12 ICPs with incorrect application of readings.</p> <p><i>SELS</i></p> <p>Ten ICPs with incorrect application of readings.</p> <p><i>SELX</i></p> <p>14 ICPs with incorrect application of readings.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Once</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	<p>The controls are rated as weak because they are not sufficient to ensure discrepancies are identified and corrected.</p> <p>The impact is assessed to be medium due to the high number of discrepancies identified from the sample, and the impact on settlement and other participants.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>Automation of the switch request process is currently in development and will be deployed in the near future.</p>		<p>30/9/2021</p> <p>31/10/2021</p>	

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

### Code reference

Clause 7(1) and (2) Schedule 15.2

### Code related audit information

*Each reconciliation participant must ensure that a validated meter reading is obtained in respect of every meter register for every non half hour metered ICP for which the participant is responsible, at least once*

during the period of supply to the ICP by the reconciliation participant and used to create volume information.

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

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

#### Audit observation

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

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

#### Audit commentary

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

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

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

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

- **Read KPI report**

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

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

<i>SIMP</i>	SIMP provided a list of nine ICPs unread during the period of supply, where the period of supply ended after 1 July 2020. The best endeavours requirement was not met for four ICPs.
<i>SELS</i>	SELS provided a list of five ICPs unread during the period of supply, where the period of supply ended after 1 July 2020. Two ICPs had actual gain and/or loss reads and were compliant. Exceptional circumstances existed for two ICPs, but not for one ICP and the best endeavours requirement was not met.
<i>SELX</i>	SELX provided one ICP which was unread during the period of supply. The ICP had an actual gain read and was compliant.

#### 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: 07-Mar-21</p>	<p><i>SIMP</i></p> <p>For four ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.</p> <p><i>SELX</i></p> <p>For one ICP unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.</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		
<b>Low</b>	<p>The controls are rated as moderate. There is a process in place, but compliance is not consistently achieved if the period of supply is short, or actual reads fail validation because they are lower than previous estimates.</p> <p>The impact on settlement from an estimate for a short period is minor, therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>		30/9/2021	

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

### Code reference

Clause 8(1) and (2) Schedule 15.2

### Code related audit information

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

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

#### **Audit observation**

The meter reading process was examined. The meter reading frequency reports for July 2020 to November 2020 for SIMP and SELX, and August 2020 to November 2020 for SELS were reviewed to determine whether they met the requirements of clauses 8 and 9 of schedule 15.2. A sample of submissions were reviewed to ensure that they were made on time.

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

#### **Audit commentary**

##### **Meter reading frequency report timeliness and content**

The meter reading frequency reports contained the required information.

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

##### **Meter reading attainment**

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

##### *SIMP*

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Jul 20	145	9	12	98.57%
Aug 20	150	12	15	98.34%
Sep 20	149	9	14	98.49%
Oct 20	153	8	14	98.50%
Nov 20	94	4	7	98.55%

I reviewed all 14 SIMP ICPs not read in the previous 12 months ending October 2020 and found exceptional circumstances existed for four ICPs but not the other ten ICPs. The best endeavours requirement was not met.

##### *SELS*

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Aug 20	2	-	-	100.00%
Sep 20	3	-	-	100.00%
Oct 20	2	-	-	100.00%
Nov 20	2	-	-	100.00%

All SELS ICPs had actual readings during the previous 12 months.

#### SELX

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Jul 20	55	2	2	99.54%
Aug 20	56	2	2	99.54%
Sep 20	56	2	2	99.57%
Oct 20	55	2	2	99.57%
Nov 20	54	2	2	99.57%

I reviewed the two SELX ICPs not read in the previous 12 months ending November 2020 and found that exceptional circumstances did not exist and the best endeavours requirement was not met.

#### Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 6.9</p> <p>With: Clause 9(1) and (2) Schedule 15.2</p> <p>Froom: 01-Jun-20</p> <p>To: 07-Mar-21</p>	<p><i>SIMP</i></p> <p>For at least ten ICPs unread in the previous 12 months, the best endeavours requirements were not met, and exceptional circumstances did not exist.</p> <p><i>SELX</i></p> <p>For at least two ICPs unread in the previous 12 months, the best endeavours requirements were not met, and exceptional circumstances did not exist.</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

<b>Low</b>	<p>The controls are assessed to be moderate. It appears the normal process is not always followed due to resourcing constraints.</p> <p>The impact is assessed to be low. The use of estimates may have a minor impact on settlement. Only NSPs with very small numbers of customers do not achieve 100% read attainment, and overall read attainment is high.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>		30/9/2021	

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

##### Code reference

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

##### Code related audit information

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

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

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

##### Audit observation

The meter reading process was examined. The meter reading frequency reports for July 2020 to November 2020 were reviewed.

A sample of ICPs not read in the previous four months at NSPs where less than 90% of ICPs were read were reviewed to determine whether exceptional circumstances existed and if Simply Energy had used their best endeavours to obtain readings.

### Audit commentary

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

#### SIMP

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Jul 20	172	13	47	96.46%
Aug 20	173	14	39	97.20%
Sep 20	175	16	38	97.35%
Oct 20	178	17	43	97.06%
Nov 20	110	8	19	97.96%

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

- for two ICPs the best endeavours requirement was not met, and exceptional circumstances did not exist,
- three ICPs are commercial premises which are not open.

#### SELS

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Jul 20	10	3	4	91.11%
Aug 20	12	1	1	98.18%
Sep 20	13	1	1	98.44%
Oct 20	11	1	4	93.65%
Nov 20	11	1	4	94.20%

I reviewed the ICP connected to an NSP where less than 90% of ICPs were read in the previous four months. It is now being read, but exceptional circumstances were not present, and the best endeavours requirement was not met.

#### SELX

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Jul 20	60	2	9	98.45%



Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Aug 20	62	3	8	98.57%
Sep 20	62	3	8	98.56%
Oct 20	62	3	11	97.99%
Nov 20	60	3	10	98.16%

I reviewed all unread ICPs at NSPs which did not have at least 90% of ICPs read in the previous four months as of November 2020 and found for two ICPs exceptional circumstances were not present, and the best endeavours requirement was not met.

#### Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.10</p> <p>With: Clause 9(1) and (2) Schedule 15.2</p> <p>From: 01-Nov-20</p> <p>To: 30-Nov-20</p>	<p><i>SIMP</i></p> <p>For at least two ICPs unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist.</p> <p><i>SELS</i></p> <p>For at least one ICP unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist.</p> <p><i>SELX</i></p> <p>For at least two ICPs unread in the previous four months, the best endeavours requirements were not met, and exceptional circumstances did not exist.</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		
<b>Low</b>	<p>The controls are assessed to be moderate. There is a process in place, but compliance is not consistently achieved within four months.</p> <p>The impact is assessed to be low. The use of estimates may have a minor impact on settlement. Only NSPs with very small numbers of customers do not achieve 90% read attainment, and overall read attainment is high.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status

Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.	30/6/2021	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>	30/9/2021	

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

##### Code reference

Clause 10 Schedule 15.2

##### Code related audit information

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

- 10(a) - the means to establish the identity of the individual meter reader,*
- 10(b) - the ICP identifier of the ICP, and the meter and register identification,*
- 10(c) - the method being used for the interrogation and the device ID of equipment being used for interrogation of the meter.*
- 10(d) - the date and time of the meter interrogation.*

##### Audit observation

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

##### Audit commentary

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

##### Audit outcome

Compliant

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

##### Code reference

Clause 11(1) Schedule 15.2

##### Code related audit information

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

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

#### **Audit observation**

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

#### **Audit commentary**

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

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 11(2) Schedule 15.2*

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

*The following information is collected during each interrogation:*

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

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

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

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

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

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

#### **Audit observation**

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

#### **Audit commentary**

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

EMS' previous agent audit recorded that SIMP ICP 0000518204NR36D is read manually by Northpower. Clock synchronisation is conducted but the event log is not supplied. The previous report recommended EMS keep a record of all manual downloads and whether the event log has been supplied and checked. This matter was recorded as resolved during the previous audit.

## 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

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

#### Audit commentary

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

## Audit outcome

Compliant

## 7. STORING RAW METER DATA

### 7.1. Trading period duration (Clause 13 Schedule 15.2)

#### Code reference

*Clause 13 Schedule 15.2*

#### Code related audit information

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

#### Audit observation

Trading period duration was reviewed as part of the MEP and agent audits.

#### Audit commentary

Compliance with this clause has been demonstrated by the MEPs and agents and is discussed in their audit reports.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 18 Schedule 15.2*

#### Code related audit information

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

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

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

#### Audit observation

Processes to archive and store raw meter data were reviewed during the agent and MEP audits. I checked that meter readings cannot be modified without an audit trail and viewed archived meter reading data.

#### Audit commentary

The agents and MEPs are compliant with these clauses.

When this data reaches Simply Energy's systems, the level of security is also robust and unauthorised personnel cannot access raw meter data. I checked that data is retained by Simply Energy for at least 48 months, by viewing raw meter data from 2017.

Compliance with clause 18(3) of schedule 15.2 was examined, which requires that "...meter readings cannot be modified without an audit trail being created." Readings cannot be modified without an audit trail being created.

#### Audit outcome

Compliant

### 7.3. Non metering information collected / archived (Clause 21(5) Schedule 15.2)

#### Code reference

*Clause 21(5) Schedule 15.2*

#### Code related audit information

*All relevant non-metering information, such as external control equipment operation logs, used in the determination of profile data must be collected, and archived in accordance with clause 18.*

#### Audit observation

Collection of non-metering information was discussed with Simply Energy.

#### Audit commentary

Simply Energy does not deal with any non-metering information for SIMP, SELS and SELX, but has processes in place for the other participant codes it acts as an agent for.

EMS will retain the data logger files, and compliance is recorded in their agent audit report. Simply Energy will retain DUML information provided by database owners indefinitely.

#### Audit outcome

Compliant

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

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

#### Code reference

*Clause 19(1) Schedule 15.2*

#### Code related audit information

*If a reconciliation participant detects errors while validating non-half hour meter readings, the reconciliation participant must:*

*19(1)(a) - confirm the original meter reading by carrying out another meter reading,*

*19(1)(b) - replace the original meter reading the second meter reading (even if the second meter reading is at a different date)*

*19(1A) if a reconciliation participant detects errors while validating non half hour meter readings, but the reconciliation participant cannot confirm the original meter reading or replace it with a meter reading from another interrogation, the reconciliation participant must:*

- *substitute the original meter reading with an estimated reading that is marked as an estimate;*
- and*
- *subsequently replace the estimated reading in accordance with clause 4(2)*

#### Audit observation

Processes for the correction of NHH meter readings were reviewed. Corrections to volumes where meter readings match the value recorded by the meter, such as where a multiplier is incorrect, a meter is defective or bridged, or inactive consumption is identified were reviewed in **section 2.1**.

#### Audit commentary

Where errors are detected during validation of non-half hour meter readings, a check reading is performed, or AMI data is checked. If an original meter reading cannot be confirmed it is invalidated and an estimated reading is applied for billing. Estimated readings are ignored by the historic estimate calculation process; if no validated actual readings are available, forward estimate will be created.

If a reading is invalidated before being sent to MADRAS, the read will not be sent. If the reading is invalidated after being sent to MADRAS it will be updated using the read replacement process discussed in **section 12.3**.

If transposed meters are identified, they will be corrected using the read renegotiation process if switch reads are affected, or by moving the readings to the correct registers. One examples of transposed meter readings was checked during the audit period and compliance is achieved.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 19(2) Schedule 15.2*

#### Code related audit information

*If a reconciliation participant detects errors while validating half hour meter readings, the reconciliation participant must correct the meter readings as follows:*

*19(2)(a) - if the relevant metering installation has a check meter or data storage device, substitute the original meter reading with data from the check meter or data storage device; or*

*19(2)(b) - if the relevant metering installation does not have a check meter or data storage device, substitute the original meter reading with data from another period provided:*

- (i) The total of all substituted intervals matches the total consumption recorded on a meter, if available; and*
- (ii) The reconciliation participant considers the pattern of consumption to be materially similar to the period in error.*

#### **Audit observation**

HHR corrections for SIMP and SELX are completed by EMS. EMS' processes were reviewed during their agent audit.

HHR corrections for SELS are completed by Simply Energy, and correction processes were reviewed.

HHR estimates, including replacement of estimated data, are discussed in **section 9.4**.

#### **Audit commentary**

**SIMP & SELX** Compliance with this clause has been demonstrated by EMS as part of their agent audit. EMS and Simply Energy confirmed that no error corrections or permanent estimates have been required for SIMP or SELX HHR data during the audit period.

**SELS** EMS collects and validates HHR data and creates any permanent estimates and corrections required; and supplies the validated HHR data including estimates and corrections to Simply Energy in EIEP3 format. This data is used to create HHR submissions.

One correction example was checked for ICP 0000025245EADC1 and it was conducted accurately with an appropriate journal.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 19(3) Schedule 15.2*

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

*A reconciliation participant may use error compensation and loss compensation as part of the process of determining accurate data. Whichever methodology is used, the reconciliation participant must document the compensation process and comply with audit trail requirements set out in the Code.*

#### **Audit observation**

Error and loss compensation arrangements were discussed.

#### **Audit commentary**

Simply Energy and EMS confirmed that no error or loss compensation arrangements are in place.

#### **Audit outcome**

Compliant



#### 8.4. Correction of HHR and NHH raw meter data (Clause 19(4) and (5) Schedule 15.2)

##### Code reference

*Clause 19(4) and (5) Schedule 15.2*

##### Code related audit information

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

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

*19(5)(a)- the date of the correction or alteration*

*19(5)(b)- the time of the correction or alteration*

*19(5)(c)- the operator identifier for the person within the reconciliation participant who made the correction or alteration,*

*19(5)(d)- the half-hour metering data or the non half hour metering data corrected or altered, and the total difference in volume of such corrected or altered data,*

*19(5)(e)- the technique used to arrive at the corrected data,*

*19(5)(f)- the reason for the correction or alteration.*

##### Audit observation

Corrections are discussed in **sections 2.1, 8.1, and 8.2**, which confirmed that raw meter data is not overwritten as part of the correction process. Audit trails are discussed in **section 2.4**.

Raw meter data retention for MEPs and agents was reviewed as part of their own audits.

##### Audit commentary

Compliance with this clause has been demonstrated by Simply Energy's MEPs and agents.

Compliant journals for NHH and HHR corrections are created as required by this clause. Corrections to meter reading data are processed in DataHub, and each user has an individual operator identifier which is recorded in the audit trail.

##### Audit outcome

Compliant

## 9. ESTIMATING AND VALIDATING VOLUME INFORMATION

### 9.1. Identification of readings (Clause 3(3) Schedule 15.2)

#### Code reference

Clause 3(3) Schedule 15.2

#### Code related audit information

*All estimated readings and permanent estimates must be clearly identified as an estimate at source and in any exchange of metering data or volume information between participants.*

#### Audit observation

A sample of reads and volumes were traced from the source files to Simply Energy's systems in **section 2.3**.

Provision of estimated reads to other participants during switching was reviewed in **sections 4.3, 4.4, 4.10 and 4.11**.

Correct identification of estimated reads, and review of the estimation process was completed in **sections 8.1, 8.2 and 9.4**.

#### Audit commentary

All estimated readings, permanent estimates and actual readings are clearly identified as required by this clause. NHH readings reviewed during the audit were correctly classified apart from:

Code	ICP and event date	Applied read type	Comment	Report section
SELS	0002125070TC63A (11/02/21)	Actual	The reading related to 09/02/21 and should not have been recorded as actual.	4.3
SELS	1001280367TC8A6 (11/02/21)	Actual	The reading related to 09/02/21 and should not have been recorded as actual.	4.3
SELS	0007198797RNA5A (15/02/21)	Actual	The reading related to 11/02/21 and should not have been recorded as actual.	4.3
SELS	0005892066RN525 (04/03/21)	Actual	The reading related to 02/03/21 and should not have been recorded as actual.	4.3
SELS	0143492039LCB97 (01/01/21)	Actual	The reading related to 08/12/20 and should not have been recorded as actual.	4.10
SELX	0086437920PC7E1 (28/02/21)	Actual	These readings related to 25/02/21 and should not have been recorded as actual.	4.3
SELX	0000910503TU234 (06/03/21)	Actual	This reading related to 04/03/21 and should not have been recorded as actual.	4.3
SELX	0044117900PC5A3 (11/02/21)	Actual	These readings related to 09/02/21 and should not have been recorded as actual.	4.3
SELX	0001964970PCDA8 (03/03/21)	Actual	These readings related to 01/03/21 and should not have been recorded as actual.	4.3

Code	ICP and event date	Applied read type	Comment	Report section
SELX	1001145572UNC14 (06/03/21)	Actual	This reading related to 04/03/21 and should not have been recorded as actual.	4.3
SELX	0084782004PCA58 (05/02/21)	Actual	These readings related to 03/02/21 and should not have been recorded as actual.	4.10
SELX	0001332060PCB11 (22/01/21)	Actual	This reading related to 20/01/21 and should not have been recorded as actual.	4.10
SELX	0000920875TU2C2 (18/02/21)	Actual	These readings related to 16/02/21 and should not have been recorded as actual.	4.10
SIMP	0000155306WA83E (28/02/21)	Actual	The reading related to 25/02/21 and should not have been recorded as actual.	4.3
SIMP	0000550618NR04A (25/02/21)	Actual	The reading related to 23/02/21 and should not have been recorded as actual.	4.10
SIMP	0000008071KP64A (01/11/20)	Actual	The reading related to 30/10/20 and should not have been recorded as actual.	4.10
SIMP	0287687031LCC35 (03/09/20)	Actual	A customer estimate read from 01/09/20 was applied as an actual switch event reading and should not have been recorded as actual.	4.10

The incorrect labelling of these readings is recorded as non-compliance below.

The incorrectly labelled CS reads identified in the previous audit were not corrected through the read renegotiation process.

#### 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: 03-Sep-20</p> <p>To: 03-Mar-21</p>	<p><i>SIMP</i></p> <p>At least four switch event readings were incorrectly classified as actual.</p> <p><i>SELX</i></p> <p>At least eight switch event readings were incorrectly classified as actual.</p> <p><i>SELS</i></p> <p>At least five switch event readings were incorrectly classified as actual.</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>
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>

<b>Low</b>	<p>The controls are assessed to be weak because they do not reduce risk to an acceptable level.</p> <p>The impact is assessed to be low:</p> <ul style="list-style-type: none"> <li>the difference between the applied and correct readings is low in most cases, and</li> <li>the incorrect read types can impact on the gaining trader's ability to issue read renegotiations under Clause 6(2) and (3) Schedule 11.3.</li> </ul>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>		30/9/2021	

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

### Code reference

*Clause 3(4) Schedule 15.2*

### Code related audit information

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

*3(4)(a) - validated meter readings*

*3(4)(b) - estimated readings*

*3(4)(c) - permanent estimates.*

### Audit observation

A sample of submission data was reviewed in **sections 11** and **12**, to confirm that volume was based on readings as required.

### Audit commentary

Review of submission data confirmed that it is based on readings as required by this clause.

### Audit outcome

Compliant

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

#### Code reference

*Clause 3(5) Schedule 15.2*

#### Code related audit information

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

#### Audit observation

A sample of submission data was reviewed in **sections 11** and **12**, to confirm that volume was based on readings as required.

NHH data is collected by MEPs and agents, and HHR data is collected by EMS. Compliance was assessed as part of their MEP and agent audits.

#### Audit commentary

The MEPs retain the raw, unrounded data. Compliance with this clause has been demonstrated by Simply Energy's agents and MEPs as part of their own audits.

AMI and HHR interval data is not rounded or truncated on import. The number of decimal places recorded in Datahub matched the source files for the sample of data checked.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 15 Schedule 15.2*

#### Code related audit information

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

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

#### Audit observation

HHR estimates for SIMP and SELX are prepared by EMS, and their compliance was assessed as part of their agent audit.

HHR estimates for SELS are prepared by Simply Energy, and estimation processes were reviewed.

#### Audit commentary

*SIMP & SELX* Compliance with this clause has been demonstrated by EMS as part of their agent audit. Estimates are based on historic data and meet the reasonable endeavours requirements. Estimated data is replaced with actual data if it becomes available at a later date.

*SELS* EMS collects and validates HHR data and creates any permanent estimates and corrections required; and supplies the validated HHR data including estimates and corrections to Simply Energy in EIEP3 format. This data is used to create HHR submissions.

Temporary estimates are created by Datahub and the process is triggered manually for each ICP with missing data. ICPs with missing data are identified using Datahub exception reports. Estimates are based on historic information for an equivalent day and trading period, unless other data such as check metering is available to confirm the correct values.

- HHR midnight readings are not considered as part of the estimation process. Some MEPs routinely provide HHR midnight readings, and it is recommended that these readings should be considered by the estimation process where they are available.
- Where there is insufficient history to determine an equivalent day (e.g. for a new ICP switching in) an estimate must be manually created. Use of a default value is recommended, to ensure that estimates are completed on time where there may be large numbers of new ICPs requiring estimates.

I reviewed a sample of three HHR estimates and confirmed that the estimates were reasonable and consistent with the ICPs' consumption patterns, and reasonable endeavours were used.

Volumes are identified as F (final actual), E (estimated) or D (deleted) in Datahub at trading period level. Permanent estimates are created in Datahub by importing a new file with the permanent estimate data marked as F (final). Permanent estimates can be identified at trading period level using the permanent estimate log, which is updated manually when permanent estimates are created as described in **section 8.4**.

The following issue was identified during the 2020 audit and is still present.

When trading period data has been estimated and actual data is received later, the actual data is imported and validated against the estimates. If the actual data is higher than the estimated data, it will pass validation and replace the estimates. If the actual data is lower than the estimated data, it is not validated and does not replace the estimates. Actual volumes for SELS ICP 0000003315NT66F (category 1) failed validation because they were lower than previous estimated volumes and did not replace the estimated data. A recommendation to improve this process is made below. I confirmed that volumes for other ICPs in the same file had been correctly recorded in Datahub, and any actual data received for periods which had not been estimated or that was higher than the estimated data was loaded.

The following issue was identified during the 2020 audit and is still present. Correction has not occurred or the ICP recorded.

When actual trading period data has been received and updated actual data is received later, it will be replaced. Where FCLM has provided a part day of data, they may later provide a replacement file which contains nulls for the trading periods already provided and HHR volumes for the part of the day that was originally missing. I found that where this occurs, Datahub imports the whole replacement file, which replaces the actual data originally provided with the null values. Datahub then creates estimates for the missing periods. I found that ICP 0000014504EACAF was missing data for the first four trading periods of 25 June 2020 when originally provided. The following day a file was provided

with the first four trading periods for 25 June 2020 and nulls for the remaining periods. This file was imported and replaced the actual trading period data, and Datahub estimated the missing values based on the ICP's consumption history. FCLM have confirmed that they will not provide full days of replacement data when part of a day was originally missing.

AMS normally provide full replacement data for any missing trading periods, and ICPs with AMS meters are not affected by this issue.

When data is replaced, compliant audit trails are created within Datahub's job log. When a permanent estimate is created, the permanent estimate log is manually updated to record all details of the change, including the dates and trading periods affected and the correction method.

Recommendation	Description	Audited party comment	Remedial action
Replacement of estimates with actual data	<p><i>SELS</i></p> <p>If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data.</p> <p>HHR actual data is not currently loaded if it is lower than previously estimated data for the same period. It is expected that HHR actual data will replace estimated data.</p>	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	<p><i>SELS</i></p> <p>If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in Datahub.</p>	As above – ticket encompasses both situations	Investigating

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. ICP 0000000000AL6A2 was estimated for January 2021 using the last week of December 2020, therefore the estimated period assumed public holidays occurred in each week of the January. The estimated kWh was 754,609 and the actual consumption was 2,138,661.

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.

#### 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: 07-Mar-21</p>	<p><i>SELS</i></p> <p>HHR estimated data is not replaced with actual data if the actual trading period volumes are lower than the estimated volumes.</p> <p>Inaccurate estimations where the time periods used as a basis for estimations contains stat holidays.</p> <p>Estimates not replaced with actuals if the replacement file does not contain a register read.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: Once</p> <p>Controls: Weak</p> <p>Breach risk rating: 9</p>		
Audit risk rating	Rationale for audit risk rating		
<b>High</b>	<p>The controls are rated as weak because they do not ensure the accuracy of estimates and don't ensure estimates are replaced with actuals.</p> <p>The audit risk rating is high because one estimate was inaccurate by 1,384,052 kWh and 1,514 ICPs still contain estimates, and many will have actual data available.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
1) We were unable to find this issue occurring after the last audit, now we have a concrete example we will analyse the reason for the failure and make all necessary adjustments to the data and the upload/validation process		31/10/2021	Investigating
2) Simply Energy estimation logic will be updated to meet code requirements		31/7/2021	
3) Where we can identify actuals that can be uploaded to replace estimates we will do so - NB: This requires a system change noted in the preventative actions.		31/12/2021	
Preventative actions taken to ensure no further issues will occur		Completion date	



1) The Upload/Validation process will be updated to ensure all actual readings are imported	31/10/2021	
2) The system estimate logic will be reviewed and updated to reflect a more appropriate methodology.	31/7/2021	
3) Our system is currently rejecting data files for AMI connections that have HHR data supplied but no midnight read (register reads). We will adjust this workflow so these files are accepted.	31/12/2021	

## 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.

### Audit commentary

Data validation for NHH metering information occurs at multiple levels.

#### Meter reader validation

As discussed in **section 6.6**, Wells and Northpower validate readings and check meter condition when readings are obtained.

For AMI meters, the MEPs have access to meter event and clock synchronisation information that may identify issues with meter accuracy. The process to receive and review this information is discussed in **sections 6.5** and **9.6**.

#### Read import and billing validation

Simply Energy's NHH validation process is compliant. The import process checks:

- the reading relates to a valid ICP meter and register, and
- the content of each field is valid and not corrupted, including dates and times.

The meter reading validations checks:

- the reading date falls between the data stream's opening and closing date,
- the reading is consistent with the number of dials recorded,
- whether the reading is higher than previous reads, which identifies negative consumption,

- whether the meter has rolled over, and
- consumption between reads against the estimated forward daily kWh to identify high, low, or zero consumption.

Any ICPs which fail the validation are individually reviewed. The user can manually force a read to pass validation so that it is published and available for reconciliation and billing or leave the read as unvalidated.

During the previous audit it was found that in some cases, the validation process would fail actual readings because they are lower than previous estimates. In these cases, it is more likely that the estimated readings will be incorrect than the subsequent actual readings. The following issue has not been resolved:

- ICP 1000515156PC25E had estimated consumption between switching in on 1 August 2016 and receiving the first actual reading after a switch in during May 2019. All the actual readings have been put on hold and not used, because they were lower than previous estimated reads, and some r14s had already been completed using these higher values. It appears this is a one-off issue for NHH ICPs, and no further examples were identified.

For SIMP and SELX, a billing volume check is completed prior to each day's billing run for end of month billing. The report is used to identify the following exceptions:

- ICPs which are missing removal reads,
- ICPs with large consumption differences, negative consumption, or missing reads over the last three months, and
- new ICPs with only a switch in read, which are checked to confirm that their estimated consumption is reasonable based on information obtained on switch in.

NHH reads sent to EMS for reconciliation are also validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Simply Energy also validates EMS' records against their own. These validation checks are discussed in **section 12.3**.

### Consumption on inactive ICPs

When an ICP becomes disconnected the data stream is end dated in DataHub. If reads are received after the data stream has ended, they will become read import errors. These read import errors are reviewed to determine whether the consumption is genuine, and the ICP status and data stream dates are updated if necessary. There is no specific reporting of inactive ICPs with consumption and I recommend this is developed.

Recommendation	Description	Audited party comment	Remedial action
Regarding Clause 16 Schedule 15.2	Develop reporting of inactive ICPs with consumption.	Simply Energy will look to enhance our 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

Compliant

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

### Code reference

*Clause 17 Schedule 15.2*

### Code related audit information

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

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

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

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

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

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

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

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

### Audit observation

HHR data validation is completed by EMS for SIMP and SELX and the process was assessed as part of their agent audit.

HHR data validation is completed by Simply Energy for SELS, using volumes which have initially been validated by EMS. I walked through the processes, including checking a sample of data validations and meter event logs.

AMI data validation is completed by Simply Energy for SIMP, SELX and SELS. I walked through the processes, including checking a sample of data validations and meter event logs. Process documentation was reviewed.

### Audit commentary

Electronic data used to determine volume information is provided by MEPs and agents. This function was examined as part of the MEP and agent audits.

### 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.

### HHR

**SIMP** EMS completes HHR validation, and the process was reviewed as part of their agent audit and found to be compliant for SIMP.

- SELX** EMS completes HHR validation, and the process was reviewed as part of their agent audit and found to be compliant for SELX.
- SELS** SELS supplies some meter category 1, 2, 3, 4 and 5 ICPs which are billed and reconciled as HHR. EMS' HHR validation process is compliant for SELS. Once the data is received by Simply Energy the following validations occur:
- automated validation of new trading period data against existing trading period data for the same period,
  - reporting on ICPs with missing trading period data, which is followed up with the agents and MEPS; Simply Energy considers changing the submission type to NHH for HHR ICPs with metering category 1 or 2 and persistent missing data issues, and missing data is estimated as described in **section 9.4**,
  - the ANH data stream is used to complete a sum check if midnight readings are available; any differences greater than  $\pm 1$  kWh fail validation and are investigated (in some cases, the sum check may fail because a switch read has failed validation e.g., because it is higher than a subsequent AMI read and this can take time to resolve),
  - comparison to expected flow patterns is checked by comparing billed and submitted data, differences between revisions, and monthly consumption before submission using a Power Query; the data is aggregated by participant code, and checked at ICP level if necessary.
  - unexpected zeros are checked by filtering the ICP, flow direction and trading period data, and then checking to determine whether the zeros are consistent with the consumption history for the ICP.

## Audit outcome

### Non-compliant

Non-compliance	Description		
Audit Ref: 9.6 With: Clause 17 Schedule 15.2  From: 01-Jun-20 To: 07-Mar-21	<i>SIMP, SELS, SELX</i> AMI event logs are not routinely reviewed. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	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
Focus is on preventative actions		N/a	Investigating

Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Simply Energy will look to enhance our Third Party Platform (Datahub) to import AMI Event Logs into each Datastream.</p> <p>Reporting will then be created based on the requirements and validation flags can be added for ICP specific information.</p>	31/1/2022	

## 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

The NSP table on the registry was reviewed.

#### Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

#### Audit outcome

Not applicable

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

#### Code reference

Clause 13.137

#### Code related audit information

*Each generator must provide the relevant grid owner half-hour metering information for:*

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

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

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

#### Audit observation

The NSP table on the registry was reviewed.

#### Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

#### Audit outcome

Not applicable

### 10.3. Loss adjustment of HHR metering information (Clause 13.138)

#### Code reference

*Clause 13.138*

#### Code related audit information

*The generator must provide the information required by clauses 13.136 and 13.137,*

*13.138(1)(a)- adjusted for losses (if any) relative to the grid injection point or, for embedded generators the grid exit point, at which it offered the electricity,*

*13.138(1)(b)- in the manner and form that the pricing manager stipulates,*

*13.138(1)(c)- by 0500 hours on a trading day for each trading period of the previous trading day.*

*The generator must provide the half-hour metering information required under this clause in accordance with the requirements of Part 15 for the collection of the generator's volume information.*

#### Audit observation

The NSP table on the registry was reviewed.

#### Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

#### Audit outcome

Not applicable

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

#### Code reference

*Clause 13.140*

#### Code related audit information

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

#### Audit observation

The NSP table on the registry was reviewed.

#### Audit commentary

Simply Energy is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

#### Audit outcome

Not applicable

## 11. PROVISION OF SUBMISSION INFORMATION FOR RECONCILIATION

### 11.1. Buying and selling notifications (Clause 15.3)

#### Code reference

*Clause 15.3*

#### Code related audit information

*Unless an embedded generator has given a notification in respect of the point of connection under clause 15.3, a trader must give notice to the reconciliation manager if it is to commence or cease trading electricity at a point of connection using a profile with a profile code other than HHR, RPS, UML, EG1, or PV1 at least five business days before commencing or ceasing trader.*

*The notification must comply with any procedures or requirements specified by the reconciliation manager.*

#### Audit observation

Processes to create buying and selling notifications were discussed.

I checked whether any breach allegations had been made in relation to buying and selling notifications.

#### Audit commentary

Simply Energy do not routinely create trading notifications. They are normally created where EMS advises they are required because file has failed the reconciliation manager's file checker process.

Notifications are only created where Simply Energy begins or ceases trading for all ICPs on an NSP, not where they begin or cease trading using a profile other than HHR, RPS, UML, EG1, or PV1 at an NSP. This is because there is no facility to enter a profile into a trading notification on the reconciliation manager portal.

There have not been any breach allegations in relation to this clause during the audit period.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 15.6*

#### Code related audit information

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

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

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

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



## Audit observation

The process for the calculation of ICP days was examined by checking NSPs with a small number of ICPs to confirm the AV110 ICP days calculation was correct.

I reviewed GR100 report variances for 17 months for SIMP, 17 months for SELX and 14 months for SELS.

## Audit commentary

### ICP days calculation

ICP days calculations are conducted by EMS for SIMP and SELX, and by Simply Energy for SELS. There is validation in place to ensure MADRAS has correct start and end dates as discussed in **section 12.3**.

*SIMP* ICP days are calculated by EMS and compliance is recorded in their agent audit report. Review of 51 NHH NSPs and all 24 HHR NSPs for January 2021 found the following:

- incorrect HHR ICP days for STK0661 due to late notification from SIMP to EMS, and
- incorrect NHH ICP days for two NSPs due to an incorrect start date and a late setup.

Both issues are now resolved.

The previous audit found an ICP days difference was present for BPE0331 NHH for April and May 2020 because ICP 0000031140CP158 switched out effective 1 February 2020 on 6 April 2020, and there was a delay in end dating the ICP due to workloads. I checked revisions 3 and 7 for this NSP and found the issue still remained.

*SELS* ICP days calculations were checked for 30 NHH NSPs and 76 HHR NSPs for January 2021 and found to be incorrect for two NSPs, which are being investigated.

The previous audit found an ICP days difference was present for SELS for WIL0331 NHH for November 2019 because an incorrect end date was applied in MADRAS for ICP 0000167296TR205, 30 days were reported but zero days were expected. The issue occurred because of an issue with the MADRAS workflow for the ICP. A new switching event caused the NHH end date to be updated in Salesforce and re-sent to MADRAS. I checked revision 7 for this NSP and found the issue still remained.

*SELX* ICP days are calculated by EMS and compliance is recorded in their agent audit report. Review of 50 NHH NSPs and all eight HHR NSPs for January 2021 confirmed that AV110 submission data was calculated correctly.

Review of the event detail reports did not identify any ICP upgrades. Two downgrades were identified for SELS and ICP days are correct.

### ICP days comparison

The tables below show the difference between the AV110 ICP days submissions and the RM return file (GR100) for all available revisions for 12 months for SELS, 15 months for SELX, and 17 months for SIMP. Negative percentage figures indicate that the Simply Energy AV110 ICP days figures are higher than those contained on the registry, and positive figures indicate that the registry's figures are higher than those contained in the AV110.

*SIMP*

Month	R1	R3	R7	R14
Mar 2019	-	-3.09%	0.22%	0.37%
Apr 2019	-	-3.57%	0.19%	0.38%
May 2019	-3.77%	-3.76%	-0.09%	0.39%
Jun 2019	-3.37%	-1.86%	0.16%	0.37%
Jul 2019	-3.27%	2.65%	0.71%	0.34%
Aug 2019	-0.75%	-0.56%	-0.60%	0.34%
Sep 2019	-0.27%	-0.33%	-0.15%	-
Oct 2019	-0.24%	-0.29%	0.07%	-
Nov 2019	0.17%	-0.35%	0.13%	-
Dec 2019	0.60%	0.07%	0.30%	-
Jan 2020	0.25%	0.10%	0.18%	-
Feb 2020	0.98%	0.10%	0.13%	-
Mar 2020	2.47%	0.06%	0.18%	-
Apr 2020	-	0.15%	0.06%	-
May 2020	0.84%	0.31%	0.13%	-
Jun 2020	0.90%	0.19%	0.30%	-
Jul 2020	0.95%	0.44%	0.22%	-
Aug 2020	0.94%	0.28%	-	-

The differences for July 2020 r7 will be checked by Simply Energy in time for the 14-month revision.

SELS

Month	R1	R3	R7	R14
May 2019	-	0.00%	0.00%	0.00%
Jun 2019	0.00%	0.00%	0.00%	0.00%
Jul 2019	0.00%	0.00%	-20.00%	0.00%
Aug 2019	0.00%	0.00%	0.00%	-
Sep 2019	0.00%	-3.57%	0.25%	-
Oct 2019	0.00%	0.00%	0.00%	-
Nov 2019	0.00%	-3.42%	14.48%	-
Dec 2019	0.00%	0.00%	0.00%	-
Jan 2020	-3.59%	0.00%	0.00%	-
Feb 2020	0.61%	0.02%	0.00%	-
Mar 2020	0.00%	2.37%	0.00%	-
Apr 2020	0.40%	0.37%	0.62%	-
May 2020	0.40%	-0.12%	-0.12%	-
Jun 2020	1.80%	0.24%	-	-
Jul 2020	1.16%	0.13%	-0.01%	-
Aug 2020	0.81%	0.66%	-	-

The differences for November 2019 r7 (which had the largest percentage difference) were checked and resolved. They mostly related to ICPs missing in the ICP days file.

SELX

Month	R1	R3	R7	R14
Mar 2019	-	0.40%	0.67%	0.80%
Apr 2019	-	-	0.61%	0.73%
May 2019	0.18%	0.24%	0.24%	0.12%
Jun 2019	-	0.59%	0.83%	0.61%
Jul 2019	0.71%	0.57%	0.60%	0.60%
Aug 2019	0.64%	0.70%	0.63%	0.60%
Sep 2019	0.66%	0.31%	0.61%	-
Oct 2019	0.82%	0.71%	0.60%	-
Nov 2019	0.51%	0.66%	0.55%	-
Dec 2019	0.65%	0.70%	0.59%	-
Jan 2020	0.75%	0.81%	-	-
Feb 2020	0.99%	0.58%	-	-
Mar 2020	1.14%	0.43%	0.53%	-
Apr 2020	0.57%	0.57%	0.71%	-
May 2020	0.86%	0.43%	0.72%	
Jun 2020	0.94%	0.74%	0.89%	
Jul 2020	0.54%	0.76%	0.92%	
Aug 2020	0.62%	0.62%	-	

The differences for July 2020 r7 will be checked by Simply Energy in time for the 14-month revision.

**Audit outcome**

Non-compliant

Non-compliance	Description		
Audit Ref: 11.2 With: Clause 15.6  From: 01-Jun-20 To: 07-Mar-21	<i>SIMP, SELS and SELX</i> Some ICP days were not reported correctly for some NSPs. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate. Processes are in place to identify start and end date discrepancies, but their manual nature, workloads and other priorities resulted in them not being completed and errors not being detected prior to submission.  The impact is assessed to be low because corrected data will be washed up.		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the audit a Project will be created to resolve all historical issues of this nature.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Additional resourcing has been allocated to the Submission process as part of the creation of 3 new roles into the Operations team since the inception of the Contact Audit.  Additionally, new technology has been developed to support the identification of issues in a more timely manner, including management of all time periods for revision submissions at one time.		31/7/2021	

### 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

GR130 reports were reviewed to confirm whether the relationship between billed and submitted data appears reasonable. Simply Energy's own Power Query analysis of billed versus submitted data was reviewed.

### Audit commentary

#### *SIMP*

The chart below shows a comparison between submissions and electricity supplied information.

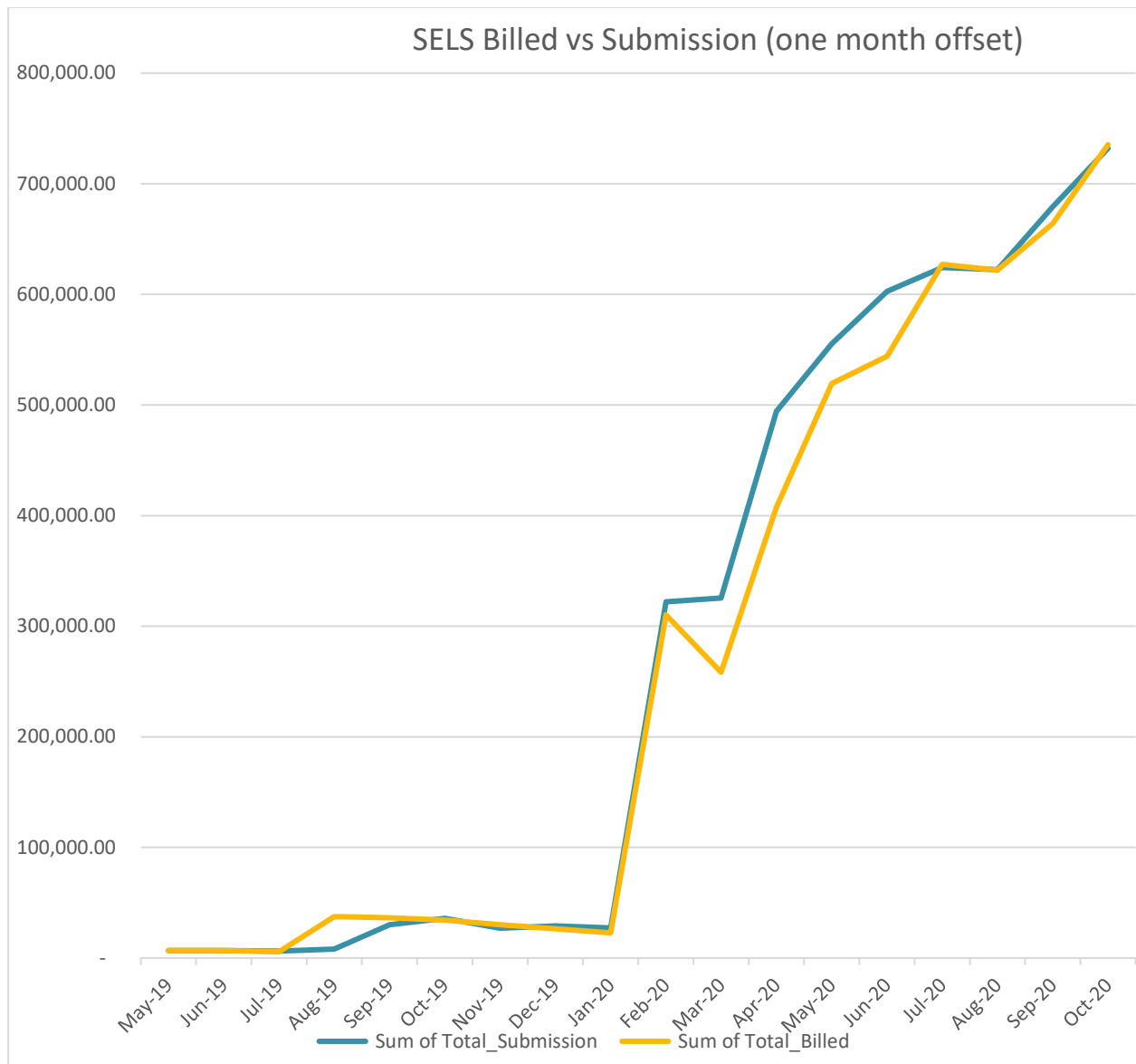


When the billed and submission periods are aligned, the shape is close. Billed data is consistently higher because it includes unmetered volumes for SB (embedded network residual load) ICPs, and the submission data excludes them. Volumes for these SB ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report). Simply Energy's analysis showed that once the differences caused by these SB ICPs are accounted for, the average difference between billed and submitted is 0.84%. The difference has decreased over time because some SB ICPs have switched out.



## SELS

The chart below shows a comparison between submissions and electricity supplied information.

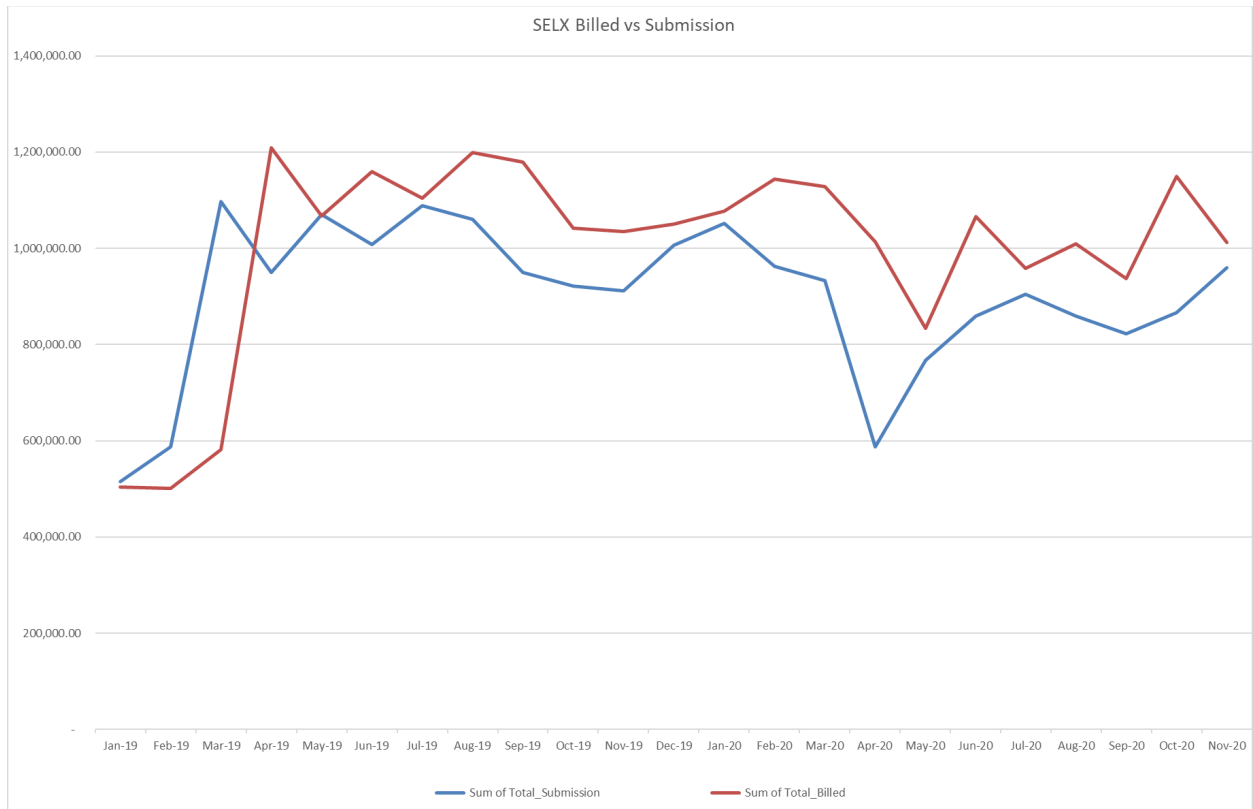


The difference between billed and submission volumes is significant from March 2020 to June 2020 onwards, even when the invoice and reconciliation periods are aligned. This was present during the last audit and Simply Energy intended to investigate the reasons for these differences, and submit revised data as required. Simply Energy reported that the issue was related to the day/night billed volumes, where it appears the calculation is incorrect.

#### SELX

The chart below shows a comparison between submissions and electricity supplied information.





Billed data is consistently higher because it includes unmetered volumes for SB (embedded network residual load) ICPs, and the submission data excludes them. Five SB ICPs are supplied, two from 1 March 2019, two from 1 July 2019 and one from 1 October 2019. The effect of these can be seen on the aligned data below.



## Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 11.3 With: Clause 15.7  From: 01-Jun-20 To: 07-Mar-21	<b>SELS</b> Incorrect electricity supplied information from March to June 2020. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as moderate. The files are generated from AXOS, and there are monitoring controls in place.  The impact is low, because the AV120 submission is used to check the reasonableness of NHH and HHR volumes submissions and has no impact on reconciliation results.		
Actions taken to resolve the issue		Completion date	Remedial action status
This Issue will not be resolved, For context: our understanding is that the submissions are accurate, the billing was accurate, however our ability to provide accurate reporting to Veritek for validation of this is not. The issue was caused by someone with system administrator rights deleting the billing data within the system. We have decided not to try to replicate this data through manual uploads from our back-ups given the wider risks that we identified.		N/a	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
System administrator access has been reviewed and removed from all but a select few users.		31/7/2021	

## 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

EMS prepares the HHR submissions for SIMP and SELX and compliance was assessed as part of their agent audit. SIMP prepares HHR submissions for SELS.

I confirmed that the process for the calculation and aggregation of HHR data is correct, by matching HHR aggregates information with the HHR volumes data for a sample of submissions. Aggregates data was also matched to the raw meter reading data for a sample of ICPs.

I checked the GR090 ICP missing files for March 2020 to November 2020. An extreme sample of missing ICPs were reviewed.

#### Audit commentary

HHR aggregates and volumes submissions contain submission information, not electricity supplied information as specified under clause 15.8. Although the reports are consistent with the Reconciliation Manager Functional Specification, this is recorded as a technical non-compliance below.

The following discrepancies were identified.

**SIMP** HHR volumes and aggregates were matched for seven submissions, and I found there were only small rounding differences of less than  $\pm 3$  kWh. During the EMS audit, raw meter data from MV90 was matched against the aggregate submissions.

The GR090 ICP missing reports for March to November 2020 showed 79 ICPs were missing from some submissions. I checked an extreme case sample of the 20 ICPs missing from the most revisions and found the differences were caused by:

- backdated switches and withdrawals, and
- backdated meter upgrades, meter removals, status updates and trader updates.

The 2020 audit found that ICPs 0000033673EAA96 and 0158947339LC9D1 were omitted from some SIMP HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICPs. I confirmed that the ICPs were included in revision submissions.

**SELS** HHR volumes and aggregates were matched for six submissions, and the values matched to two decimal places. I traced a sample of HHR data from HERM files to DataHub, and then through to the HHR aggregates and volumes submissions. Compliance is confirmed.

The GR090 ICP missing reports for March to November 2020 showed 30 ICPs were missing from some submissions. I checked an extreme case sample of the 20 ICPs missing from the most revisions and found the differences were caused by:

- backdated switches and withdrawals,
- late provision of data files, and
- incorrect zero submission for ICP 0000001651NT385 after the switch had been withdrawn.

I rechecked missing ICPs identified during the 2020 audit.

- HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error. Datahub does not expect unmetered load to be attached to HHR ICPs and will omit the ICP from the HHR submission if the unmetered flag is set to yes. When a registry list is imported into Datahub it must be manually edited so that the unmetered flag is not

updated in Datahub, but this step was missed prior to the April 2020 revision 1. The ICPs were included in the 3-month revision but were zero in the 7-month revision.

- ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22 January 2020 on 24 January 2020. The issue appears to have been caused by Simply Energy not running and importing a registry list file prior to submission, which would have ended the ICP.
- HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20 July 2020 and were included in the next revision.

**SELX** HHR volumes and aggregates were matched for seven submissions, and I found there were only small rounding differences of less than  $\pm 3$  kWh across each submission. During the EMS audit, raw meter data from MV90 was matched against the aggregate submissions.

The GR090 ICP missing reports for March to November 2020 showed three ICPs were missing from some submissions due to backdated events.

The 2020 audit found that ICP 0000033673EAA96 was omitted from some HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICP. I confirmed that the ICP was included in revision submissions.

## Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 11.4 With: Clause 15.8  From: 01-Jun-20 To: 07-Mar-21	HHR aggregates file does not contain electricity supplied information. <i>SIMP and SELS</i> Some HHR aggregates errors due to late processing of events, late data or issues not identified during validation. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The issue relating to content of the aggregates file is an error in the code, Simply Energy is providing submission information as expected. The controls are rated as moderate overall. Processes are in place to validate submission data, but their manual nature, workloads and other priorities resulted in them not being completed and errors not being detected prior to submission. The impact is low based on the volume differences identified.		
Actions taken to resolve the issue		Completion date	Remedial action status

<p>We believe that the code is written in such a way that it is not possible to be compliant. This has been noted previously and if we change our processes there will be more material non-compliances caused.</p> <p>Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.</p>	<p>N/a</p> <p>30/6/2021</p>	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
<p>We would like to see the EA refine the wording of this particular clause to allow compliance.</p> <p>Additional resourcing has been allocated to the Submission process as part of the creation of 3 new roles into the Operations team since the inception of the Contact Audit.</p> <p>New technology has been developed to support the identification of issues in a timelier manner, including management of all time periods for revision submissions at one time.</p>	<p>?</p> <p>31/7/2021</p>	

## 12. SUBMISSION COMPUTATION

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

#### Code reference

Clause 15.36

#### Code related audit information

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

#### Audit observation

Daylight saving adjustment is conducted by EMS and was reviewed as part of their agent audit for SIMP and SELX.

Simply Energy's AMI and HHR data is received adjusted for daylight savings and is correctly handled by Datahub. I checked a sample of six adjustments to and from daylight savings and confirmed that they were processed correctly.

#### Audit commentary

- |      |   |
|------|---|
| SIMP | EMS uses the "trading period run on" technique for daylight saving adjustment. Compliance was confirmed in their agent audit. |
| SELS | Simply Energy uses the "trading period run on" technique. The files for the start and end of daylight savings were correct.   |
| SELX | EMS uses the "trading period run on" technique for daylight saving adjustment. Compliance was confirmed in their agent audit. |

#### Audit outcome

Compliant

### 12.2. Creation of submission information (Clause 15.4)

#### Code reference

Clause 15.4

#### Code related audit information

*By 1600 hours on the 4th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all NSPs for which the reconciliation participant is recorded in the registry as having traded electricity during the consumption period immediately before that reconciliation period (in accordance with Schedule 15.3).*

*By 1600 hours on the 13th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all points of connection for which the reconciliation participant is recorded in the registry as having traded electricity during any consumption period being reconciled in accordance with clauses 15.27 and 15.28, and in respect of which it has obtained revised submission information (in accordance with Schedule 15.3).*

#### Audit observation

Processes to ensure that HHR, NHH and generation submissions are accurate were reviewed. A list of breaches was obtained from the Electricity Authority.

## Audit commentary

### NHH

EMS prepares AV080 submissions as Simply Energy's agent. The submission data excludes unmetered volumes for three SB (embedded network residual load) ICPs as agreed with the Reconciliation Manager. Volumes for these ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report).

Inactive consumption is only reported if the ICP is returned to active status. As recorded in **Section 9.5**, I recommend reporting is developed for consumption on inactive ICPs.

Vacant ICPs are recorded against the building owner or landlord customer account, and consumption reported in the same way as for any active ICP.

A sample of submission data was checked for each code:

*SIMP* Five ICPs with unmetered load, including ICPs with shared and standard unmetered load were checked. Submission did not occur for February 2021 for ICP 0000514131NR159. The calculated kWh is 8.96. MADRAS does not have the capability to deal with unmetered load, therefore "dummy" meters have been created and Simply Energy manually creates start and end meter readings and sends them to EMS. These readings have not been sent recently; therefore, MADRAS estimates based on history. For this ICP it appears readings are present, but submission did not occur. The other four ICPs had slightly inaccurate submission. The late and inaccurate submission data is recorded as non-compliance in **section 12.7**.

A sample of five ICPs with NHH submission type, distributed generation and an EG register were checked and confirmed to be reported correctly.

The previous audit identified one NHH ICP which was missing from submission data. ICP 0007165486RN00D switched in effective from 20 April 2020 on 22 April 2020, but the unmetered load register was not created until June 2020, so the ICP was excluded from the April 2020 r0 and r1 and May 2020 r0. I confirmed that the register has now been created in Datahub, but the calculated readings were based on 0.2 kWh per day instead of 0.215 kWh per day. This has not been corrected and is recorded as non-compliance in **section 12.7**.

As discussed in **section 3.4**, ICP 0000006003CB3C1 was connected on 28 December 2012 but was not claimed by Simply Energy. No meter installation or connection paperwork was received, and the building owner did not confirm that the ICP was required. The ICP was moved to "decommissioned set up in error" status on 27 August 2015. A new ICP 0000006023CBE94 was created and claimed by SELS from 21 January 2021, and then switched to TODD the following day. There was no active ICP for this point of connection from 28 December 2012 until 20 January 2021, and the load (if any) during this period is unknown.

*SELS* I checked three ICPs with unmetered load, including one ICP with shared and two ICPs with standard unmetered load. ICP 0000024997EA2A8 did not have submission information for February 2021. Two other ICPs had errors, which is recorded in **section 12.7**.

A sample of five ICPs with NHH submission type, distributed generation and an EG register were checked and confirmed to be reported correctly.

The September 2020 HHR vols file was sent late and a breach was notified.

**SELX** Only SB ICPs are unmetered, and submission does not occur as described above.  
All ICPs with NHH submission type, distributed generation and an EG register were checked and confirmed to be reported correctly.

## HHR

HHR submissions were reviewed in **section 11.4**, and data is validated prior to submission as discussed in **section 12.3**. Corrections were checked in **sections 2.1** and **8.2**.

**SIMP** EMS prepares AV090 and AV140 submissions as Simply Energy's agent.

I followed up exceptions identified during the 2020 audit.

- Up to 31 May 2020 EMS was responsible for producing HHR submissions. From 1 June 2020 Simply Energy began producing these submissions in Datahub, and it was intended that EMS would provide revision data for submission periods up to May 2020. Due to a data processing error when end dating ICPs 0000033673EAA96 and 0158947339LC9D1, EMS inactivated all data resulting in the ICPs being excluded from HHR revision submissions produced from June 2020 onwards for SIMP. This matter is now resolved, and revisions are correct.
- SIMP HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error. Datahub does not expect unmetered load to be attached to HHR ICPs and will omit the ICP from the HHR submission if the unmetered flag is set to yes. When a registry list is imported into Datahub it must be manually edited so that the unmetered flag is not updated in Datahub, but this step was missed prior to the April 2020 revision 1. This matter is not yet resolved. The ICPs were included in the 3-month revision but were both zero in the 7-month revision.

**SELS** Simply Energy prepares AV090 and AV140 submissions.

I followed up ICP 0000004005RJ31F, which had missing submission data identified during the previous audit. HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20 July 2020 and were included in the next revision.

75 ICPs were missing from HHR submissions for December 2020. Default volumes of 4 GWh were applied by the reconciliation manager.

**SELX** EMS prepares AV090 and AV140 submissions as Simply Energy's agent.

I followed up ICP 0000033673EAA96, which had missing submission data identified during the previous audit. Due to a data processing error when end dating ICP 0000033673EAA96, EMS inactivated all data resulting in the ICPs being excluded from HHR revision submissions produced from June 2020 onwards for SELX. EMS has corrected their system and revised data was submitted through the revision process.

## 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: 07-Mar-21</p>	<p><i>SIMP</i></p> <p>Unmetered submission did not occur for February 2021 for ICP 0000514131NR159.</p> <p>Incorrect submission for HHR ICPs 0000009033NT7F6 and 0000033374NT4F6.</p> <p>There was no active ICP for the point of connection at Kiosk 1, 180 Lambton Quay between 28/12/12 and 20/01/21. No submission occurred during this period.</p> <p><i>SELS</i></p> <p>ICP 0000024997EA2A8 did not have submission information for February 2021.</p> <p>Late HHR vols file for September 2020.</p> <p>75 ICPs missing from submission for December 2020.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
High	<p>Controls are rated as moderate. Processes to ensure submissions are complete and accurate are in place, but their manual nature, workloads and other priorities resulted in them not being completed and errors not being detected prior to submission.</p> <p>The impact is high based on the incorrect submissions.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 have been resolved in June 2021 for the R14, R7 and R3 reconciliation washups.		30/6/2021	Identified
The ICP at Kiosk 1, 180 Lambton Quay was energised by the Network without Simply Energy being advised. Upon being advised that the site was energised and a client wanted to sign in, Simply made the site Active and held this for one day before ICP switched to Nova.		N/a	
Both ICP 0000514131NR159 and 0000024997EA2A8 will be raised in the Project following Audit Report provision to be resolved.		30/9/2021	
Preventative actions taken to ensure no further issues will occur		Completion date	
Additional resourcing has been allocated to the Submission process as part of the creation of 3 new roles into the Operations team since the inception of the Contact Audit.		30/6/2021	
Additionally new technology has been developed to support the identification of issues in a more timely manner, including management of all time periods for revision submissions at one time.			

## 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 and NHH submissions are accurate were reviewed. A sample of GR170 and AV080 files were compared, to confirm zeroing occurs.

### Audit commentary

#### Simply Energy data checks

Checks to confirm that Simply Energy's data is complete and accurate are discussed in **section 2.1**.

#### Simply Energy to EMS consistency checks

Updated reads are sent to EMS at least weekly. Each month, Simply Energy asks EMS to clear the reads recorded and resupplies the "published" (validated) readings.

Data consistency checks between EMS' MADRAS records, and Simply Energy's Salesforce and registry list file records are completed prior to business days 3, 4, 12 and 13.

- NHH reads sent to EMS for reconciliation are validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Reads rarely fail this validation.
- EMS provides a file with ICP and meter details including start and end dates every two to three months, which is reconciled to a date ranged registry list file and any differences are investigated and resolved. I found that this check is not consistently identifying and correcting ICPs with missing switch in or meter start readings and has not been completed for several months, which is leading to submission accuracy issues recorded as non-compliance in **section 12.7**. I recommend that this check is completed more thoroughly and regularly.
- The GR100 ICP comparison reports received from the reconciliation manager are reviewed, to determine the reasons for any differences and whether data needs to be updated on the registry or in Salesforce, DataHub and/or MADRAS. The review prioritises the latest revisions available.
- The MADRAS Dashboard in Salesforce identifies ICPs that require action or need to be checked, including:
  - all accepted RRs which are checked to ensure that EMS and DataHub have the correct reads recorded,

- ICPs with an unexpected profile for the NSP or configuration,
- ICPs that are end dated but still have SIMP, SELS or SELX recorded as the retailer,
- ICPs where the start read is inconsistent with the start date,
- ICPs supplied by an alternate reader with no MADRAS end date,
- missing work flows, where status changes have occurred, and the data has not yet been sent to MADRAS (this includes ICPs that are end dated but do not have a final reading), and
- profile GXP checks, which detect unexpected use of the GXP profile.

Recommendation	Description	Audited party comment	Remedial action
Identification of reads missing from MADRAS	<p>Conduct regular checks to ensure that:</p> <ol style="list-style-type: none"> <li>1. Start and end dates are aligned in MADRAS and Datahub.</li> <li>2. Start and end reads are present and consistent with expected values, including CS and accepted RR reads which have received an AMI reading on the same day.</li> </ol>	This check has been added to the monthly submission process checks and is completed as part of ICPDays validations.	Identified

### Review of submission data created by EMS

EMS provides all submission data to Simply Energy for review prior to submission to the reconciliation manager. I walked through the process to review submission data using the Power Query Validation tool. The tool compares the total submission volume (HHR volumes + NHH volumes + DFP volumes from the GR040) against the billed data and previous submissions for reasonableness.

ICP and meter register level AV080 submission data is provided and reviewed to identify any ICPs with unusually high or low consumption. These outliers are checked to make sure the data is accurate.

### Review of submission data created by Simply Energy

Simply Energy creates HHR submission data for SELS, and the validation process is discussed in **section 9.6**. Simply Energy has created a Power Query Validation tool for SELS, which compares volumes for each submission against previous submissions and AV120 information.

### Aggregation of submission data

The GR100 ICP comparison reports are reviewed, to confirm whether any aggregation lines require zero values to be inserted. Requests for zero lines to be inserted are provided to EMS.

*SIMP* Aggregation of the AV090 and AV140 was checked in **section 11.4**.

Aggregation of the AV080 was checked for 24 combinations of NSP, reconciliation type and flow direction for January 2021 revision three and found to be accurate.

Nine AV080 files were compared to check zeroing. I found that some zeroing had not occurred, as follows. CSC0012 3,720 kWh was not zeroed for July 2019 R7.

*SELS* Aggregation of the AV090 and AV140 was checked in **section 11.4**.

Aggregation of the AV080 was checked for seven combinations of NSP, reconciliation type and flow direction for January 2021 revision three and found to be accurate.

Comparison of seven GR170 and AV080 files did not identify any zeroing issues.

The 2019 and 2020 audits recorded that ICP 0001173611PC6E2 had generation recorded on the registry by the distributor but did not have generation metering or a generation profile recorded. Simply Energy confirmed that the customer does have solar generation and wishes to gift it, and notification of gifting was provided following the previous audit. The ICP has since switched out.

**SELX** Aggregation of the AV090 and AV140 was checked in **section 11.4**.

Aggregation of the AV080 was checked for 22 combinations of NSP, reconciliation type and flow direction for January 2021 revision three and found to be accurate.

Nine GR170 and AV080 files were compared to check zeroing. KMO0331, 216 kWh was not zeroed for July 2019 R14. MTN0331, 23 kWh was not zeroed for July 2020 R3, 253 kWh was not zeroed for August 2020 R3.

## Audit outcome

### Non-compliant

Non-compliance	Description		
Audit Ref: 12.3 With: Clause 15.5  From: 01-Jul-19 To: 31-Aug-20	<p><i>SIMP</i> CSC0012 3,720 kWh was not zeroed for July 2019 R7.</p> <p><i>SELX</i> KMO0331, 216 kWh was not zeroed for July 2019 R14. MTN0331, 23 kWh was not zeroed for July 2020 R3, 253 kWh was not zeroed for August 2020 R3.</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		
<b>Low</b>	<p>The controls are rated as moderate because there is no zeroing process for the AV080, only the AV110.</p> <p>The impact is low based on the kWh over submitted.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the audit a Project will be created to resolve all historical issues of this nature.		30/9/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>Additional resourcing has been allocated to the Submission process as part of the creation of 3 new roles into the Operations team since the inception of the Contact Audit.</p> <p>Additionally, new technology has been developed to support the identification of issues in a more timely manner, including management of all time periods for revision submissions at one time.</p>	30/6/2021	
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#### 12.4. Grid owner volumes information (Clause 15.9)

##### Code reference

Clause 15.9

##### Code related audit information

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

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

##### Audit observation

The registry list and NSP table were reviewed.

##### Audit commentary

SIMP, SELS, and SELX are not grid owners; compliance was not assessed.

##### Audit outcome

Not applicable

#### 12.5. Provision of NSP submission information (Clause 15.10)

##### Code reference

Clause 15.10

##### Code related audit information

*The participant (if a local or embedded network owner) must provide to the reconciliation manager for each NSP for which the participant has given a notification under clause 25(1) Schedule 11.1 (which relates to the creation, decommissioning, and transfer of NSPs) the following:*

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.10(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period (clause 15.10(b)).*

##### Audit observation

The registry list and NSP table were reviewed.

##### Audit commentary

SIMP, SELS, and SELX are not grid connected or embedded network owners; compliance was not assessed.

#### Audit outcome

Not applicable

### 12.6. Grid connected generation (Clause 15.11)

#### Code reference

Clause 15.11

#### Code related audit information

*The participant (if a grid connected generator) must deliver to the reconciliation manager for each of its points of connection, the following:*

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.11(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period. (clause 15.11(b))*

#### Audit observation

The registry list and NSP table were reviewed.

#### Audit commentary

SIMP, SELS, and SELX are not a grid connected generators; compliance was not assessed.

#### Audit outcome

Not applicable

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

#### Code reference

Clause 15.12

#### Code related audit information

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

#### Audit observation

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late. Corrections were reviewed in **sections 2.1, 8.1 and 8.2**.

#### Audit commentary

Review of alleged breach information confirmed that the September 2020 HHR vols file was sent late for SELS.

#### NHH submission accuracy issues

Where the reconciliation manager has not published shape files for the ICP's profile (such as PV1, SBL, SFI and UML), historic estimate is calculated based on the readings and apportioned between the months based on a daily average according to the forward standard estimate process. This consumption is labelled as forward estimate in the submission files.

NHH submissions are completed by EMS. Where inputs into the historic estimate process are incorrect, inaccurate submission data can be created although the process is compliant. I saw several examples of this:

Switch reads	<p>The following ICPs did not have the agreed switch event readings recorded in MADRAS and/or as discussed in <b>sections 4.4</b> and <b>4.11</b>:</p> <p>SIMP</p> <ul style="list-style-type: none"> <li>• 0000772550TE557 (event date 07/07/20) MADRAS only</li> <li>• 1000002127BP44 (event date 20/01/21) MADRAS only</li> <li>• 0000204747DE2DC (event date 10/01/21) MADRAS only</li> <li>• 0000002043SF788 (event date 30/09/20) Datahub and MADRAS</li> <li>• 0005107200WM4AB (event date 27/11/20) Datahub only</li> </ul> <p>SELS</p> <ul style="list-style-type: none"> <li>• 0000033275EA718 (event date 19/10/20) MADRAS only</li> <li>• 0369229681LCC24 (event date 01/01/21) MADRAS only</li> <li>• 0032300312DF387 (event date 27/01/21) MADRAS only</li> <li>• 1001127640LC366 (event date 11/12/20) ICP is not recorded in MADRAS,</li> <li>• 0110117012AP421 (event date 01/10/20) Datahub only</li> <li>• 0003727196WF6B8 (event date 01/12/20) Datahub and MADRAS</li> </ul> <p>SELX</p> <ul style="list-style-type: none"> <li>• 0001270860PC7A5 (event date 07/08/20) MADRAS only</li> <li>• 0000922534TUA6A (event date 04/11/20) MADRAS only</li> <li>• 1000590726PC900 (event date 20/01/21) MADRAS only</li> <li>• 0000906091TU572 (event date 24/02/21) MADRAS only</li> <li>• 0001332060PCB11 (event date 23/01/21) MADRAS only</li> <li>• 0001800470PC814 (event date 29/07/20) MADRAS only</li> </ul> <p>I followed up corrections required following the 2020 audit:</p> <ul style="list-style-type: none"> <li>• ICP 0000920729TU6DB (event date 22/05/19). The RR was accepted but the reads have not been updated in Salesforce for two of three registers resulting in under submission of 380 kWh. This was not resolved and is now outside the 14 month revision period.</li> <li>• ICP 0000012112WEA2A. SELX used their reconnection reads and not the reads provided in the CS file and no RR was issued resulting in under submission of 1,035 kWh. This was not resolved and is now outside the 14 month revision period.</li> </ul>
Truncation of readings	<p>Automatically entered NHH and AMI reads are truncated on import into Datahub, except readings provided by FCLM and WASN. All NHH and AMI reads are truncated on export to EMS' MADRAS. This is recorded as non-compliance in <b>section 9.3</b>.</p> <p>I checked seven ICPs with compensation factors and they all had truncated readings, which could result in errors of 54 kWh for ICPs with compensation factors of 60.</p>
Missing start reads in MADRAS	<p>During the previous audit it was found that some ICPs were missing start reads for switch ins and meter changes in MADRAS. When start read is missing, forward estimate is calculated up to the first actual reading:</p> <ul style="list-style-type: none"> <li>• ICP 0882361295LC296 (SIMP PEN1101 Sep 19 r7) switched in on 01/09/19 but did not have its switch in reading recorded in MADRAS. The first actual read was recorded on 11/09/19. Historic estimate was under reported by 7,291 kWh and the forward estimate was over reported by 1,696.93 kWh, resulting in net under reporting of 5,594.07 kWh. The readings are still missing in MADRAS and the 14-month revision time period has passed.</li> </ul>

	<ul style="list-style-type: none"> <li>• ICP 1001150391LC9BD (SIMP RFB0011 Sep 19 r7) switched in on 01/09/19 but did not have its switch in reading recorded in MADRAS. The first actual read was recorded on 10/09/19. Historic estimate was under reported by 1,012 kWh and the forward estimate was over reported by 643.22 kWh, resulting in net under reporting of 368.78 kWh. The readings are still missing in MADRAS and the 14-month revision time period has passed.</li> <li>• ICP 1001157318LC6C6 (SIMP RFB0011 Sep 19 r7) switched in on 01/09/19 but did not have its switch in reading recorded in MADRAS. The first actual read was recorded on 02/09/19. Historic estimate was under reported by 24 kWh and the forward estimate was over reported by 25.59 kWh, resulting in net over reporting of 1.59 kWh. The readings are still missing in MADRAS and the 14-month revision time period has passed.</li> <li>• ICP 0007117865RN382 (SIMP ISL0331 Feb 19 r14) underwent a meter change on 20/02/20 and was missing start reads on the new meters. The first actual read was recorded on 05/03/19. Historic estimate was under reported by 4,500 kWh and the forward estimate was over reported by 3,600 kWh resulting in net under reporting of 900 kWh. The start reads are now entered in MADRAS and submission is correct for the 14-month revision.</li> <li>• 00000212018UN526 (SIMP WRD0331 Feb 19 r14) switched in on 01/02/19 but did not have its switch in reading recorded in MADRAS. The first actual read was recorded on 07/02/19. Historic estimate was under reported by 110 kWh and the forward estimate was over reported by 104.46 kWh, resulting in net under reporting of 5.54 kWh. The start reads are now entered in MADRAS and submission is correct for the 14-month revision.</li> <li>• 0000128891UNDE8 (SIMP HEP0331 Feb 19 r14) switched in on 01/02/19 but did not have its switch in reading recorded in MADRAS. The first actual read was recorded on 04/02/19. Historic estimate was under reported by 50 kWh and the forward estimate was over reported by 56.82 kWh, resulting in net over reporting of 6.82 kWh. The readings are still missing in MADRAS and the 14-month revision time period has passed.</li> </ul> <p>Checks of start and end data are conducted, but these are not sufficient to consistently identify and resolve these issues. I have raised a recommendation to improve the process in <b>section 12.3</b>.</p>
Incorrect start reads in MADRAS	<p>Where an ICP has two readings recorded on the same read date, the latest reading is applied. The following issue was raised in the 2020 audit and was not resolved. The 14 month revision period has now passed.</p> <p>For historic estimate test D, ICP 000001142KP8D6 has an AMI meter. The switch event reads were 216134129/1: 41049 (A) and 16134131/1: 17256 (A). MADRAS only applies one read per day, and instead of the switch event read applied the AMI end of day reads on the first day of supply, which were 216134129/1: 41212 (A) and 16134131/1: 17315 (A). This resulted in under submission of 222 kWh.</p> <p>I have raised a recommendation to improve the start read validation process in <b>section 12.3</b>.</p>



Unmetered load errors	<p>Where unmetered load details are not recorded, MADRAS calculates 55 kWh per day as forward estimate for unmetered ICPs, resulting in some under and over submission for standard and shared unmetered load.</p> <p>SIMP</p> <p>The previous audit identified one NHH ICP which was missing from submission data. ICP 0007165486RN00D switched in effective from 20/04/20 on 22/04/20, but the unmetered load register was not created until June 2020 so the ICP was excluded from the April 2020 r0 and r1 and May 2020 r0. I confirmed that the register has now been created in Datahub, but the calculated readings were based on 0.2 kWh per day instead of 0.215 kWh per day. Monthly submission is 6 kWh and should be 6.67 kWh.</p> <p>ICP 0000514131NR159 had zero submitted for February 2021.</p> <p>Minor submission errors for four ICPs due to estimates being used rather than calculations from the registry daily kWh figure:</p> <table><tr><th>ICP</th><th>Feb 21 submission</th><th>Calculated from registry</th></tr><tr><td>0000021229WE3C9</td><td>2.71</td><td>2.80</td></tr><tr><td>0000028992WE001</td><td>134.58</td><td>134.40</td></tr><tr><td>0000292040MP0B5</td><td>59.61</td><td>59.08</td></tr><tr><td>0007165486RN00D</td><td>5.42</td><td>6.02</td></tr></table> <p>SELS</p> <p>Unmetered load submission did not occur for ICP 0000024997EA2A8.</p> <p>Minor submission errors for four ICPs due to estimates being used rather than calculations from the registry daily kWh figure:</p> <table><tr><th>ICP</th><th>Feb 21 submission</th><th>Calculated from registry</th></tr><tr><td>0000009033NT7F6</td><td>26.65</td><td>26.74</td></tr><tr><td>0000033374NT4F6</td><td>14.93</td><td>14.56</td></tr></table>	ICP	Feb 21 submission	Calculated from registry	0000021229WE3C9	2.71	2.80	0000028992WE001	134.58	134.40	0000292040MP0B5	59.61	59.08	0007165486RN00D	5.42	6.02	ICP	Feb 21 submission	Calculated from registry	0000009033NT7F6	26.65	26.74	0000033374NT4F6	14.93	14.56
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0000009033NT7F6	26.65	26.74																							
0000033374NT4F6	14.93	14.56																							
HHR profile in AV080 submissions	<p>The previous audit found that HHR profile is sometimes invalidly applied in the AV080 submissions. Simply Energy investigated this issue and found it was caused by an error when updating some meter register records which contained the profile. Revision files were provided at the time of the previous audit showing that corrections had been processed and no issues occurred in later submissions.</p> <p>The HHR profile has also been applied for NHH submission during the current audit period, including:</p> <ul style="list-style-type: none"><li>• SIMP RJEN-RSC0011 Aug-19 r14</li><li>• SIMP RJEN-RSC0011 Sep-19 r14</li><li>• SIMP WAIK-TWH0331 Sep-19 r14</li><li>• SIMP RJEN-PSP0011 Sep-19 r14</li><li>• SIMP TASM-STK0661 Jan-20 r7</li><li>• SIMP TASM-KIK0111 Jan-20 r7</li><li>• SIMP TASM-MCH0111 Jan-20 r7</li><li>• SIMP RJEN-RSC0011 Mar-20 r7</li></ul>																								

	<ul style="list-style-type: none"> <li>• SIMP RJEN-RSC0011 Jul-20 r3</li> <li>• SIMP TENC-WPK0011 Jul-20 r3</li> <li>• SIMP TENC-WPK0011 Aug-20 r3</li> <li>• SELS CKHK-WIL0331 Jul-19 r14</li> <li>• SELS EASH-ASB0661 Jun-20 r3</li> <li>• SELX EASH-ASB0661 Jul-19 r14</li> <li>• SELX EASH-ASB0661 Aug-19 r14</li> <li>• SELX EASH-ASB0661 Sep-19 r14</li> <li>• SELX EASH-ASB0661 Jan-20 r7</li> <li>• SELX EASH-ASB0661 Feb-20 r7</li> <li>• SELX EASH-ASB0661 Mar-20 r7</li> </ul> <p>The issue still remains. The RM considers this consumption to be RPS.</p> <p>Review of the registry lists with history identified one SIMP, one SELX and three SELS ICPs with NHH submission type and HHR profile. These are now all resolved.</p>
Zero lines are not added to the AV080 submissions	The zeroing process is currently completed for the AV110 but also needs to be completed for the AV080. Where a zero line is required but not added, the previous value for the aggregation line remains in the reconciliation manager's database, resulting in incorrect submission.
Missing submission information	As discussed in <b>section 3.4</b> , ICP 0000006003CB3C1 was connected on 28/12/2012 was not claimed by Simply Energy. No meter installation or connection paperwork was received, and the building owner did not confirm that the ICP was required. The ICP was moved to "decommissioned set up in error" status on 27/08/2015. A new ICP 0000006023CBE94 was created and claimed by SELS from 21/01/2021, and then switched to TODD the following day. There was no active ICP for this point of connection from 28/12/2012 until 20/01/2021, and the load (if any) during this period is unknown.

### HHR submission accuracy issues

Where inputs into the HHR submission process are incorrect, inaccurate submission data can be created although the process is compliant. I saw several examples of this:

HHR ICPs with unmetered flag = Y	<p>The previous audit identified that SIMP HHR ICPs 0000009033NT7F6 and 0000033374NT4F6 were excluded from the HHR submissions for April 2020 revision 1 because of a data processing error.</p> <p>Datahub does not expect unmetered load to be attached to HHR ICPs and will omit the ICP from the HHR submission if the unmetered flag is set to yes. When a registry list is imported into Datahub it must be manually edited so that the unmetered flag is not updated in Datahub, but this step was missed prior to the April 2020 revision 1. The ICPs were included in the 3-month revision but were zero in the 7-month revision.</p>
Switched ICPs without end dates	The previous audit found SIMP ICP 0000167296TR205 was incorrectly included in the February 2020 revision 1 and 3 although it switched out effective 22/01/20 on 24/01/20. The issue appears to have been caused by Simply Energy not running and importing a registry list file prior to submission, which would have end dated the ICP. The inaccurate submission was corrected for R14.
HHR ICPs omitted from submissions	The 2020 audit found that ICPs 0000033673EAA96 and 0158947339LC9D1 were omitted from some SIMP HHR revision submissions produced from June 2020 due to a data processing error when end dating the ICPs. I confirmed that the ICPs were included in revision submissions.

HHR estimates not created prior to submission	<p>HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20/07/20 and were included in the next revision.</p> <p>75 ICPs were missing from HHR submissions for December 2020. Default volumes of 4 GWh were applied by the reconciliation manager. This is recorded as non-compliance in <b>section 12.2</b>.</p>
HHR estimates are not always replaced with actual data	<p>HHR estimates are not always replaced with actual data if it is lower than the estimated data. The previous audit found actual volumes for SELS ICP 0000003315NT66F (category 1) failed validation because they were lower than previous estimated volumes, so did not replace the estimated data. I confirmed that volumes for other ICPs in the same file had been correctly recorded in Datahub, and any actual data received for periods which had not been estimated or that was higher than the estimated data was loaded.</p> <p>A recommendation to ensure that estimates are replaced with actual data is raised in <b>section 9.4</b>.</p>

### ICP days submission accuracy issues

Where inputs into the ICP days submission process are incorrect, inaccurate submission data can be created although the process is compliant. I saw several examples of this:

HHR estimates not created prior to submission	The 2020 audit found that HHR estimates were not entered for SELS ICP 0000004005RJ31F for the last two days of September 2019, resulting in missing HHR data and ICP days for September 2019 r3. Estimates were entered into Datahub on 20/07/20 and were included in the next revision.
Delays in updating ICP start and end dates	An ICP days difference was present for BPE0331 NHH for April and May 2020 because SIMP ICP 0000031140CP158 switched out effective 01/02/20 on 06/04/20, and there was a delay in end dating the ICP due to workloads. This issue still remains at R3 and R7.
MADRAS workflows invalidly updating end dates	An ICP days difference was present for SELS for WIL0331 NHH for November 2019 because an incorrect end date was applied in MADRAS for ICP 0000167296TR205, 30 days were reported but zero days were expected. The issue occurred because of an issue with the MADRAS workflow for the ICP. A new switching event caused the NHH end date to be updated in Salesforce and re-sent to MADRAS. This issue still remains.

### 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: 07-Mar-21</p>	<p>Some submission data was inaccurate and was not corrected at the next available opportunity.</p> <p>September 2020 HHR vols file for SELS sent late.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</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

<b>High</b>	<p>Controls are rated as moderate:</p> <ul style="list-style-type: none"> <li>• historic and forward estimate is correctly identified most of the time, and</li> <li>• submission validation processes are in place, but their manual nature, workloads and other priorities resulted in them not being completed and errors not being detected prior to submission.</li> </ul> <p>The impact is assessed to be high based on the impact on submission accuracy.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Additional resourcing has been allocated to the Submission process as part of the creation of 3 new roles into the Operations team since the inception of the Contact Audit.</p> <p>Additionally, new technology has been developed to support the identification of issues in a more timely manner, including management of all time periods for revision submissions at one time.</p>		30/6/2021	

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

### Code reference

Clause 4 Schedule 15.2

### Code related audit information

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

*The relevant reconciliation participant must, at the earliest opportunity, and no later than the month 14 revision cycle, replace volume information created using estimated readings with volume information created using validated meter readings.*

*If, despite having used reasonable endeavours for at least 12 months, a reconciliation participant has been unable to obtain a validated meter reading, the reconciliation participant must replace volume information created using an estimated reading with volume information created using a permanent estimate in place of a validated meter reading.*

### Audit observation

A sample of NHH volumes 14-month revisions were reviewed to identify any forward estimate still existing.

### Audit commentary

Simply Energy does not have a process to replace estimates with permanent estimates by revision 14, but very few ICPs are unread by revision 14. When Simply Energy receives a read for a long-term unread site,

a permanent estimate read is provided to EMS to ensure that all consumption is captured and reported for reconciliation within the 14-month period.

Some forward estimate remains because historic estimate is incorrectly labelled as forward estimate where seasonal adjusted shape values (SASV) published by the reconciliation manager are not available for part or all of a read to read period. The incorrect labelling of historic estimate as forward estimate is recorded as non-compliance in **sections 12.7** and **12.10**.

*SIMP* 14-month revisions were reviewed for July to September 2019, and I found the following forward estimate volumes remained:

Month	Forward estimate at R14
Jul-19	8,775.18
Aug-19	19,017.12
Sep-19	38,424.53
Grand Total	66,216.83

I checked a sample of 32 aggregation lines with forward estimate remaining and found the forward estimate was caused by:

- ICPs which had genuinely not been read in the last 14 months, and
- ICPs with profiles that do not have shape files published by the reconciliation manager.

*SELS* 14-month revisions were reviewed for July to September 2019, and I found the following forward estimate volumes remained:

Month	Forward estimate at R14
Jul-19	0.00
Sep-19	2,367.75
Grand Total	2,367.75

*SELX* 14-month revisions were reviewed for July to September 2019, and I found the following forward estimate volumes remained:

Month	Forward estimate at R14
Jul-19	185,660.85
Aug-19	143,726.44
Sep-19	182,004.46
Grand Total	511,391.75

I checked 54 aggregation lines with forward estimate remaining for the September 2019 revision 14 and found that most related to the use of the SBL, SFI and PV1 profiles where shape files were not published and therefore not used.

#### 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	<i>SIMP and SELX</i> Some estimates are not replaced at R14. Potential impact: Medium Actual impact: Medium Audit history: Multiple times Controls: Moderate Breach risk rating: 4		
Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	The controls are considered moderate because: <ul style="list-style-type: none"> <li>meter reading read attainment is high,</li> <li>most of the forward estimate checked was historic estimate, which was mislabelled as forward estimate because shape files were unavailable for the ICP's profile, and</li> <li>there is a permanent estimate process in place, but permanent estimates are not routinely entered prior to r14.</li> </ul> The impact of the non-compliance is dependent on the accuracy of the estimates applied. Where the SFI profile is used for SELX, the shape files are not used, therefore the consumption for each month will be incorrect.		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Non-compliance	Description	
Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.	30/9/2021	
This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.		

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

### Code reference

Clause 2 Schedule 15.3

### Code related audit information

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

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

### Audit observation

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry were reviewed **in section 2.1**.

Aggregation and content of reconciliation submissions was reviewed, and the registry lists were reviewed.

### Audit commentary

Compliance with this clause was assessed:

- all active ICPs with meter category 3 or higher have submission type HHR,
- unmetered load submissions were checked in **section 12.2**,
- profiles requiring certification of control devices were checked in **section 6.3**,
- no loss or compensation arrangements are required, and
- aggregation of the AV080, AV110, AV090 and AV140 submissions are covered in **sections 13.2, 11.2, and 11.4** respectively.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 3 Schedule 15.3*

#### Code related audit information

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

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

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

#### Audit observation

A sample of AV080 submissions were reviewed, to confirm that historic estimates are included and identified.

Permanence of meter readings is reviewed in **section 12.8**. The methodology to create forward estimates is reviewed in **section 12.12**.

#### Audit commentary

In some cases, historic estimate is incorrectly labelled as forward estimate. Where SASV profiles published by the reconciliation manager are not available for part or all of a read to read period, historic consumption is labelled as FSE (forward standard estimate) even though it is based on actual readings. For some profiles, shape values are never published, including PV1, SBL, SFI and UNM.

Submission information was reviewed to confirm that forward and historic estimates are included:

<i>SIMP</i>	Review of nine submissions confirmed that forward and historic estimates are included and identified as such.
<i>SELS</i>	Review of eight submissions confirmed that forward and historic estimates are included and identified as such.
<i>SELX</i>	Review of nine submissions confirmed that forward and historic estimates are included and identified as such.

#### Audit outcome

Non-compliant



Non-compliance	Description		
Audit Ref: 12.10 With: Clause 3 Schedule 15.3  From: 01-Jun-20 To: 07-Mar-21	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.  Potential impact: Medium  Actual impact: Medium  Audit history: Multiple times  Controls: Moderate  Breach risk rating: 4		
Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	The controls are recorded as moderate because historic and forward estimate is correctly identified most of the time.  There is a medium impact on settlement because shape files are not used for the SFI and SBL profiles.		
Actions taken to resolve the issue		Completion date	Remedial action status
Unfortunately we 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).		N/a	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
Simply Energy plans to move NHH Data Admin to Datahub, this will allow Simply Energy the ability to adjust the system to allow for compliance.		31/1/2022	

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

##### Code reference

Clause 4 and 5 Schedule 15.3

##### Code related audit information

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

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

##### Audit observation

Simply Energy provided examples of historic estimate calculations, which were reviewed. The check of calculations included confirming that readings and Seasonal Adjusted Shape Values (SASV) were applied correctly.

##### Audit commentary

Historic estimate is prepared by EMS using the MADRAS system, and the process is the same for all the Simply Energy codes. The table below shows that all scenarios which had occurred are compliant. Customer and photo reads are used to calculate historic estimate if they are recorded as customer actual readings, and this read status is only applied where a reading has been validated against a set of validated readings from another source.

Simply Energy downloads seasonal adjusted shape values (SASV) from the RM portal after each allocation and provides them to EMS via SFTP. EMS collects the files and loads them into MADRAS. I saw evidence of the data transfer and confirmed that the correct SASV were applied as part of the historic estimate calculation review.

Test	Scenario	Test expectation	Result
a	ICP becomes Active part way through a month	Consumption is only calculated for the Active portion of the month.	Compliant
b	ICP becomes Inactive part way through a month.	Consumption is only calculated for the Active portion of the month.	Compliant
c	ICP become Inactive then Active again within a month.	Consumption is only calculated for the Active portion of the month.	Has not occurred
d	ICP switches in part way through a month on an estimated switch reading	Consumption is calculated to include the 1st day of responsibility.	Compliant
e	ICP switches out part way through a month on an estimated switch reading	Consumption is calculated to include the last day of responsibility.	Compliant
f	ICP switches out then back in within a month	Consumption is calculated for each day of responsibility.	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 are validated.	Compliant

Test	Scenario	Test expectation	Result
n	ICP with a photo read during the month	Photo reads are not used to calculate historic estimate unless they are validated.	Compliant
o	ICP has a meter with a multiplier greater than 1	The multiplier is applied correctly	Compliant

Where inputs into the historic estimate process are incorrect, incorrect historic estimates can be created although the process is compliant. This is recorded as non-compliance in **section 12.7**. I saw several examples of this:

- where an ICP has two readings recorded on the same read date, the latest reading is applied,
- automatically entered NHH and AMI reads are truncated on import into Datahub, except readings provided by FCLM and WASN, and as all NHH and AMI reads are truncated on export to EMS' MADRAS, where an ICP has a multiplier applied, this can result in inaccurate submission,
- missing start reads in MADRAS have resulted in forward estimate being calculated when historic estimate should have been calculated, and
- incorrect start reads can result in inaccurate historic estimate.

A recommendation for improvement to the Datahub-MADRAS read validation process is made in **section 12.3**.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 6 Schedule 15.3*

#### Code related audit information

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

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

#### Audit observation

The process to create forward estimates was reviewed. Forward estimates were checked for accuracy by analysing the GR170 variances over the audit period.

#### Audit commentary

EMS's forward standard estimate process is based on a "straight line" methodology, and where no historical information is available a "forward default" estimate of 20 kWh per day is used. The process for forward standard estimate calculation was checked and confirmed as accurate.

The 20 kWh per day value is set at participant code level in MADRAS and cannot be modified for individual ICPs. Simply Energy investigated whether this could be changed following the 2018 audit and decided not to make any changes.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within 15% and within 100,000kWh. The tables below show the target was met for all balancing areas, and the differences between revisions at aggregate level were small.

*SIMP*

Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
May 2019	0	0	0	0	129
Jun 2019	0	0	0	0	126
Jul 2019	0	1	0	0	127
Aug 2019	0	0	0	0	126
Sep 2019	0	0	0	-	128
Oct 2019	0	0	0	-	129
Nov 2019	1	1	1	-	133
Dec 2019	0	0	0	-	132
Jan 2020	0	0	0	-	132
Feb 2020	0	0	0	-	130
Mar 2020	0	0	0	-	132
Apr 2020	0	0	-	-	132
May 2020	0	0	-	-	133
Jun 2020	0	0	-	-	133
Jul 2020	0	0	-	-	136
Aug 2020	0	0	-	-	137

The total variation between revisions at an aggregate level is shown below.

Month	Revision 1	Revision 3	Revision 7	Revision 14
May 2019	-0.13%	0.48%	3.98%	4.05%
Jun 2019	-0.32%	2.13%	3.48%	4.22%
Jul 2019	-0.96%	4.97%	0.77%	1.18%
Aug 2019	0.49%	1.84%	0.80%	0.52%
Sep 2019	3.67%	3.70%	3.48%	-
Oct 2019	0.67%	-0.80%	-0.93%	-
Nov 2019	3.51%	3.20%	3.90%	-
Dec 2019	-0.20%	-0.39%	0.13%	-
Jan 2020	1.45%	0.91%	0.78%	-
Feb 2020	0.43%	0.46%	0.54%	-
Mar 2020	0.88%	1.08%	1.12%	-
Apr 2020	-0.24%	6.46%	-	-
May 2020	2.04%	1.05%	-	-
Jun 2020	-1.41%	-3.15%	-	-
Jul 2020	-0.17%	-0.59%	-	-
Aug 2020	0.42%	0.75%	-	-

The differences between revisions for July 2019 and November 2019 were checked during the previous audit, and found to be caused by:

- backdated switches and switch withdrawals, and
- meter read issues, including an inaccurate switch read which was corrected through the RR process, misreads, and a meter replacement with a recycled meter which was initially entered with an incorrect start read of zero.

No other differences exceeded the thresholds, but the overall percentage differences were high in January and February 2020 due to the following issues:

- lack of regular reads for irrigation ICPs,
- backdated registry events, and

- zero used as a start read instead of the actual read.

### SELS

Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Sep 2019	0	0	0	-	2
Oct 2019	0	0	0	-	3
Nov 2019	0	0	0	-	3
Dec 2019	0	0	0	-	3
Jan 2020	0	0	0	-	3
Feb 2020	0	0	0	-	7
Mar 2020	0	0	0	-	8
Apr 2020	0	0	-	-	11
May 2020	0	0	-	-	11
Jun 2020	0	0	-	-	10
Jul 2020	0	0	-	-	10
Aug 2020	0	0	-	-	10

The total variation between revisions at an aggregate level is shown below.

Month	Revision 1	Revision 3	Revision 7	Revision 14
Sep 2019	-55.04%	-56.12%	-56.11%	-
Oct 2019	-25.29%	-25.62%	-25.68%	-
Nov 2019	0.77%	1.32%	0.15%	-
Dec 2019	11.28%	14.53%	10.97%	-
Jan 2020	0.42%	-14.26%	-18.49%	-

Month	Revision 1	Revision 3	Revision 7	Revision 14
Feb 2020	-6.29%	-34.51%	-33.37%	-
Mar 2020	-0.03%	-19.12%	-12.31%	-
Apr 2020	7.35%	14.07%	-	-
May 2020	5.71%	-1.96%	-	-
Jun 2020	-7.43%	-12.79%	-	-
Jul 2020	-3.07%	-4.21%	-	-
Aug 2020	-3.04%	-2.18%	-	-

No differences exceeded the thresholds, but some differences were large, particularly between January and March 2020 due to the following issues:

- lack of regular reads for irrigation ICPs, and
- backdated registry events.

#### SELX

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	40
Jun 2019	0	0	0	0	39
Jul 2019	0	0	0	0	41
Aug 2019	0	0	0	0	41
Sep 2019	0	0	0	-	40
Oct 2019	0	0	0	-	39
Nov 2019	0	0	0	-	39
Dec 2019	0	0	0	-	39
Jan 2020	0	0	0	-	39

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total
Feb 2020	1	1	1	-	39
Mar 2020	0	0	0	-	39
Apr 2020	0	0	-	-	39
May 2020	0	0	-	-	40
Jun 2020	0	0	-	-	40
Jul 2020	0	0	-	-	40
Aug 2020	0	0	-	-	40

The total variation between revisions at an aggregate level is shown below.

Month	Revision 1	Revision 3	Revision 7	Revision 14
May 2019	-0.49%	-1.48%	-1.24%	-1.32%
Jun 2019	-0.73%	-4.47%	-1.39%	-1.42%
Jul 2019	-0.22%	-0.11%	-0.39%	-0.30%
Aug 2019	-0.11%	4.44%	4.52%	4.54%
Sep 2019	2.48%	3.97%	3.94%	-
Oct 2019	-1.60%	-0.28%	-0.17%	-
Nov 2019	-2.40%	-2.34%	-2.58%	-
Dec 2019	-0.56%	-0.03%	-0.04%	-
Jan 2020	-0.29%	0.27%	0.18%	-
Feb 2020	23.85%	25.23%	25.01%	-
Mar 2020	-0.06%	1.72%	1.58%	-



Month	Revision 1	Revision 3	Revision 7	Revision 14
Apr 2020	0.70%	0.35%	-	-
May 2020	-0.35%	-0.96%	-	-
Jun 2020	-0.35%	-1.05%	-	-
Jul 2020	-0.17%	-0.52%	-	-
Aug 2020	0.80%	-0.59%	-	-

One balancing area difference was over the threshold for February 2020 due to a meter reading error not being identified during validation.

The 2020 audit found that for ICPs with multipliers, the multiplier is applied to the default forward estimate of 20 kWh per day. This is still existing.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.12 With: Clause 6 Schedule 15.3  From: 01-Jun-20 To: 07-Mar-21	<i>SIMP and SELX</i> The accuracy threshold was not met for some revisions. Potential impact: Medium Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	Controls are rated as moderate. They are sufficient to ensure data is within the accuracy threshold most of the time, but do not always provide a realistic estimate of consumption because a default daily forward estimate is applied. The impact is low, revised data is washed up.		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>	30/9/2021	
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### 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

Profile changes are conducted using a meter reading or a permanent estimate on the day of the profile change.

#### Audit outcome

Compliant

## 13. SUBMISSION FORMAT AND TIMING

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

#### Code reference

*Clause 8 Schedule 15.3*

#### Code related audit information

*For each category 3 of higher metering installation, a reconciliation participant must provide half hour submission information to the reconciliation manager.*

*For each category 1 or category 2 metering installation, a reconciliation participant must provide to the reconciliation manager:*

- *Half hour submission information; or*
- *Non half hour submission information; or*
- *A combination of half hour submission information and non half hour submission information*

*However, a reconciliation participant may instead use a profile if:*

- *The reconciliation participant is using a profile approved in accordance with clause Schedule 15.5; and*
- *The approved profile allows the reconciliation participant to provide half hour submission information from a non half hour metering installation; and*
- *The reconciliation participant provides submission information that complies with the requirements set out in the approved profile.*

*Half hour submission information provided to the reconciliation manager must be aggregated to the following levels:*

- *NSP code*
- *reconciliation type*
- *profile*
- *loss category code*
- *flow direction*
- *dedicated NSP*
- *trading period*

*The non half hour submission information that a reconciliation participant submits must be aggregated to the following levels:*

- *NSP code*
- *reconciliation type*
- *profile*
- *loss category code*
- *flow direction*
- *dedicated NSP*
- *consumption period or day*

#### Audit observation

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry were reviewed in **section 2.1**.

Aggregation of NHH volumes is discussed in **section 12.3**, aggregation of HHR volumes is discussed in **section 11.4** and NSP volumes are discussed in **section 12.6**.

### Audit commentary

Submission information is provided to the reconciliation manager in the appropriate format and is aggregated to the following level:

- NSP code,
- reconciliation type,
- profile,
- loss category code,
- flow direction,
- dedicated NSP, and
- trading period for half hour metered ICPs and consumption period or day for all other ICPs.

### Audit outcome

Compliant

## 13.2. Reporting resolution (Clause 9 Schedule 15.3)

### Code reference

*Clause 9 Schedule 15.3*

### Code related audit information

*When reporting submission information, the number of decimal places must be rounded to not more than two decimal places.*

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

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

### Audit observation

I reviewed the rounding of data on the AV080, AV090 and AV140 and reports as part of the aggregation checks.

### Audit commentary

Review of AV080, AV090 and AV140 reports for all codes confirmed that submission information is rounded to no more than two decimal places.

### Audit outcome

Compliant

### 13.3. Historical estimate reporting to RM (Clause 10 Schedule 15.3)

#### Code reference

Clause 10 Schedule 15.3

#### Code related audit information

*By 1600 hours on the 13th business day of each reconciliation period the reconciliation participant must report to the reconciliation manager the proportion of historical estimates per NSP contained within its non half hour submission information.*

*The proportion of submission information per NSP that is comprised of historical estimates must (unless exceptional circumstances exist) be:*

- *at least 80% for revised data provided at the month 3 revision (clause 10(3)(a))*
- *at least 90% for revised data provided at the month 7 revision (clause 10(3)(b))*
- *100% for revised data provided at the month 14 revision (clause 10(3)(c)).*

#### Audit observation

The timeliness of submissions of historic estimate was reviewed in **section 12.2**. I reviewed a sample of AV080 reports for each code to confirm that historic estimate requirements were met.

#### Audit commentary

The revision files were examined and showed that the targets were not met for some NSPs. I reviewed a sample of NSPs where the read attainment requirements were not met. The historic estimate attainment requirements were not met because meter reads were not obtained for some ICPs, and some historic estimate was incorrectly labelled as forward estimate as described in **section 12.10**.

*SIMP*

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Jul 2019	-	-	142	172
Aug 2019	-	-	132	174
Sep 2019	-	-	117	177
Jan 2020	-	172	-	184
Feb 2020	-	162	-	182
Mar 2020	-	164	-	185
Jun 2020	170	-	-	185
Jul 2020	173	-	-	184

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Aug 2020	172	-	-	187

The table below shows the percentage HE at a summary level:

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Jul 2019	-	-	99.60%
Aug 2019	-	-	99.17%
Sep 2019	-	-	98.18%
Jan 2020	-	98.41%	-
Feb 2020	-	97.58%	-
Mar 2020	-	96.99%	-
Jun 2020	96.02%	-	-
Jul 2020	96.24%	-	-
Aug 2020	94.69%	-	-

### SELS

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Jul 2019			1	1
Aug 2019				
Sep 2019			1	3
Jan 2020		3		3
Feb 2020		9		9
Mar 2020		8		9

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Jun 2020	9			11
Jul 2020	10			12
Aug 2020	11			14

The table below shows the percentage HE at a summary level:

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Jul 2019	-	-	100.00%
Aug 2019	-	-	-
Sep 2019	-	-	76.94%
Jan 2020	-	100.00%	-
Feb 2020	-	99.15%	-
Mar 2020	-	92.69%	-
Jun 2020	87.69%	-	-
Jul 2020	89.36%	-	-
Aug 2020	92.76%	-	-

*SELX*

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Jul 2019	-	-	14	61
Aug 2019	-	-	15	64
Sep 2019	-	-	14	64
Jan 2020	-	41	-	62

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Feb 2020	-	16	-	62
Mar 2020	-	24	-	64
Jun 2020	50	-	-	65
Jul 2020	50	-	-	63
Aug 2020	50	-	-	63

The table below shows the percentage HE at a summary level:

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Jul 2019	-	-	79.85%
Aug 2019	-	-	84.16%
Sep 2019	-	-	77.69%
Jan 2020	-	81.75%	-
Feb 2020	-	68.37%	-
Mar 2020	-	75.03%	-
Jun 2020	85.65%	-	-
Jul 2020	86.28%	-	-
Aug 2020	84.47%	-	-

#### 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-20</p> <p>To: 07-Mar-21</p>	<p><i>SIMP, SELX and SELS</i></p> <p>Historic estimate targets were not met for all months and revisions.</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 considered moderate because:</p> <ul style="list-style-type: none"> <li>meter reading read attainment is high, and</li> <li>most of the forward estimate checked was historic estimate, which was mislabelled as forward estimate because shape files were unavailable for the ICP's profile.</li> </ul> <p>The impact of the non-compliance is dependent on the accuracy of the estimates applied. There are sound estimation processes, therefore I have recorded the audit risk rating as low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Following the Contact Energy audit two experienced additional people have been employed into newly created roles. A third new role supporting our Operations team has been created which is due to be filled in the coming month. This will add urgent focus to the Operations key processes.		30/6/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Along with additional experienced staff being added to the team, a project focussed on the Operations team which will include refresher and regular training has been created to improve the overall compliance.</p> <p>This project will also review all existing controls, responsibility and accountability of such and the addition of new / improved controls added to the project roadmap where/if required. Reporting and communication of these controls and their status will be fed into the existing forums with an additional report to the Leadership Team.</p>		30/9/2021	

## CONCLUSION

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

Simply Energy is in the process of migrating its SELX and SIMP ICPs to the SELS code. The migration commenced on 1 November 2020 and the balance of customers were transferred during 2021 with the latest switch effective 1/4/2021.

There has been a general increase in late information and decrease in accuracy, largely due to an increase in workloads, staff, and staff responsibility changes. There has been an increase in ICP numbers and ICP complexity due to ICPs switching from CTCT to CTCX (which is outside the scope of this audit but has increased workloads). There have also been staffing changes within the operations area, with some temporary and new staff being responsible for operations.

Some key areas of non-compliance were identified:

- there was no active ICP for a point of connection between 28 December 2012 and 20 January 2021, and submission did not occur for this period,
- 75 ICPs were not included in a HHR submission file, leading to default volume of 4 GWh being applied,
- many issues identified in the previous audit have not been resolved and in some cases, the 14-month revision timeframe has passed,
- HHR estimates are not replaced with actuals if the replacement file does not contain a register read, and
- zeroing had not occurred for some NSPs, resulting in over submission.

The audit found 42 non-compliance issues and makes 15 recommendations.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The future risk rating score is 122, resulting in an indicative audit frequency of three months. I have considered two points when making the next audit date recommendation. Firstly, that there are many issues that need to be resolved and re-audited and secondly that the remedial actions will take some time, especially when the same limited resource is also dealing with the issues for the CTCX and CTCX codes for Contact Energy. The next audit date for Contact Energy was recommended to be late 2021, I therefore recommend early 2022 for the next audit date for Simply Energy. Mid-March 2022 would be ideal.

## PARTICIPANT RESPONSE

*Simply Energy takes the audit process and findings very seriously. Our internal review in CY2021 Q1 identified we had several operational issues and that our resourcing at the time was inadequate. Our controls and management of operational processes had also suffered as a result of the loss of experienced staff and there has been a significant lag to re-resource in the current market.*

*As a result of the findings Simply Energy undertook a restructure of the operations and billing areas and created new roles recently filled with industry experienced staff. The scale of non-compliances are unprecedented in Simply Energy's history and we are committed to working hard to remediate with a mixture of increased resource and system and process improvements. There is a consistent and cohesive plan to get back on track and we are actively managing this at all levels of the business.*

*Simply Energy would like the opportunity to share the above mentioned plan with the Electricity Authority (EA) and periodically update the EA on our progress to ensure we maintain confidence that we are heading in the right direction. Simply Energy's people, processes and overall performance will be communicated during these updates to provide full disclosure of how we are tracking to this plan.*