

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

For

PIONEER ENERGY

Prepared by: Ewa Glowacka

Date audit commenced: 27 March 2018

Date audit report completed: 29 April 2018

Audit report due date: 30-Apr-18

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EXECUTIVE SUMMARY

This reconciliation participant audit was performed at the request of Pioneer Energy (PION) to support their application for certification, in accordance with clauses 4 of Schedule 15.1 of The Code 2010. The relevant clauses audited are as required by the Guidelines for Reconciliation Participants Audits V 7.1 issued by the Electricity Authority.

Pioneer Energy trades both NHH and HHR customers. At the time of the audit, 1,313 ICPs were reconciled as NHH, and 317 as HHR. Pioneer manages NHH ICPs themselves, HHR ICP management is done by EMS on behalf of Pioneer Energy.

The audit found 14 non-compliances. The level of compliance has improved in the following areas:

- Switching
- Accuracy of AV-120 files provided to the reconciliation manager

The main issues identified during this audit are:

- Reconciliation of DUML – no reliable database (spreadsheet) to provide street light load
- Improvements are required to manage ANZSIC code in the registry
- Management of ICPs status in the registry
- Not meeting targets for Historical estimates
- Incorrect calculation of Historical estimates conducted by ORION

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. Table 1 of the Guidelines for Reconciliation Participant audit provides some guidance on this matter. The Future Risk Rating score is 28 which results in an indicative audit frequency of 12 months. We agree with the result.

We thank Pioneer Energy's staff for their full and complete cooperation in this audit. Their response to any request for information or clarification was answered in a timely manner and each time in depth, supporting evidence was provided.

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	Incorrect ANZSIC code for some ICPs. Incorrect information in registry for type of profile assigned to some ICPs	Moderate	Low	2	Identified
Changes to registry information	3.3	10 of Schedule 11.1	Delayed updates to ICPs "active" status (60%), late trader's updates to registry (27.3%)	Moderate	Low	2	Identified
Provision of information the registry manager	3.5	9(1)(j) of Schedule 11.1	The status for five ICPs (new connections) were updated to "active" late. Incorrect information for some DUMML and UML ICPs	Moderate	Low	2	Identified
ANZSIC codes	3.6	9(1)(k) of Schedule 11.1	10 ICPs have incorrect ANZSIC codes assigned	Moderate	Low	2	Identified
Changes to unmetered load	3.7	9(1)(j) of Schedule 11.1	Incorrect code in the field "Daily kWh" is used for street lights ICPs. Incorrect information in the "Daily Unmetered kWh" field for two ICPs.	Moderate	Low	2	Identified
Management of "active" status	3.8	17 of Schedule 11.1	A number of ICPs have incorrectly assigned "inactive" status when they should be "active"	Moderate	Low	2	Identified
Losing trader must provide final information – standard switch	4.3	5 of Schedule 11.3	CS file sent late for 11 ICPs by one day. Incorrect type of reading in one CS file	Strong	Low	1	Identified
Traders must use the same readings – standard switch	4.4	6A of Schedule 11.3	8 RR files were sent later than 4 months	Moderate	Low	2	Identified
Losing trader provides information – switch move	4.8	10(1) of Schedule 11.3	19 CS files for switch move were sent later than 5 BD	Moderate	Low	2	Identified
Gaining trader to advise the registry manager - gaining trader	4.14	16 of Schedule 11.3	Switch for ICP 0000592189UN5AE was finalized later by one day	Strong	Low	1	Identified

switch							
Withdrawal of switch requests	4.15	17 of Schedule 11.3	NW for one ICP was late	Strong	Low	1	Identified
Distributed unmetered load	5.4	11 of Schedule 15.3	Inaccurate submission information for PowerNet database	Weak	Low	3	Identified
HHR aggregates information provision to the reconciliation manager	11.4	15.8	HHRAGGR files do not contain electricity supplied information	Strong	Low	1	Not required. The Code change required a line up with RN file specification. Breach risk rating excluded from total
Historical and forward estimates	12.10	3 of Schedule 15.3	Incorrect calculation of historical estimates for some scenarios conducted by ORION	Weak	Low	3	Identified
Historical estimates reporting to RM	13.3	10 of Schedule 15.3	Historical estimates target not met for revision 3, and 7 for most of NSPs	Weak	Low	3	Identified
Future Risk Rating						28	

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

Based on Table 1 of the Guidelines for Reconciliation Participant audit, the next audit should happen within next 12 months. We agree with the recommendation.

RECOMMENDATIONS

Subject	Section	Description	Recommendation

ISSUES

Subject	Section	Description	Issue

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.

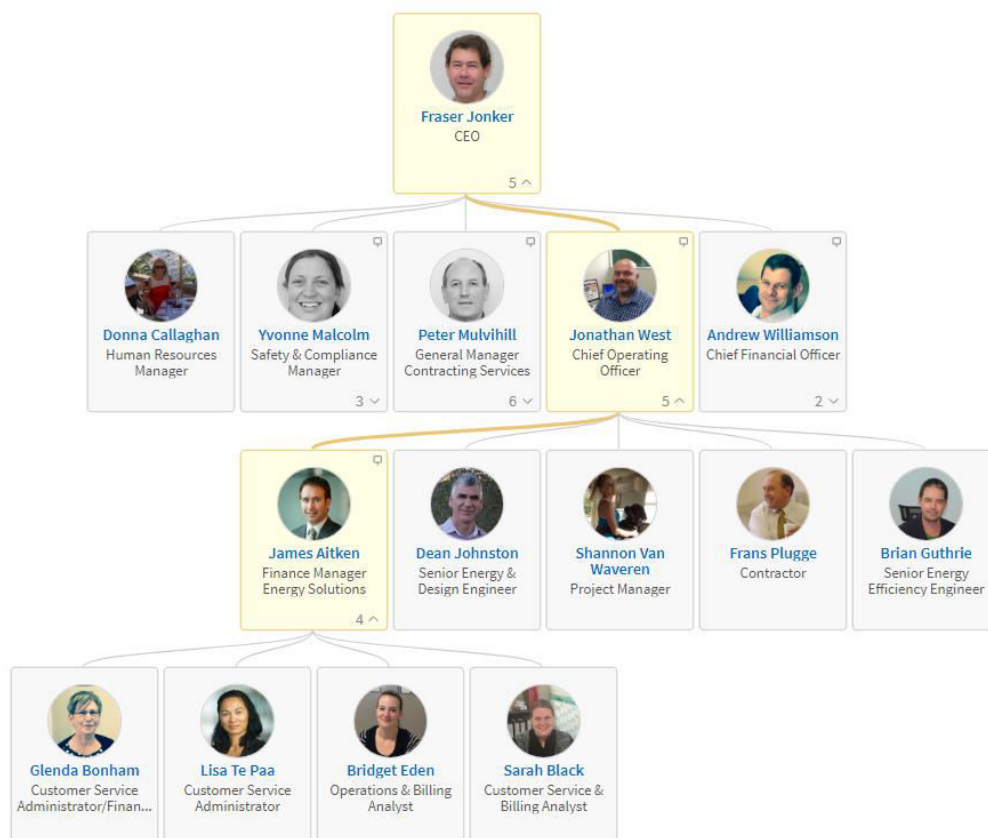
Audit observation

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

Audit commentary

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

1.2. Structure of Organisation



1.3. Persons involved in this audit

Name	Title	Company
Jamie Aitken	Finance Manager	Pioneer Energy
Sarah Black	Customer service & Business Analyst	Pioneer Energy
Glenda Bonham	Customer service/Administrator/Finance	Pioneer Energy
Briget Eden	Customer service & Business Analyst	Pioneer Energy
Ewa Glowacka	Electricity Authority Approved Auditor	TEG & Associates

1.4. Use of Agents (Clause 15.34)

Code reference

Clause 15.34

Code related audit information

A reconciliation participant who uses an agent

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

Audit observation

Pioneer Energy engages two agents, WELLS for the provision of NHH data, and EMS for the management of HHR ICPs.

Audit commentary

As a part of this audit we reviewed the WELLS and EMS audit reports. We also reviewed an agreement between Pioneer Energy and EMS. It is the same agreement as last year. On 1st November 2017 Pioneer Energy renewed the Data Services Agreement (DSA) dated 1st December 2016 for a further renewal term (1-year period).

The audit report for WELLS dated 31/05/17 and EMS are attached as appendices. The most recent EMS audit, dated 10/3/17, is attached as appendices. Whilst the EMS and WELLS audits are older than seven months, we have received assurance from both companies that there has been no change in their services provided to Pioneer Energy, therefore we are confident in using the report as part of this audit.

EDMI and AMS (HHR data collection) audit report dated 15/05/17 were reviewed.

1.5. Hardware and Software

Pioneer Energy uses ORION software for the management of NHH ICPs (meter readings and reconciliation files). This software is also used to bill both NHH and HHR customers. ORION software is supported by AgilityCIS based in Auckland.

1.6. Breaches or Breach Allegations

Pioneer Energy lodged a self-breach on 08/02/2018. Clause 15.4.1 was breached by not submitting reconciliation files by 16:00 hours on 7th February 2018. The AV080 report repeatedly failed the file checker due to an issue with the NSP mapping for a new NSP; following several attempts to unsuccessfully self-correct, advice was sought from the Reconciliation Manager at 15:55 to solve the issue. This resulted in a delay in submitting the reports. Resulting in the reports being submitted at 16:00, 16:01 and 16:04.

1.7. ICP Data

Metering Category	(22/03/18)	(25/05/17)	(11/01/17)
1	1,143	1,205	8
2	285	298	24
3	124	117	15
4	56	46	5
5	11	17	0
9	6	10	0

Status	Number of ICPs (22/03/18)	Number of ICPs (25/05/17)	Number of ICPs (11/01/17)
Active (2,0)	1,349	1,428	54
Inactive – new connection in progress (1,12)	1	0	0
Inactive – electrically disconnected vacant property (1,4)	10	5	0
Inactive – electrically disconnected remotely by AMI meter (1,7)	1	0	0
Inactive – electrically disconnected at pole fuse (1,8)	2	2	0
Inactive – electrically disconnected due to meter disconnected (1,9)	1	1	0
Inactive – electrically disconnected at meter box fuse (1,10)	0	0	0
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	7	2	0
Inactive – reconciled elsewhere (1,5)	258	270	0
Decommissioned (3)	5	0	0

1.8. Authorisation Received

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

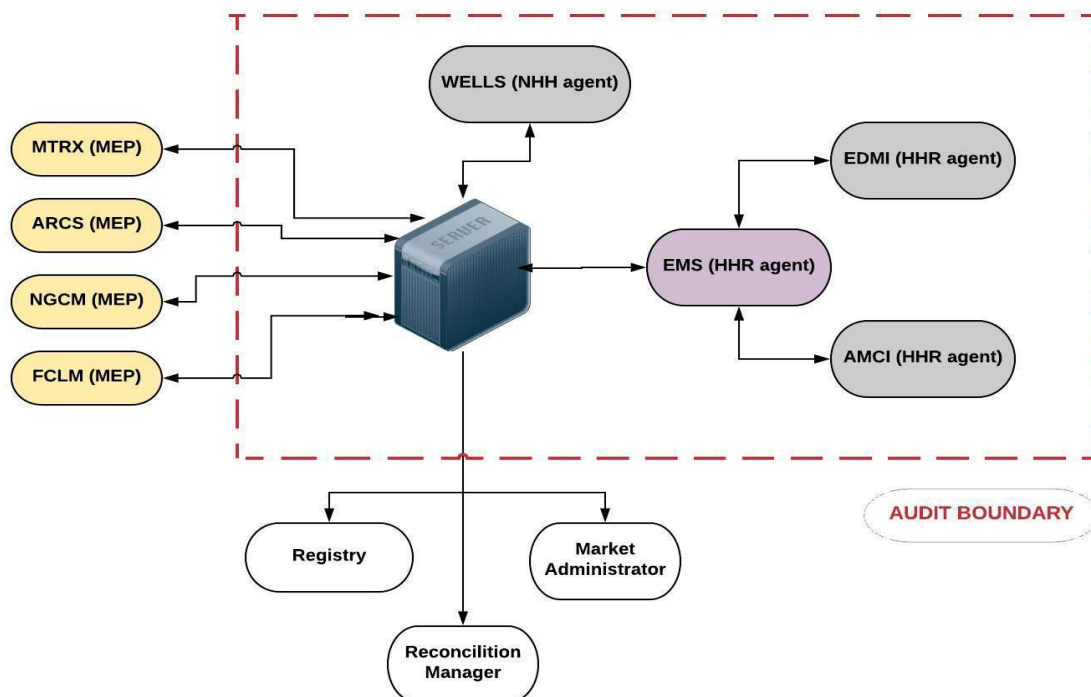
1.9. Scope of Audit

This reconciliation participant audit was performed at the request of Pioneer Energy to encompass the Authority's request for annual audits as required by clause 2, of Schedule 15.1, of the Code to assure compliance with the Electricity Industry Participation Code 2010.

The audit was carried out on the Pioneer premises in Alexandra, on the 28 & 29 March 2018.

The audit covers the following processes under clause 15.38 of Part 15, performed by Pioneer Energy:

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Relevant to audit	Agents Involved in Performance of Tasks
(a) - Maintaining registry information and performing customer and embedded generator switching	✓	
(b) – Gathering and storing raw meter data	✓	WELLS – NHH meter readings EMS, AMCI, EDM I – HHR meter readings
(c)(i) - Creation and management of HHR volume information	✗	
(c)(ii) - Creation and management of NHH volume information	✗	
(c)(ii) - Creation and management of HHR and NHH volume information	✓	EMS – HHR ICPs
(c)(iv) - Creation and management of dispatchable load information	✗	
(d)(i) – Calculation and delivery of ICP days under clause 15.6	✓	EMS – HHR ICPs
(d)(ii) - delivery of electricity supplied information under clause 15.7	✓	EMS – HHR ICPs
(d)(iii) - delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8	✓	EMS – HHR ICPs
(e) – Provision of submission information for reconciliation	✓	EMS – HHR ICPs
(f) - Provision of metering information to the grid owner in accordance with subpart 4 of part 13	✗	



1.10. Summary of previous audit

Pioneer Energy provided a copy of their previous audit report conducted in May/June 2017. The summary table below shows the status of the issues found during the last audit.

Subject	Section	Clause	Non-Compliance	Status
Changes to registry information	3.3	10 of Schedule 11.1	Update for 30 ICPs out of 35 were uploaded later than 5 business days (clause 10 of Schedule 11.1). The majority of these updates were late updates of profile for UNM reconciled ICPs	Still existing
ANZSIC code	3.6	9(1)(k) of Schedule 11.1	ANZSIC code for 8 ICPs out of 1,283 was incorrect (clause 9(1)(k) of Schedule 11.1)	Still existing
Inform registry of switch request for ICPs – standard switch	4.1	2 of Schedule 11.3	29 ICPs TR switch were backdated – NT files	Cleared
Losing trader must provide final information – standard switch	4.4	5 of Schedule 11.3	For 1 ICP information contained in CS file was incorrect (the date of switch event read was the same as an event date); clause 5 of Schedule 11.3	Still existing
Gaining trader informs registry of switch request – switch move	4.8	9 of Schedule 11.3	For 2 ICPs out of 24, incorrect type of switch was specified. It should have been TR not MI. Clause 9 of Schedule 11.3	Cleared
Losing trader must provide final information – switch move	4.11	11 of Schedule 11.3	Final information for 4 ICPs was sent to the gaining traders later than 3 business days. The range of dates was between 4 and 8. Clause 11 of Schedule 11.3	Still existing
Gaining trader to notify registry – gaining trader	4.15	16 of Schedule 11.3	6 Switches (HH) out of 155 were finalised later than 3 business days by Pioneer, Clause 6 of Schedule 11.3.	Still existing

Electricity supplied information provision to the reconciliation manager	11.3	15.7 of Part 15	In AV120, Orion provided aggregated volumes per invoice month, but a reconciliation month within a file refers to month when volumes were supplied.	Cleared
Allocation of submission information/Creation of submission information	12.3/12.9	15.5 of Part 15 & 2 of Schedule 15.3	NHH volumes created for UML ICPs are not correctly calculated by Orion because it applies a shape profile to calculated UML volumes. Correct process is to take the number of days for each ICP and multiply it by the "Daily kWh" recorded in the registry and record it as historic estimates."	Cleared

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

To assess compliance with these clauses we examined the process of validating information in the registry. The LIS file dated 22nd March 2018 was examined to identify any inaccuracies. The Event Detail (EDA) file for the period 16/05/2017 to 15/03/2018 was examined to determine how quickly Pioneer Energy provides information to the registry and corrects information which was identified as inaccurate.

Audit commentary

After any new switch is finalised, Pioneer validates entries in the registry and make sure that information in ORION reflects information stored in the registry. The same process is repeated before each month end before files are submitted to the reconciliation manager.

Analysis of the LIS file and Metering Installation Information (PR-255) showed that the overall quality of information in the registry has improved since the last audit.

Issue	Quantity	Comments
ICP Status = 002, MEP = blank, UNM Flag = N	0	No evidence of this occurring
ICP Status = 002, Generation Capacity is not blank,	64	
Highest Metering Category >2 with residential ANZSIC code assigned (000000)	1	1001263094UN29D
ANZSIC code = blank or T994, T994000, T99, T999, T999999, T995, T995000, T997, T997000, T998, T998000	1	1002041203UN329
ICP with B or G Inst Type, or non-null Fuel or Gen Capacity that do not have a corresponding Injection Register	1	1001123884LC508
Highest Metering Category greater than 2, Submission Type HHR = No	0	No evidence this occurring
Highest Metering Category = 9, UNM Flag=N	0	No evidence this occurring

All active ICPs with Initial Energisation Date populated during a defined period	21	
All Active ICPs (ICP Status = 2) with Shared ICP List not blank	0	No evidence this occurring
All ICPs at ICP Status 001,12	1	
Submission Type HHR = Y, Profile does not contain HH	0	No evidence this occurring
Submission Type HHR and Submission Type NHH both = Y	0	No evidence this occurring
All active ICPs where Distributor has indicated UML (UML Load Details not NULL) but Retailer has none (UNM Flag = N)	0	No evidence this occurring
All active ICPs with UNM Flag = Y	9	0000075272CE0B4 0000076141CEA6F 0000479017CEA33 0000479020CE001 0000794436NV646 0001320415TG49A 0001370965TG7BB 0001984428TGFF8 0018081024HB16E
All active ICPs with load in excess of 6kWh (Daily Unmetered kWh greater than 16.4 daily)	0	No evidence this occurring
All active ICPs with load between 3-6k kWh (Daily Unmetered kWh between 8.2-16.4 daily)	0	No evidence this occurring
All active ICPs with Engineered profile (Daily Unmetered kWh = ENG)	(4)	There are 4 ICPs using profile DST, three of them are streetlights with correct profile applied (0001982479TGE75, 0008801005TPE67, and 0008801015TP4CA). ICP 0000207893DE37B should have RPS profile assigned not DST. At the time of audit, Daily Unmetered kWh field was populated with kWh, which were not updated. These information is not used for reconciliation purposes because EMS created "shape file" based on on/off times.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2 & 15.2 From: 16-May-17 To: 15-Mar-18	<p>Incorrect ANZSIC code for some ICPs. Incorrect information in registry for type of profile assigned to some ICPs.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate because there are some improvements that can be made to them. Number of inaccurate information in the registry is low. The audit risk rating is low because the impact on the settlement outcome is minor.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The incorrect ANZSIC codes identified have now been corrected in registry.		Apr 2018	Identified
DUMML ICP's with Engineered Profile have been updated in registry to show 'ENG' instead of daily Unmetered kWh.		Apr 2018	
Preventative actions taken to ensure no further issues will occur		Completion date	
ANZSIC is checked and updated as part of on boarding process. The Orion platform was not generating the ANZSIC code in the NT file; this is currently being fixed by Agility. Pioneer has also changed our application form to request the customers provide details of their business operation type.		Expected May 2018	

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

Overall Pioneer Energy meets their obligations described in clause 15.35. There was one exception, when on 8/2/18, files were submitted a few minutes late. The company lodged a self-breach, which was noted in section 1.6.

Audit commentary

Pioneer Energy is compliant with regard to timeliness and information and format of information in accordance with Part 15. The company provided many examples to support this statement.

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 ICPs are read by WELLS and meter reads delivered via FTP. Meter readings are delivered daily.

NHH reconciliation files are uploaded to the RM portal, which is the standard process for all reconciliation participants. The only other exchange of data related to metering information will relate to details when a meter change is requested. This information will be exchanged with MEPs via emails.

HHR ICPs metering data is handled by EMS. They receive data for some ICPs via FTP server and submit to the reconciliation manager.

Audit commentary

Any data exchange between reconciliation participants is conducted electronically. The EMS and WELLS audit report was reviewed, and compliance is confirmed.

Audit outcome

Compliant

2.4. Audit trails (Clause 21 Schedule 15.2)

Code reference

Clause 21 Schedule 15.2

Code related audit information

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

The audit trail must include details of information:

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

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

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

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

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

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

Audit observation

Pioneer Energy communicate with the registry using ORION functionality. Data received from MEPS comes through FTP server. We viewed the audit trail of files downloaded from the registry. Reconciliation files are uploaded via the RM portal, which records date, time and a participant's login details.

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

Audit commentary

ORION has a built-in functionality to record a complete audit trail for all data gathering, validation, and processing data.

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

Pioneer Energy provided Residential General Terms and Conditions and Commercial General Terms and Conditions.

Audit commentary

We reviewed both residential and commercial Terms and Conditions. Section 1 explains that this agreement extends to the full term of the arrangement.

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

Pioneer Energy provided Residential General Terms and Conditions and Commercial General Terms and Conditions.

Audit commentary

Pioneer Energy is fully committed to complying with the above requirements. The company will use its best endeavours to provide access to premises, but any Health & Safety requirements imposed by a customer must be taken into consideration. Section 10 of the Residential General Terms and Conditions is dedicated to "Access to Property".

Audit outcome

Compliant

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

Code reference

Clause 10.35(1) & (2)

Code related audit information

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

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

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

Audit observation

Pioneer Energy relies on the MEPs/ATHs expertise and existing practices in the electricity industry. Pioneer Energy does not have any ICPs where a compensation factor is required because there are no metering installations which are not located at the point of connection.

Audit commentary

We discussed with Pioneer Energy if such a possibility exists, but they do not have the knowledge. Pioneer Energy rely on ATHs, who certify metering installations, to include additional compensation factors if required. We also followed up with EMS. According to their audit report section 1.12.3 “there are no current examples where loss compensation is required”.

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

As described in the previous sections, Pioneer Energy provided the Residential General Terms and Conditions and Commercial General Terms and Conditions to assist in the assessment of compliance.

Audit commentary

Section 17 of both Terms and Conditions states, "if we commit an Event of Default, the Electricity Authority may assign our rights and obligations under this Agreement to another electricity retailer ("Recipient Retailer").

Audit outcome

Compliant

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

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

Audit observation

The process for new connections was examined. Since the last audit Pioneer Energy gained 21 ICPs. Pioneer Energy have had arrangements with an MEP before requesting the connection of a point of connection.

Audit commentary

We walked through three new connections and confirm for all of them the status of ICPs was changed to “new connection in progress” and an MEP nominated within a few days or the same day. Once metering was installed the status was changed to “active”.

Audit outcome

Compliant

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

Code reference

Clause 10.33(1)

Code related audit information

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

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

Audit observation

Pioneer Energy was not asked by any MEP to temporarily electrically connect a point of connection.

Audit commentary

Compliance confirmed by a verbal assurance from Pioneer Energy.

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:

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

Audit observation

The process of new connections and the connection/disconnection of existing installations was examined. The process of new connections was analysed in section 2.9. The process has been changed since the last audit and it is now more effective and fully compliant.

The LIS file dated 22nd March 2018 was analysed and confirms that all ICPs, except UML ICPs, had MEPs assigned.

Audit commentary

We also discussed with Pioneer Energy the process for connections and disconnections. The company provided, for review, two examples for each type of disconnection. We confirm that the process is robust and well implemented.

Audit outcome

Compliant

2.12. Arrangements for line function services (Clause 11.16)

Code reference

Clause 11.16

Code related audit information

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

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

Audit observation

Pioneer Energy has agreements in place with all MEPs for each metering installation at the ICP.

Pioneer Energy has arrangements in place for line function services where they intend to trade. If additional arrangements are required these will be established prior to switching ICPs. Line charges for each ICP are reflected on a customer invoice. Section 14 of the Terms and Conditions describes the customers' obligation in relation to line companies.

Audit commentary

We checked one invoice which reflects line charges on behalf of the network company.

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

Pioneer Energy have the following MEPs assigned to ICPs in the registry MEPs; AMS, ARCS, MTRX, FCLM, CTCT, TRUM, TPCO, LMGL, CTCT, ELIN, TPCO, DELT, TRSV, NPOW, ACCM, and BOPE.

The arrangements are finalized with AMS, FCLM, LMGL, TRUM, MTRX. For other MEPs the company comments were as below:

- Delta confirmed that a contract was not required
- ELIN / TPCO confirmed that no contract is required for legacy meters
- SmartCo is covered by the AMS agreement
- Northpower confirmed that no contract was required
- TRSV - owned by FCLM
- BOPE – outstanding – only 1 ICP, no formal contract in place

Audit commentary

Compliance confirmed based on evidence presented by Pioneer Energy.

Audit outcome

Compliant

3. MAINTAINING REGISTRY INFORMATION

3.1. Obtaining ICP identifiers (Clause 11.3)

Code reference

Clause 11.3

Code related audit information

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

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

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

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

Audit observation

The process for new connections was reviewed. Since the last audit Pioneer Energy gained 21 ICPs.

According to the process a customer applies to a relevant network for an ICP identifier. The network sends a notification of an ICP identifier to Pioneer Energy. Pioneer Energy replies to a network confirming acceptance of the ICP. The status of the ICP is changed from "ready" to "new connection in progress" and an MEP is nominated.

We sampled nine new connections, the results are shown below

ICP	ICP created	Status "New connection in progress"	MEP nomination
0009800299AL50D	28/11/17	29/11/17	29/11/17
0000042446WE559	23/08/17	28/08/17	28/08/17
0000506942CE1C8	07/12/17	08/02/18	08/02/18
0000990116LN67A	13/12/17	14/12//17	14/12//17

0000506884CEEAC	13/12/17	18/12/17	18/12/17
0006670195AL949	25/08/17	28/08/17	28/08/17
0000506564CE11E	11/09/17	30/11/17	30/11/17
0000504762CE9D6	13/09/16	17/11/17	17/11/17
0006493019AL15C	26/04/17	28/08/17	28/08/17
0000506489CEDFB	30/08/17	29/09/17	29/09/17

Audit commentary

Compliance with this clause confirmed based on the process and review.

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

As per the new connection process described above, as Pioneer Energy is notified of an ICP identifier, it changes the status of the ICP to “new connection in progress” and nominates AMS as the MEP. Once a meter is installed and an installation electrically connected, the ICP status is changed to “active” and the trader’s fields in the registry are populated.

Audit commentary

We reviewed the EDA and the LIS files to assess compliance and confirm that the registry fields were populated.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 11.1

Code related audit information

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

Audit observation

We analysed the EDA file for the period 06/05/2017 to 15/03/2018 to assess compliance.

Audit commentary

The table below shows the level of compliance for status changes and trader events.

Activity	Reason code	No of updates	No of updates later than 5BD	Date range of updates [BD]	Comment
Status (2,0)	Active	43	26 (60%)	6 to 138	
Status (1,12)	New connection in progress	18	6 (33%)	6 to 46	
Status (1,4)	De-energised - vacant	7	1 (14.3%)		
Status (1,7)	De-energised remotely	1	0		
Status (1,8)	De-energised at pole fuse	0	0		
Status (1,9)	De-energised due to a meter disconnected	0	0		
Status (1,6)	De-energised – ready for decommissioning	6	1	11	Late update to “1,6” was related to combining two accounts
Trader		286	78 (27.3%)	6 to 170	Some late entries relate to reversing MEP nomination or for ICP 0001751270TG285 a change of meter was missed, a MEP nomination was backdated

The level of compliance has decreased since the last audit. 60% of updates of the status to “active” were late and that is a high percentage. It was discussed with the company and it was not known that the registry needed to be updated within 5 BD.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.3 With: 10 of Schedule 11.1 From: 16-May-17 To: 15-Mar-18	Delayed updates to ICPs “active” status (60%), late trader’s updates to registry (27.3%) Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating

Low	The controls are rated as moderate because there are some improvements that can be made to them. The company incorrectly assumed that the ICP status can be only changed to “active” after an MEP uploads metering information. Backdating status changes have a minor impact on settlement outcomes because usually it happens within the same reconciliation month. Audit Risk Rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Internal processes have been updated so that as soon as Pioneer receives notification of liveness from a MEP the status is updated in the registry. Previously Pioneer was waiting for the MEP to update the meter details before the status was updated to active.		Apr 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Refer comments noted above under actions taken to resolve.		Apr 2018	

3.4. Trader responsibility for an ICP (Clause 11.18)

Code reference

Clause 11.18

Code related audit information

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

A trader ceases to be responsible for an ICP if:

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

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

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

Audit observation

The LIS file dated 22/03/2018 was analysed, we confirm that all ICPs, excluding UML, have an MEP recorded in the registry.

The process of new connections was analysed in previous sections. We identified six ICPs with the status “1,6” (ready for decommissioning), four of them were related to combining two accounts.

Audit commentary

Pioneer Energy has full understanding that as soon as they are recorded in the registry as accepting responsibility, its responsibility will only cease when an ICP switches to another trader.

Audit outcome

Compliant

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

Code reference

Clause 9 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The LIS file was analysed to evaluate information populated in the registry.

The new connection process was examined in detail. We analysed the EDA and LIS files to evaluate the updating of the registry in relation to new connections. A few examples are shown below:

ICP	Installation Electrically connected	Status Active	Updated in the registry	BD	Comment
0009800299AL50D	20/12/17	20/12/17	11/01/18	12	Active date is correct as per metering report, distributor noted date of 19/12/17
0000042446WE559	3/11/17	3/11/17	14/11/17	8	Active date is correct as per metering report

0000506942CE1C8	25/01/18	25/01/18	12/02/18	12	Active date is correct as per metering report
0000990116LN67A	8/01/18	8/01/18	9/01/18	1	Active date is correct as per metering report
0006670195AL949	3/11/17	3/11/17	27/11/17	17	Active date is correct as per metering report
0000506564CE11E	28/11/17	28/11/17	04/12/17	5	Active date is correct as per metering report
0000504762CE9D6	26/10/17	26/10/17	20/11/17	18	Active date is correct as per metering report

Audit commentary

Analysis of the LIS file identified that the information for some UML and DUML ICPs was incorrect.

1. There are 4 ICPs using profile DST, three of them are streetlights with the correct profile applied (0001982479TGE75, 0008801005TPE67, and 0008801015TP4CA). Daily Unmetered kWh field was populated with kWh, which is not updated regularly. It does not have any impact on reconciliation as this information is not used for reconciliation purposes because EMS created a "shape file" based on on/off times from the datalogger.
2. ICP 0000207893DE37B should have RPS or UML profile assigned, not DST, because the lights in Waipori Falls are controlled by sensors. The fact that EMS scales daily kWh to 30 min and applies a scaling factor is incorrect.
3. Based on information recorded in the registry, daily kWh for 0000075272CE0B4 and 0000479017CEA33 are incorrect
4. 0001370965TG7BB – a meter was installed on 26/01/18 but the registry still shows UML profile.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 3.5</p> <p>With: 9(1)(j) of Schedule 11.1</p> <p>From: 16-May-17</p> <p>To: 15-Mar-18</p>	<p>The status' for five ICPs (new connections) were updated to "active" late.</p> <p>Incorrect information for some DUML and UML ICPs</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating
Low	<p>The controls are rated as moderate because there are some improvements that can be made to them. The information for new connections is correct but updates to the "active" status is often late. The process for checking correctness of UML information should be improved. Audit risk rating is recorded as low because there is a minor impact on settlement outcomes.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Internal process has been updated so that as soon as Pioneer receives notification of livening from a MEP the status is updated to 'active' in the registry. Previously Pioneer was waiting for the MEP to update the meter details before the status was updated to active.	Apr 2018	Identified
DST profiled ICPs have had the Daily Unmetered kWh's updated to 'ENG' in the registry	Apr 2018	
Pioneer is currently investigating the system requirements to meet customer billing demands and RM requirements for ICP 0000207893DE37B so that it can be updated to UML in the registry and reconciled as such. Currently it is being reconciled by EMS under the DST profile. Pioneer is also currently determining whether UML is the appropriate profile versus DST.	Expected May/Jun 2018	
Pioneer is currently investigating what the correct UML daily kWh should be and will update the registry if necessary. Any volume changes will wash out through the normal reconciliation washup process.	Expected May 2018	
ICP 0001370965TG7BB has since been updated as RPS in registry – the corrected volumes assigned to the profile of RPS/UML will updated through the normal reconciliation wash-up process.	Apr 2018	
Preventative actions taken to ensure no further issues will occur	Completion date	
For new connections - Internal process has been updated so that as soon as Pioneer receives notification of livening from a MEP the status is updated to 'active' in the registry. Previously Pioneer was waiting for the MEP to update the meter details before the status was updated to 'active'.	Apr 2018	
For UML ICPs – Upon switch in of new ICP internal process as been updated to check Unmetered load volumes per the registry reflect current actual volumes per discussion with customer.	Apr 2018	

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 LIS file was analysed to assess compliance. We identified one ICP 1002041203UN329 to which ANZSIC code of T994 was assigned which is incorrect. ICP 1001263094UN29D had the status "0" assigned but it is the ICP of a category 4 metering installation.

Audit commentary

The analyses of the LIS files from the point of view of validity of assigned ANZSIC code revealed that for about 8 ICPs incorrect code of E301, E302, E302000, E301100 is assigned. Previously they were new connections but now they are permanent connections.

It was identified as non-compliance in the last audit.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: 9(1)(k) of Schedule 11.1 From: 16-May-17 To: 15-Mar-18	10 ICPs have incorrect ANZSIC codes assigned Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate because there are some improvements that can be made to them. The level of non-compliance has not improved since last year. Audit risk rating is low, no impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
The incorrect ANZSIC codes identified have been corrected in registry.		Apr 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

ANZSIC code is checked and updated as part of on boarding process. The Orion platform was not generating the ANZSIC code in the NT file; this is currently being fixed by Agility. Pioneer has also changed our application form to request the customers provide details of their business operation type.	Expected May 2018	
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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 analysis of the LIS file showed that for three ICPs 0001982479TGE75, 0008801005TPE67, and 0008801015TP4CA the “Daily Unmetered kWh” field was incorrectly populated. They are values of kWh, which are never updated. Volumes for these ICPs are submitted by EMS in the form of “shape files” to the reconciliation manager. The code ENG should be used.

We also noted that for two UML ICPs, values in the “Daily Unmetered kWh” field was incorrect.

Audit commentary

UML ICPs are not well managed. For standard UML ICPs, Pioneer Energy does not check to see if the information in relation to “Daily Unmetered kWh” was correctly populated by the losing trader.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 3.7</p> <p>With: 9(1)(f) of Schedule 11.1</p> <p>From: 16-May-17</p> <p>To: 15-Mar-18</p>	<p>Incorrect code in the field “Daily kWh” is used for street lights ICPs. Incorrect information in the “Daily Unmetered kWh” field for two ICPs.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating

Low	The controls are rated as moderate because there are some improvements that can be made to them to achieve compliance. Audit risk rating is low because there is no impact on settlement outcomes because of small number of ICPs and information submitted by EMS are correct		
Actions taken to resolve the issue		Completion date	Remedial action status
Pioneer has updated the Daily kWh field for the DST ICPs to ENG in the registry. Pioneer is currently investigating what the correct UML daily kWh should be and will update the registry if necessary. Any volume changes will wash out through the normal reconciliation wash-up process.		Apr 2018 Expected May 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Upon switching in of new UML ICPs the internal process has been updated to check Unmetered load volumes per the registry reflect current actual volumes per discussion with customer.		Apr 2018	

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

Code reference

Clause 17 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The analysis of the EDA file showed that for some ICPs the status in the registry is incorrect or updates are backdated by many days. In section 3.3 it was noted that 60% of updates of the “active” status was later than 5BD.

Audit commentary

In the case of new connections, it was a misunderstanding by Pioneer Energy that they need to wait for an MEP to update the registry before the ICP status is changed to “active”. The process will be changed to avoid future non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.8 With: 17 of Schedule 11.1 From: 16-May-17 To: 15-Mar-18	A number of ICPs have incorrectly assigned “inactive” status when they should be “active” Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate because there are some improvements that can be made to them to achieve compliance. The process needs to be refined. Audit risk ratings is low, minor impact on settlement outcomes		
Actions taken to resolve the issue		Completion date	Remedial action status
Internal process has been updated so that as soon as Pioneer receives notification of liveness from a MEP the status is updated to ‘active’ in the registry. Previously Pioneer was waiting for the MEP to update the meter details before the status was updated to ‘active’.		Apr 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
For new connections - Internal process has been updated so that as soon as Pioneer receives notification of liveness from a MEP the status is updated to ‘active’ in the registry. Previously Pioneer was waiting for the MEP to update the meter details before the status was updated to ‘active’.		Apr 2018	

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 LIS and EDA files were analysed to assess compliance. The process of reconnection and connection was examined.

Audit commentary

Pioneer Energy provided three examples for disconnection. 0000064430CEDD3 – soft disconnection and 0000734456NVF5E – permanent disconnection and combining four ICPs into one ICP. The process is robust; all correspondence with MEPs is archived.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

Audit observation

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

Audit commentary

Pioneer has not been approached by any distributor asking for updates. As far as Pioneer Energy is concerned, they do not see the possibility of such queries.

Audit outcome

Compliant

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

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

Code reference

Clause 2 Schedule 11.3

Code related audit information

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

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

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

Audit observation

The standard switch was examined to assess compliance. We reviewed the EDA file for the period 16/05/17 to 15/03/18.

The Account Manager approaches prospective customers, the preference is to talk to customers with a number of connections. As soon as a contract is signed, it is passed to the operation team which setup a new customer in ORION and the registry is notified the same day.

Audit commentary

118 NTTR files were sent within a period covered by this audit. The Switch Breach report did record any backdated transfer switches.

Audit outcome

Compliant

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

Code reference

Clauses 3 and 4 Schedule 11.3

Code related audit information

Within 3 business days after receiving notice of a switch from the registry manager, the losing trader must establish a proposed event date. The event date must be no more than 10 business days after the date of receipt of such notification, and in any 12-month period, at least 50% of the event dates must be no more than 5 business days after the date of notification. The losing trader must then:

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

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

Audit observation

To assess compliance we analysed the EDA file for the period covered by this audit and Switch Breach Report for the same period.

Audit commentary

The process adopted by Pioneer Energy is to reply to the registry notification the same or following day. The Switch Breach Report did not report any breaches. We walked through the switching process and we found it is managed well.

Pioneer Energy's policy is always to accept the switch date which is specified in the NT file sent by a gaining trader. Usually it is the date that a notification is received. In some instances, a gaining trader asks for a backdated transfer switch, it is accepted by Pioneer.

We confirm that Pioneer Energy meets its obligation of clause 4(1)(b) of Schedule 11.3.

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 standard switch was examined to assess compliance. We reviewed the EDA file for the period 16/05/17 to 15/03/18. CS files are triggered by an operator through ORION and occasionally directly in the registry. The process for sending CS files was examined. The process is not straight forward because daily readings from MEPs are stored in a Data Warehouse which acts as a depository. Before the end of the month, readings for the last day are transferred to ORION, which means that if the switch event data is in the middle of the month, a reading must be manually transferred to ORION then a CS file is created and sent to the registry.

Audit commentary

According to the Switch Breach Report, Pioneer Energy, sent the final information late, by one day, for 11 ICPs.

In the last audit, non-compliance was recorded because of the incorrect content of some CS files. We randomly chose nine CS files. We checked for the correct identification of meter readings, correct date

of the last meter reading, and average daily consumption against information recorded in ORION. We found that the CS file sent for ICP 0110138060AP154 has an incorrect type of reading flag. It was recorded as “actual” but it was “estimate.”

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.3 With: 5 of Schedule 11.3 From: 08-Jan-18 To: 14-Mar-18	CS file sent late for 11 ICPs by one day. Incorrect type of reading in one CS file Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong. Very small number of CS files were late by one day. Audit risk ratings is low, no impact on settlement outcomes		
Actions taken to resolve the issue		Completion date	Remedial action status
Pioneer was previously using the switch breach report as a guide of when to send the switch file. Pioneer is currently reviewing its processes to improve these timeframes.		May 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Pioneer is currently reviewing internal processes to improve timeframes and ensure compliance.		May 2018	

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

Code reference

Clause 6(1) and 6A Schedule 11.3

Code related audit information

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

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

If the gaining trader disputes a switch meter reading because the switch event meter reading provided by the losing trader differs by 200 kWh or more, the gaining trader must, within 4 calendar months of the actual event date, provide to the losing trader a changed switch event meter reading supported by 2 validated meter readings.

- *the losing trader can choose not to accept the reading, however must advise the gaining trader no later than 5 business days after receiving the switch event meter reading from the gaining trader (clause 6A(a)); or*
- *if the losing trader notifies its acceptance or does not provide any response, the losing trader must use the switch event meter reading supplied by the gaining trader. (clause 6A(b)).*

Audit observation

HHR ICPs switched using the standard switch process are reconciled as HHR. They are switched on the same actual read, there is no possibility to not to meet compliance with this clause.

We reviewed the switching process of NHH ICPs. Part of this process is uploading CS files to ORION including a switch event read. It is marked appropriately within a system. When the next read arrives from WELLS or MEP, it is compared with the CS read to check if they are within 200 kWh tolerance. If not, RR file is sent to a losing trader.

Audit commentary

According to the EDA file, Pioneer Energy sent 14 RR files. 8 RR files were sent later than 4 months, which constitutes non-compliance. It was a problem which was overlooked at the time of initial transfer of accounts from Simply Energy.

Pioneer Energy received 17 RR files from gaining traders. The readings were imported into ORION and used for reconciliation.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: 6A of Schedule 11.3 From: 29-Aug-17 To: 31-Aug-17	8 RR files were sent later than 4 months Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate because there are some improvements that can be made to them to achieve compliance. The process needs to be refined. Audit risk ratings is low, minor impact on settlement outcomes		
Actions taken to resolve the issue		Completion date	Remedial action status

This is considered a one off issue as Pioneer transitioned out of SELS and into PION and a new billing/reconciliation platform. The reads provided by the previous retailer (SELS) did not include multipliers and therefore when an actual read was obtained the read discrepancy was significant enough to require an RR even though it was sent late.	Apr 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
N/a		

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

Code reference

Clause 6(2) and (3) Schedule 11.3

Code related audit information

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

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

Audit observation

Pioneer Energy does not use this process. Any ICPs which are traded as NHH by a losing trader are always reconciled as NHH by Pioneer.

The same principle applies to ICPs reconciled as HHR. The standard switch process is used or HH and management is taken by EMS.

Audit commentary

It was discussed during the audit with Pioneer and we also randomly chose twenty switches to verify it.

Audit outcome

Compliant

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

Code reference

Clause 7 Schedule 11.3

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 9 Schedule 11.3

Code related audit information

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

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

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

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

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

Audit observation

The switching process was examined. The signing a customer process is very similar to the process described in section 4.1.

We analysed the EDA files for the period covered by this audit the company sent 50 NTMI files.

Audit commentary

Some files were related to a switch event in the past. It was discussed with the company and it was confirmed that it was caused by late notification by a customer.

Audit outcome

Compliant

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

Code reference

Clause 10(1) Schedule 11.3

Code related audit information

10(1) Within 5 business days after receiving notice of a switch move request from the registry manager—

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

Audit observation

We examined the EDA files and the Switch Breach Report to assess compliance.

Audit commentary

Our conclusion is that 19 CS files for switch move were sent later than 5 BD. It was discussed with the company and it became clear that there was not a clear understanding of the different requirements for a standard and move in switch.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.8 With: 10(1) of Schedule 11.3 From: 16-May-17 To: 15-Mar-18	19 CS files for switch move were sent later than 5 BD Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate because there are some improvements that can be made to them to achieve compliance. The company changed their process for Move in switches. Audit risk ratings is low, minor impact on settlement outcomes		
Actions taken to resolve the issue		Completion date	Remedial action status
Pioneer was previously using the switch breach report as a guide of when to send the switch file. Pioneer is currently reviewing its processes to improve these timeframes.		May 2018	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Pioneer is currently reviewing internal processes to improve timeframes and ensure compliance.	May 2018	

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

Code reference

Clause 10(2) Schedule 11.3

Code related audit information

If the losing trader determines a different date, the losing trader must also complete the switch by providing to the registry manager as described in subclause (1)(a):

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

Audit observation

Pioneer Energy's policy is to accept the requested date given by a gaining trader. We analysed the EDA file for the audit period, comparing the NT requested event date with the AN file date sent by the company.

Audit commentary

We confirm that we have not found any switch for which Pioneer Energy had a date set earlier than that requested by a gaining trader in the NT file. It is the same policy, which is used for standard switches.

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 switch process was examined. We confirm that the process is well documented and easy to follow through.

Audit commentary

In section 4.8 we identified non-compliance because a number of CS files were provided to the registry late. In section 4.3 we validated the correctness of CS files.

Audit outcome

Compliant

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

Code reference

Clause 12 Schedule 11.3

Code related audit information

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

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

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

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

Audit observation

The EDA file for the period 16/03/17 to 15/03/18. The same process is used which was described in section 4.4.

Audit commentary

The switch event read contained in the CS file is imported into ORION and used for reconciliation purposes. We walked through three ICPs from receiving a notification from the registry, to sending RR

files because the difference between reads was more than 200 kWh. It is a good, well understood process.

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.3

Code related audit information

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

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

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

A gaining trader must advise the registry manager of the switch and expected event date no later than 3 business days after the arrangement comes into effect.

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

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

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

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

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

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

Audit observation

The EDA file for the period 16/03/17 to 15/03/18 and Switch Breach Report for the period covered by this audit was analysed to assess compliance.

Audit commentary

Pioneer Energy gained 26 ICPs using a gaining trader (HH) type of switch. Customers are signed up by account managers who, when a contract is finalised, notify the operation team, who populates the information in ORION. NT file is sent the same day.

We checked the proposed dates and confirm Pioneer Energy met compliance.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.3

Code related audit information

Within 3 business days after the losing trader is informed about the switch by the registry manager, the losing trader must:

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

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

Audit observation

We examined the switching process and Switch Breach Report.

Audit commentary

According to the EDA file, Pioneer Energy sent replies to all notifications (26) within three business days.

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 3 business days, after receiving the valid switch response code, by advising the registry manager of the event date.

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

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

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

Audit observation

The EDA file for the period 16/03/17 to 15/03/18 and Switch Breach Report for the period covered by this audit was analysed to assess compliance.

Audit commentary

We identified one ICP 0000592189UN5AE, for which a switch was finalised within 4 BD not 3 BD.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.14 With: 16 of Schedule 11.3 From: 16-May-17 To: 15-Mar-18	Switch for ICP 0000592189UN5AE was finalized later by one day Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong. One CS files were late by one day. Audit risk ratings is low, no impact on settlement outcomes		
Actions taken to resolve the issue		Completion date	Remedial action status
Pioneer was previously using the switch breach report as a guide of when to send the switch file. Pioneer is currently reviewing its processes to improve these timeframes.		May 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Pioneer is currently reviewing internal processes to improve timeframes and ensure compliance.		May 2018	

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

Code reference

Clauses 17 and 18 Schedule 11.3

Code related audit information

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

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

- *for each ICP, the trader withdrawing the switch request must provide the registry manager with (clause 18(c)):*
 - o *the participant identifier of the trader making the withdrawal request (clause 18(c)(i)); and*
 - o *the withdrawal advisory code published by the Authority. (clause 18(c)(ii))*
- *within 5 business days after receiving notice from the registry manager of a switch, the trader receiving the withdrawal must advise the registry manager that the switch withdrawal request is*

accepted or rejected. A switch withdrawal request must not become effective until accepted by the trader who received the withdrawal. (clause 18(d))

- *on receipt of a rejection notice from the registry manager, in accordance with clause 18(d), a trader may re-submit the switch withdrawal request for an ICP in accordance with clause 18(c). All switch withdrawal requests must be resolved within 10 business days after the date of the initial switch withdrawal request. (clause 18(e))*
- *if the trader requests that a switch request be withdrawn, and the resolution of that switch withdrawal request results in the switch proceeding, within 2 business days after receiving notice from the registry manager in accordance with clause 22(b), the losing trader must comply with clauses 3,5,10 and 11 (whichever is appropriate) and the gaining trader must comply with clause 16. (clause 18(f))*

Audit observation

The EDA file for the period 16/03/17 to 15/03/18 and Switch Breach Report for the period covered by this audit was analysed to assess compliance.

Audit commentary

In the period covered by this audit, Pioneer Energy sent 218 NW files. NW for ICP 0006663804AL9E3 was sent later than 2 calendar months. Pioneer Energy explain that a customer asked to switch an incorrect ICP. 76% of NW files were sent with the reason code "WS". Such a high percentage of "wrong type switch" switch withdrawals was due to gaining traders (Meridian, Genesis) wanting to use NTMI instead of NTTR. The reason presented by them is that their system can't cope with standard switches. We observed a number of NW and AW for the same ICP between two traders, a gaining trader refusing to accept a type of switch as standard. In the end Pioneer Energy gives up because there is nothing in place which will force a gaining trader to use the correct type of switch.

We randomly chose a few ICPs for each type of a reason code and found that for one of them the code "WP" would be more appropriate than "CE".

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.15 With: 17 of Schedule 11.3 From: 16-May-17 To: 15-Mar-18	NW for one ICP was late. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong. One NW files were late. Audit risk ratings is low, no impact on settlement outcomes		
Actions taken to resolve the issue		Completion date	Remedial action status
Noted.		n/a	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Pioneer is currently reviewing internal processes to improve timeframes and ensure compliance. Pioneer is also investigating system automated reminders.	May 2018	

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

Meter readings are received from MEPs and WELLS. Pioneer Energy relies on MEPs and WELLS to provide accurate readings but, as is described in relevant sections, extensive validation is conducted upon uploading readings to ORION.

Audit commentary

All meter readings used in the switching process are validated meter readings or permanent estimates. The cost of additional interrogation is covered in a commercial agreement between Pioneer Energy and meter readings providing companies.

Audit outcome

Compliant

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

Code reference

Clause 11.15AA to 11.15AB

Code related audit information

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

If a protected trader enters into an arrangement with a customer of another trader (the losing trader), or a trader enters into an arrangement with a customer of a protected trader, to commence trading electricity with the customer, the losing trader must not, by any means, initiate contact with the

customer to attempt to persuade the customer to terminate the arrangement during the period from the receipt of the NT to the event date of the switch including by:

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

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

Audit observation

It was discussed during the audit and the comment was:” We do not currently have a process in place as Pioneer is not currently part of the scheme and is not considering being a part of this scheme any time soon.” It was also confirmed that according to Pioneer’s policy they do not try to win back customers.

Audit commentary

Based on the EDA file, Pioneer Energy sent three NW with the code “CX”. Customers were not aware that they were under contract with Pioneer or they were confused.

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 LIS file dated 22/3/2018 was reviewed and no shared unmetered load ICPs were found.

Audit commentary

The review of the registry file found no SUML ICPs traded by Pioneer Energy. It was discussed with the company what process will be followed if such an ICP is switched in. It will be the same process as for standard unmetered load.

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 LIS file was analysed and found nine “active” standard unmetered load ICPs and four distributed unmetered load ICPs (street lights).

Audit commentary

Examination of the LIS file found no ICPs for which unmetered load is greater than 6,000 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:*
 - o *the date the limit was calculated or estimated to have been exceeded*
 - o *the details of the corrective measures that the MEP proposes to take or is taking to reduce the unmetered load.*

Audit observation

The LIS file was analysed to assess compliance.

Audit commentary

Examination of the LIS file found no ICPs for which unmetered load is greater than 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

Pioneer Energy is responsible for four ICPs of distributed unmetered load ICPs (0000207893DE37B, 0001982479TGE75, 0008801005TPE67, and 0008801015TP4CA). PowerNet provide information from their database for ICPs 0001982479TGE75, 0008801005TPE67, and 0008801015TP4CA. Pioneer receives the kWh load data from PowerNet on a monthly basis based on (from what we can tell) an historic database (spreadsheet) of the number of lamps and kW's of the lamps with varying degrees of details on the actual lamp locations.

0000207893DE37B – Waipori Falls (embedded network), 10 lights, controlled by sensors. Information is given by Aurora. Information stored by Aurora consist of a historic map showing location of each lamp and a comment that all of them are 70W HP.

Audit commentary

While a PowerNet database does exist, in some shape or form, and it is probably in a reasonable state to estimate the load on these ICPs, it was determined that trying to perform an audit would not be worthwhile at this stage. For 0001982479TGE75 (1,583 lamps) PowerNet provides a single figure of a total load and number of lamps. It is the same figure every month, it does not change. The exact geographical location of lamps is not known. PowerNet provided us with a list of how many lamps per township and wattage. For 0008801005TPE67, and 0008801015TP4CA, PowerNet provides a list of all lamps (195), their location and wattage. Lamps can be located based on Light ID. The information is not maintained.

Knowing that we can only audit 195 lamps out of 1,764, which makes only 11%, it was determined that trying to perform an audit would not be worthwhile at this stage.

During this audit we audited 10 Waipori lights. Total load of all lights is 0.883 kW. We visited all of them and confirm the locations, a photo of each lamp was taken.

DUML audit report for Waipori Falls lights is being written. It will be lodged with the Authority before 1 June 2018.

The process for converting DUML database (PowerNet) into submission volumes by EMS was checked and found accurate.

0001982479TGE75 – total actual load 173,656 W

0008801005TPE67 and 0008801015TP4CA – 18,300 W

Audit outcome

Non-compliant

Non-compliance	Description
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Audit Ref: 5.4 With: 11 of Schedule 15.3 and 15.37B From: 16-May-17 To: 15-Mar-18	Inaccurate submission information for PowerNet database Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Pioneer uses information provided by PowerNet and Aurora. Information from both sources are never updated with any changes. It is the same wattage for number of year. It is believed that the load is static, and any lamp changes is like for like. Audit risk rating is recorded as low because probably inaccuracy of submission is low, but it is hard to determine until a database is created and audited.		
Actions taken to resolve the issue		Completion date	Remedial action status
Pioneer is currently working with Clutha District Council (CDC) to review and put in place an accurate and compliant DUMML database. This piece of work is being completed in conjunction with CDC’s current program of works to replace streetlight lamps with LED lights. Once this is complete Pioneer will switch from receiving monthly kW data from PowerNet to CDC’s new DUMML database.		Expected Dec 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Refer note above.		Expected Dec 2018	

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 are 1 or more metering installations*
- *all electricity conveyed is quantified in accordance with the Code*
- *it does not use subtraction to determine submission information for the purposes of Part 15.*

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

Audit observation

The LIS file dated 22/03/18 was analysed. Pioneer trades both HHR and NHH ICPs. Most installations are metered except four ICPs representing DUMML and six ICPs UML.

The company does not use subtraction to determine submission information.

We identified ICP 1001123884LC508, which has 12 kW of solar installed. There is no meter installed that records Import/Export. The RM was notified accordingly that a customer won't be receiving payments.

Audit commentary

Pioneer Energy uses the quantity of electricity measured by HHR and NHH metering installations, which is provided by MEPs and WELLS.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

- *provide to the grid owner a copy of the metering installation design (before ordering the equipment)*
- *provide at least 3 months for the grid owner to review and comment on the design*

- *respond within 3 business days of receipt to any request from the grid owner for additional details or changes to the design*
- *ensure any reasonable changes from the grid owner are carried out.*

The participant responsible for the metering installation must:

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

Audit observation

Pioneer Energy does not trade such installations.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

Pioneer Energy trades ICPs using the profiles of HHR, RPS, UML, DST for reconciliation purposes. None of these profiles requires to switch meter registers.

Audit commentary

DST profile is used for street light submissions. EMS creates “shape files” based on off/on times from a derived from loggers, which are interrogated using the same systems and processes as those used for HHR data.

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

We discussed with Pioneer their obligation of an event or circumstances that led it to believe a metering installation could be inaccurate, defective, or not fit for purpose. The company provided correspondence about a case where Pioneer was concerned that a meter installed at ICP 0000026720CECA8 stopped communicating. The end result of the investigation was that there was a problem with communication, not a meter. A new aerial was installed.

Audit commentary

Pioneer Energy closely monitors NHH reads provided by WELLS and MEPs. HHR meters are read by EMS on their behalf. In the event that it will be considered that a meter could be faulty Pioneer Energy will be notified. No such situation occurred in the period covered by this audit.

Audit outcome

Compliant

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

Code reference

Clause 2 Schedule 15.2

Code related audit information

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

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

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

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

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

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

2(6) – The interrogation systems must record:

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

Audit observation

Data collection for HHR ICPs is conducted by EMS themselves or it is provided by MEPs. The obligation of compliance lies with the agent, but it is still the responsibility of Pioneer Energy. The company does not collect metering data themselves.

Audit commentary

Management of HHR data is outsourced to EMS. Compliance is confirmed based on a review of EMS and AMS audit reports.

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

NHH meters are read by WELLS or by MEPs. Pioneer Energy does not read any meters themselves. The company allows customers to provide their own read as an exception.

All HHR meter readings are derived from raw meter data read by EMS.

Audit commentary

As a part of this audit we reviewed the WELLS audit report dated 31/05/2017. In the 2016 audit, non-compliance was raised relating to field service operators not checking for phase failure and missing or broken seals. The most recent audit has cleared this non-compliance.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 15.2

Code related audit information

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

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

Audit observation

The NHH readings are used by Pioneer Energy for installations which switch in as NHH. The switch read from the CS file is used as a start read. Consecutive readings from WELLS apply from 0000hrs on the day after the last meter interrogation up to and including 2400hrs on the day of the meter interrogation. The compliance with this clause was examined during checking of correctness of historical estimates described in section 12.10.

Audit commentary

Compliance confirmed based on results of testing scenarios.

Audit outcome

Compliant

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

Code reference

Clause 7(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

When an ICP switches in, a switch event read is always received. It is actual or estimates. Later on, the company receives readings from WELLS. Meters are read every month.

Audit commentary

Compliance confirmed based on a review of the process and a walkthrough evaluation of missing reads.

Audit outcome

Compliant

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

Code reference

Clause 8(1) and (2) Schedule 15.2

Code related audit information

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

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

Audit observation

ORION creates a Meter Reading Frequency Report which has to be submitted to the Authority every month. The report is submitted to the Authority every month.

Audit commentary

According to reports produced by ORION, Pioneer Energy achieved at least one read for NHH ICP. Some of them are very difficult to read but the company works closely with customers to achieve compliance.

Audit outcome

Compliant

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

Code reference

Clause 9(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

ORION creates a Meter Reading Frequency Report which has to be submitted to the Authority every month. The report is submitted to the Authority every month.

Audit commentary

According to the report for Dec'17, Pioneer Energy did not reach the 90% target for two NSPs, ISL0661 and ROT0331. Overall WELLS provide reads for 500 ICPs.

It was discussed during the audit and it was explained that the report includes ICPs with exceptional circumstances. Pioneer Energy has a list of such customers. At the end of each month the report is analysed and if a read is not provided by WELLS a customer is asked to provide a read. On some occasions WELLS have difficulty in locating meters.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

NHH readings are received from WELLS, which acts as an agent for Pioneer Energy.

Audit commentary

Compliance with this clause confirmed by a review of the WELLS Audit report dated 31/05/2017.

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

Data collection for HHR ICPs is conducted by EMS themselves or it is provided by MEPs or EDMI as the agent. The obligation of compliance lies with agents, but it is still the responsibility of Pioneer Energy. There are 317 HHR ICPs therefore Pioneer established solid communication channels between the two companies.

Audit commentary

Management of HHR data is outsourced to EMS. Compliance is confirmed based on a review of EMS, EDMI and AMS audit reports.

Audit outcome

Compliant

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

Code reference

Clause 11(2) Schedule 15.2

Code related audit information

The following information is collected during each interrogation:

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

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

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

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

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

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

Audit observation

Data management for all HHR ICPs is managed by EMS.

Audit commentary

Data management for all HHR ICPs is managed by EMS. Compliance is confirmed based on EMS's and other agents audit report.

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

Data management for all HHR ICPs is managed by EMS.

Audit commentary

Data management for all HHR ICPs is managed by EMS. Compliance is confirmed based on EMS's and other agents audit report.

Audit outcome

Compliant

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

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

Audit observation

Data management for all HHR ICPs is managed by EMS.

Audit commentary

Data management for all HHR ICPs is managed by EMS. Compliance is confirmed based on EMS's audit report.

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

Pioneer Energy does not interrogate any meters. Raw data for HHR ICPs is stored by EMS. Pioneer Energy keeps a copy of raw data for NHH ICPs, which are read by WELLS and MEPS. The only time when Pioneer have raw meter data is when a customer provides their own read.

Audit commentary

MEPs are responsible for meeting compliance with this clause. It is reviewed during their audits. As a part of this audit we reviewed the HHR collection audit for AMS (AMCI) and EDMI.

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

Pioneer Energy only uses the HHR and RPS profiles for reconciliation submissions. No external control equipment is used.

Audit commentary

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

Audit outcome

Not applicable

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

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

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

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

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

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

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

Audit observation

Audit commentary

Audit outcome

[Click here to choose outcome from the drop down list.](#)

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

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

Correction of half-hour metering readings will be performed by EMS when the need arises. Pioneer Energy will be notified if and when this occurs.

Audit commentary

EMS confirmed that they never did any HHR data correction due to any kind of meter incident.

Audit outcome

Compliant

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

Code reference

Clause 19(3) Schedule 15.2

Code related audit information

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

Audit observation

Pioneer Energy does not have any installation where error or loss compensation occurs.

Audit commentary

The EMS audit report states that there is only one ICP to which a compensation factor is applied which matches the certification record. The ICP is not traded by Pioneer.

Audit outcome

Compliant

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

Code reference

Clause 22(1) and (2) Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

The correction of metering data for HHR ICPs, if required, is performed by EMS.

The correction of register reads for NHH is done using Orion by Pioneer Energy. Whenever a read is changed in Orion, details such as a date and time of correction, operator identifier, a reason for correction, the difference of correction is recorded. Orion has the functionality described in the above clause.

Audit commentary

We reviewed the EMS audit report which confirm that their system and processes meet compliance with this clause.

Audit outcome

Compliant

9. ESTIMATING AND VALIDATING VOLUME INFORMATION

9.1. Identification of readings (Clause 3(3) Schedule 15.2)

Code reference

Clause 3(3) Schedule 15.2

Code related audit information

All estimated readings and permanent estimates must be clearly identified as an estimate at source and in any exchange of metering data or volume information between participants.

Audit observation

ORION has a built-in function which allows the identification of actual and estimated readings.

HHR meter readings are managed by EMS.

Audit commentary

We confirm compliance based on a review of readings for NHH ICPs as a part of a review of RR and CS files. During our audit, Pioneer Energy also provided examples of ICPs for which actual and estimated readings were present.

Compliance for HHR readings was confirmed based on a review of the EMS audit report.

Audit outcome

Compliant

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

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

Volume information is derived from validated meter readings. Readings are received from MEPs and WELLS. If actual data is not available, Orion estimates using its own algorithm for NHH ICPs using estimated daily consumption (EDC), which is updated after each read.

For HHR ICPs EMS derives volumes from validated HHR readings retrieved by them or provided by EDM I and AMCI.

Audit commentary

ORION uses both validated and estimated readings to create submission files. It was reviewed as a part of a validation of reconciliation files and NHH scenarios.

Compliance of HHR operation was based on a review of the EMS audit report.

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

HHR data is managed by EMS as Pioneer Energy's agent.

NHH data is imported into Orion from files provided by WELLS. We randomly chose four ICPs and compared readings in original files and ORION. The readings were the same.

NHH data from MEPS is imported daily into the Data Warehouse. Data is not rounded or truncated on upload.

Audit commentary

Compliance confirmed based on visual observation and a review of the EMS audit report.

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

EMS provided the list of ICPs for which HHR data was estimated, for various reasons, for submissions on day 13

Rec Month	R1	R3	R7	R14
Apr-17	0003170181WMFE7: AMS not supply data on time 0003880564WME92: AMS not supply data on time 0003880566WME17: AMS not supply data on time 0001112462WM0F2: AMS not supply data on time	no EST	No EST	N/A
May-17	No EST	No EST	No EST	N/A
Jun-17	0001950550TGB64: unable to dial meter on time	No EST	No EST	N/A
Jul-17	No EST	No EST	No EST	N/A
Aug-17	0001950550TGB64: unable to dial the meter, site switched off	No EST	No EST	N/A

Sep-17	0003360180MLFF8: there was the meter change, EMS waiting for the load check for new meter	No EST	N/A	N/A
Oct-17	0001112462WM0F2: No PR data sent by AMS	No EST	N/A	N/A
Nov-17	0140704841LC9A8: No PR data sent by EDM	No EST	N/A	N/A
Dec-17	0009806059ALD25: Unable to dial meter. Timeout error. 0005010864AL4E6: Unable to dial meter. Switched off error. 0130687022LCE8D: Suspect data, outage confirm after R1 0009800299AL50D: Unable to dial meter. New site	No EST	N/A	N/A
Jan-18	0001050581WM335: PR data not yet supplied by AMS due to meter fault (switched off error) 0000201173DE508: PR data not yet supplied by AMS due to meter fault.	N/A	N/A	N/A
Feb-18	No EST	N/A	N/A	N/A
Mar-18	1001279917UN4BF: Unable to dial meter. 21/03 Switch off. 06/04: AMS have raised WO.	N/A	N/A	N/A

Audit commentary

Compliance based on a review of the EMS audit report and confirmation from EMS.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

NHH readings from WELLS are uploaded to ORION on an operator request. The files are uploaded to the system, which creates a report, which is analysed by an operator. Orion performs a validation by checking for invalid dates and times, confirming that the meter reading relates to the correct ICP, meter, and register.

Audit commentary

We “shadowed” upload of WELLS data to ORION and followed through validation process. We confirm the process is robust.

Audit outcome

Compliant

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

Code reference

Clause 17 Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

Meters are electronically interrogated by AMS, FCLM, ARCS, and Metrix. Data is uploaded automatically daily to the Data Warehouse. At month end Pioneer run a script to download all the End of Month reads from the data warehouse for loading to ORION. In the event that sites are missing a month end read Pioneer run extracts to retrieve a read as close to month end as possible and load these manually. ORION validates all reads irrespective of whether these have been loaded from a file interface or manually keyed to the system. All validation exceptions are then managed and reads either approved or disapproved.

Upon data upload, ORION conducts the following validation which happens in the background:

- Meter read is exceptionally High
- Meter read is exceptionally Low
- Cannot Identify an open site for this read
- Cannot Identify an open meter for this read
- This read is already in the system
- More than 1 open account or more than 1 matching meter.
- There is already a read for this meter this day (different)
- You cannot enter a read for a future date.
- Attempted import of opening read from meter read file
- This Read is Earlier Than Previously Billed Reads
- Unknown Meter Reader
- Meter not found for this Premise
- Cannot enter a substitute read on an inactive meter

Audit commentary

Every day, Pioneer Energy's staff checks an errors directory to see if all metering data was uploaded successfully. If any issues were identified during upload, ORION marks it with an error flag and the file is not uploaded.

Audit outcome

Compliant

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

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

Code reference

Clause 13.136

Code related audit information

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

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

Audit observation

This clause is not applicable.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 13.137

Code related audit information

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

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

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

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

Audit observation

This clause is not applicable.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

10.3. Loss adjustment of HHR metering information (Clause 13.138)

Code reference

Clause 13.138

Code related audit information

The generator must provide the information required by clauses 13.136 and 13.137,

13.138(1)(a)- adjusted for losses (if any) relative to the grid injection point or, for embedded generators the grid exit point, at which it offered the electricity

13.138(1)(b)- in the manner and form that the pricing manager stipulates

13.138(1)(c)- by 0500 hours on a trading day for each trading period of the previous trading day.

The generator must provide the half-hour metering information required under this clause in accordance with the requirements of Part 15 for the collection of the generator's volume information.

Audit observation

This clause is not applicable.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 13.140

Code related audit information

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

Audit observation

This clause is not applicable.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

Pioneer Energy only uses HHR, DST and RPS profiles for reconciliation submissions.

Audit commentary

Pioneer Energy only uses HHR, DST and RPS profiles for reconciliation submissions. Two were confirmed by checking the LIS file and submission files for Jan'18.

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

We reviewed the ICP days file (AV-110) submitted to the reconciliation manager and GR-100 provided by the reconciliation manager. The results are shown below:

Month	Initial	R1	R3	R7
Apr'17	0.18%	-0.52%	0.41%	5.19%
May'17	0.47%	0.18%	0.40%	5.54%
June'17	0.36%	0.51%	5.53%	5.48%
July'17	0.68%	0.50%	0.37%	0.37%

Aug'17	1.14%	1.21%	0.05%	0.39%
Sept'17	2.73%	0.07%	0.12%	
Oct'17	-0.39%	-0.04%	0.08%	
Nov'17	-0.74%	0.26%	-0.12%	
Dec'17	0.19%	0.34%	0.04%	
Jan'18	0.47%	0.33%		

Audit commentary

We confirm that AV-110 files were submitted for all revisions by Pioneer Energy and its agent, EMS. Overall ICP days calculated by the registry and ORION are very close.

Audit outcome

Compliant

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

Code reference

Clause 15.7

Code related audit information

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

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

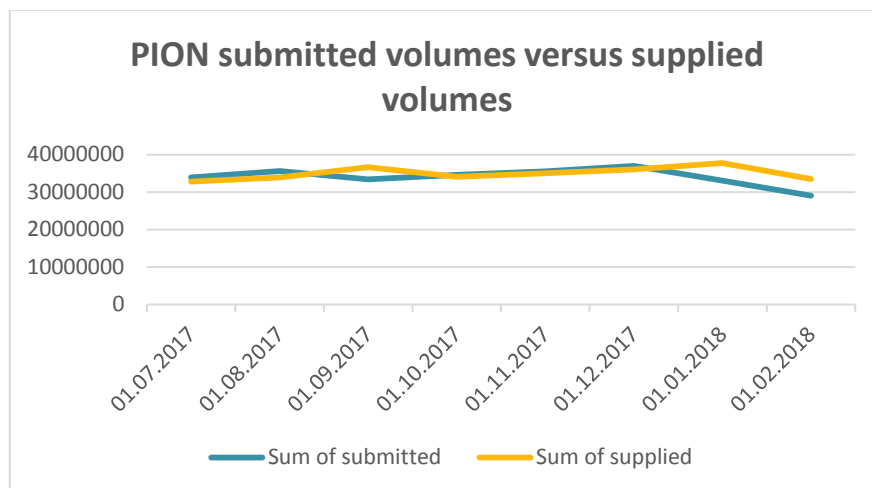
15.7(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.

Audit observation

Pioneer Energy submits AV-120 every month. We confirm it was submitted for all revisions in the period covered by this audit. The table below shows a comparison between volumes submitted and supplied (billed).

Row Labels	Sum of submitted	Sum of supplied
July'17	33,911,864	32,821,053
Aug'17	35,622,284	33,929,338
Sept'17	33,412,000	36,622,488
Oct'17	34,547,491	34,069,649
Nov'17	35,512,579	34,980,890
Dec'17	36,984,820	36,057,682
Jan'18	33,040,025	37,771,386
Feb'18	29,019,801	33,457,060
Total	272,050,865	279,709,546

The difference between submitted and supplied volumes is -2.74%.



Audit commentary

Compliance confirmed based on a review of AV-120 and GR-130 files.

Audit outcome

Compliant

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

Code reference

Clause 15.8

Code related audit information

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

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

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

Audit observation

Pioneer Energy provided a set of submission files (AV140) for the month Oct'17 to Jan'18. We compared the volumes in HHRVOLS against HHRAGGI and HHRAGGR for the months Jan'18 to March'18. Volumes in both files were within a few kWh. We also checked GR-090 (ICP missing) file for Jan'18 and Feb'18.

Audit commentary

We checked GR-090 (HHR ICP missing) for Feb'18 and confirm that volumes were not included in HHRAGGR (day 4) for only two ICPs because of NW sent by CTCT, which delayed the switch.

The HHRAGGR files are prepared at ICP level based on submission information. Clause 15.8 states that the HHRAGGR should contain electricity supplied information rather than submission information. The Reconciliation Manager Functional Specification in section 3, described HHRAGGR as HHR submission information that is aggregated per ICP for the whole month.

There is a misalignment between the Code requirements and RM file specification. It is a problem well known to the Authority and is awaiting a resolution.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 11.4 With: 15.8 From: 16-May-17 To: 15-Mar-18	HHRAGGR files do not contain electricity supplied information Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Pioneer Energy submits submissions volumes as per the reconciliation manager specification.		
Actions taken to resolve the issue		Completion date	Remedial action status
Noted			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
N/a			

12. SUBMISSION COMPUTATION

12.1. Daylight saving adjustment (Clause 15.36)

Code reference

Clause 15.36

Code related audit information

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

Audit observation

Pioneer Energy provided a set of data submitted by EMS on their behalf.

Audit commentary

The EMS audit report was reviewed as a part of this audit. All HHR data is adjusted using the “trading period run on” technique. This report is attached as appendices.

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

Pioneer Energy provided reconciliation data for Oct'17 to Jan'18. Submission information were submitted on day 4 and day13 (all relevant revisions) by EMS and Pioneer.

Audit commentary

We checked GR-170NHH and GR-170HHR and confirm that submission volumes were submitted by Pioneer Energy and their agent in a timely manner.

Audit outcome

Compliant

12.3. Allocation of submission information (Clause 15.5)

Code reference

Clause 15.5

Code related audit information

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

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

Audit observation

Pioneer Energy has a process in place whereby before the submission of volumes information it compares the registry and data stored in ORION to make sure that volumes are assigned to all ICPs for which they are responsible and ICPs volumes are allocated to the NSP indicated by the data held in the registry.

Audit commentary

Pioneer Energy walked us through their process of evaluation of AV-080 for Feb'18. We found this process thorough and robust.

The EMS audit report was reviewed as a part of this audit.

Audit outcome

Compliant

12.4. Grid owner volumes information (Clause 15.9)

Code reference

Clause 15.9

Code related audit information

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

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

Audit observation

This clause is not applicable.

Audit commentary

This clause is not applicable. 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

EMS submits volumes for BCS0011 on behalf of Pioneer Energy. It is a gate meter to embedded network (Bayfair Shopping Centre) owned by AMP Capital Investors.

Audit commentary

We reviewed files for Oct'17 to Jan'18.

Audit outcome

Compliant

12.6. Grid connected generation (Clause 15.11)

Code reference

Clause 15.11

Code related audit information

The participant (if a grid connected generator) must deliver to the reconciliation manager for each of its points of connection, the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.11(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period. (clause 15.11(b))*

Audit observation

This clause is not applicable.

Audit commentary

This clause is not applicable. 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

The process for the calculation of initial and subsequent submission volumes was examined. Pioneer Energy demonstrated that if they subsequently obtain more accurate information e.g. RR file sent by a gaining trader, they provide it to the reconciliation manager as part of the normal schedule of revision submissions.

Audit commentary

The process for calculation of initial and subsequent submission volumes was examined. Every month, before day 13, revision files are submitted for month 3 and 7. GR-170NHH and GR170HHR files confirmed the submission of revision files. In section 12.12 we presented subsequent submissions for balancing areas of volumes greater than 100,000 kWh.

HHR data is managed by EMS as the agent so we reviewed the EMS audit report.

Audit outcome

Compliant

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

Code reference

Clause 4 Schedule 15.2

Code related audit information

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

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

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

Audit observation

This clause is not applicable because Pioneer Energy has not been trading for 14 months yet.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 2 Schedule 15.3

Code related audit information

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

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

Audit observation

The process of calculation of NHH submission information was reviewed.

For all metering installations category 3, and higher, ICPs are reconciled as HHR and submitted by EMS. Volumes for UML ICPs was submitted. EMS submitted "shape files" for distributed unmetered load (DUML) on behalf of Pioneer Energy. These files are prepared based on on/off times derived from loggers, which are interrogated using the same systems and processes as those used for HHR data.

Audit commentary

The analysis of "shape files" for DUML showed that ICP 0000207893DE37B is incorrectly calculated. There are 10 street lights installed in Waipori Falls which are activated by light sensors, not timers. EMS is incorrectly advised to profile a consumption. It should be submitted as a straight-line consumption over 12 hours per day. In section 3.5 it was noted that submission for two UML ICPs are incorrect because of incorrect values in the field "Daily unmetered kWh".

It is noted as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 12.9</p> <p>With: 2 of Schedule 15.3</p> <p>From: 16-May-17</p> <p>To: 15-Mar-18</p>	<p>Submissions for DUML ICP 0000207893DE37B incorrectly calculated</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as strong. Pioneer's process of management of NHH reads is robust. Audit risk rating is low because there is no impact on settlement outcomes because of small number of ICPs with low volumes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Pioneer is currently investigating the system requirements to meet customer billing demands and RM requirements for ICP 0000207893DE37B so that it can be updated to UML in the registry and reconciled as such. Currently it is being reconciled by EMS under the DST profile. Pioneer is also currently determining whether the UML profile is the appropriate profile to use versus DST.</p>		Expected June 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See note above.		Expected June 2018	

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

For the assessment of compliance with this clause we provided Pioneer Energy with a set of scenarios to validate the accuracy of the calculation of historical and forward estimation for NHH ICP days

Ref	Test	Comments	Result of Audit
1	Switch in during the month with estimated switch read, actual read gained in the next month, full profile data available.	Confirm that HE is calculated for the relevant part of the month, even though the switch in read is an estimate, and calculation begins on correct day	No sites have switched in from July 2017 where Pioneer has used the initial estimate CS read. All CS reads are set as Actual or Misread in the system
2	Switch in during the month with actual switch read, actual read gained in the next month, full profile data available.	Confirm that HE is calculated for the relevant part of the month, and calculation begins on correct day	OK
3	Status change to active during the month, read gained in the next month, full profile data available	Confirm that HE is calculated for the relevant part of the month	Difference of 4 units
4	Switch out on estimate during the month	Confirm that HE is calculated even though the reading is an estimate Confirm that HE calculation ends on the correct day.	Difference 9 units
5	Switch out on actual during the month	Confirm that HE is calculated for the relevant part of the month, and calculation ends on correct day	See 4 above
6	Complete month without a read in the month	Read in the previous month and the month after, confirm correct HE for the month	Day of opening read not accounted for
7	Complete month with a read during the month	Confirm the two calculations for the month are correct	OK
8	GXP change during the month	Confirm submission against one GXP for part month then the other GXP for part month, with correct HE/FE balance on each	OK
9	Proportion of HE	Confirm the proportion of HE in the AV080 is correct	Not correct
10	Switch in 2 months ago, first actual read gained in current month, profile data not available for current month	Confirm estimation is shown as forward, not historic	Day of opening read not accounted for

11	Meter change during month	Confirm estimation is calculated for both meters, and summed correctly	Same as 10 above
12	Half-hour meter installed during month	If NHH read is added to meter, and site class is 'DEEMED', then estimation should be calculated for HH meter according to the same rules as NHH meter	No such situation
13	Two reads in the same month	Confirm usage between two reads is 'Historic' even if no profile data is available	Ok (only scenario is with zero consumption)
14	FE based on default value	Confirm the default multiplied by correct number of days	OK
15	FE based on daily kWh from CS file	Confirm CS value multiplied by correct number of days.	OK
16	FE based on historic consumption	Confirm methodology for calculation	OK
17	ICP days for all HE scenarios above	Confirm ICP days calculations are correct	OK
19	Consumption submitted for a given revision then changed for a subsequent revision.	Confirm that if a reading is changed, the change flows through to the revision for the relevant month	No Scenario
20	CS read modified by RR	Confirm that consumption is updated to match RR read replacing CS	OK
21	GXP change backdated	Confirm usage is shown against correct GXP for the time of usage	No such situation
22	Unmetered load submission	Check that this works the same as a normal meter and is considered HE	Correct

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.10 With: 3 of Schedule 15.3 From: 16-May-17 To: 15-Mar-18	Incorrect calculation of historical estimates for some scenarios conducted by ORION Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as weak. ORION calculations for some scenarios are not correct by applying GR-030		
Actions taken to resolve the issue		Completion date	Remedial action status

Pioneer is currently working with its software provider Agility (Orion) to correct the calculation issue.	Expected May/Jun 18	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Pioneer is currently working with its software provider Agility (Orion) to correct the calculation issue.	Expected May/Jun 18	

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

Code reference

Clause 4 and 5 Schedule 15.3

Code related audit information

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

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

Audit observation

If the seasonal adjustment file (GR-30) is not available, ORION does not create their own shape file. It will calculate a forward estimate, which will be replaced by historical estimates once a shape file provided by the reconciliation manager is available.

Audit commentary

The methodology of the historical estimate process was tested in section 12.10 using scenarios.

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

Orion has a functionality which allows it to calculate Forward Estimates (FE) based on an algorithm which calculates volume for an ICP using Estimated Daily Usage (EDC) multiplied by the number of days.

Orion updates EDC per ICP as soon as a new reading is entered. The Estimated Daily Usage is displayed against each ICP. This value is used to validate uploads of new meter readings.

Audit commentary

We reviewed the reporting in relation to forward estimate accuracy. We chose August 2017 and examined wash up files. We confirm that Pioneer Energy does meet the Code requirements of its initial submission information against subsequent revision cycle submission information.

Balancing area	Initial	R1	R3	R7	R1/initial	R3/initial	R7/initial
BALCTHAOTPOG	246,895	246,045	244,829	249,930	0%	-1%	1%
CENTRALALPEG	547,365	544,849	526,107	517,555	0%	-4%	-5%
CLYDE00DUNEG	381,711	383,536	376,314	371,093	0.5%	-1.4%	-2.8%
CROMWELDUNEG	584,890	571,533	599,462	652,696	-2.3%	2.5%	11.6%
INVGILLELING	131,907	121,778	122,169	122,421	-7.7%	-7.4%	-7.2%
PALMSBYOTPOG	107,893	113,371	106,848	106,564	5.1%	-1.0%	-1.2%

Audit outcome

Compliant

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

Code reference

Clause 7 Schedule 15.3

Code related audit information

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

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

Audit observation

Pioneer Energy uses HHR, RPS, and UML profile for submissions as recorded in the registry. There are no plans to use other profiles.

Audit commentary

It was discussed during the audit and the company fully understands the requirement. Compliance confirmed based on a review of the LIS file and submission files.

Audit outcome

Compliant

13. SUBMISSION FORMAT AND TIMING

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

Code reference

Clause 8 Schedule 15.3

Code related audit information

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

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

Audit observation

HHR submission volumes are provided by EMS as an agent of Pioneer Energy.

Audit commentary

We reviewed the EMS audit report and HHRVOLS for month Oct'17 to Jan'18 and confirm that submission information is aggregated correctly.

Audit outcome

Compliant

13.2. Reporting resolution (Clause 9 Schedule 15.3)

Code reference

Clause 9 Schedule 15.3

Code related audit information

When reporting submission information, the number of decimal places must be rounded to not more than 2 decimal places.

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

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

Audit observation

HHR submission volumes are calculated by EMS.

NHH submission volumes are calculated by Pioneer Energy using ORION

Audit commentary

We reviewed the EMS audit report and HHRVOLS and HHRAGGR for month Oct'17 to Jan'18 and confirm that submission information is rounded to no more than two decimal places.

We also reviewed NHHVOLS for the same period and confirm 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

We reviewed GR-170NHH for the period covered by this audit to assess compliance. The table below shows for how many NSPs Pioneer Energy did not meet compliance.

Month	R3	R7
Apr'17	50/51	48/51
May'17	50/52	50/52
June'17	48/49	48/49
July'17	50/51	50/51
Aug'17	51/52	51/52
Sept'17	50/52	
Oct'17	52/56	
Nov'17	55/57	
Dec'17	56/57	

Audit commentary

The level of compliance in this area has not improved since the last audit. Our observation is that probably Orion incorrectly calculates or displays historical estimates or does not have a full understanding of its definition. Pioneer Energy manages NHH readings very well therefore it is a surprise to us to identify non-compliance with this clause. It is still a reconciliation participants responsibility to make sure that ORION complies with the Code.

Audit outcome

Non-compliant

Non-compliance	Description
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Audit Ref: 13.3 With: 10 of Schedule 15.3 From: 02-Jun-17 To: 15-Mar-18	Historical estimates target not met for revision 3, and 7 for most of NSPs Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as weak because the same non-compliance was identified in the last audit. Pioneer requested Agility to fix a problem, but it was not followed through. The company was not fully aware that ORION inaccuracy in this area results in their non-compliance. Audit risk rating is assigned as low because historical estimate column in NHHVOLS are not used for reconciliation		
Actions taken to resolve the issue		Completion date	Remedial action status
Pioneer is working with Agility/Orion to correct the AV-080 report so that it displays the correct Historical Estimates figures in the last column. The new report is currently in Pioneers test system and appears to be correct. This is undergoing further testing and is expected to be released to Production imminently.		Expected May/June 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Pioneer now has a sound understanding of the Historical estimates figure used in the AV-080 report and will monitor this more closer in future.		Expected May/June 2018	

CONCLUSION

PARTICIPANT RESPONSE