

ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT



For

PRIME ENERGY LIMITED

Prepared by: Tara Gannon

Date audit commenced: 27 February 2018

Date audit report completed: 16 March 2018

Audit report due date: 26 March 2018

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EXECUTIVE SUMMARY

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

The audit was conducted in accordance with the Guideline for Reconciliation Participant Audits V7.1.

Prime has been working with their system provider, Agility, to resolve some reconciliation reporting issues since before their 2017 audit. The issues were resolved in February 2018 and related to Orion applying a pro rata calculation to split AV120 billed consumption between months (when it should have been reported against the invoice month) and calculating AV080 historic estimate proportions using a pro rata method (when the actual historic estimate should have been reported).

Unfortunately, because the system changes were implemented recently, the issues were present for most of the audit period and non-compliance has been recorded. Corrected submissions will be provided through the revision processes, and I expect compliance to improve in these areas in the next audit.

Some further issues with reporting were identified for the AV110 ICP days report; inactive days are included in the report, and some ICPs did not have the correct ICP days calculated.

Prime has worked hard to resolve issues identified during the previous audit and has made good progress with reviewing DUMML databases.

Wells is an agent to Prime, providing NHH meter readings. The Wells audit was conducted in May 2017 in accordance with the Guidelines for Reconciliation Participant Audits V6.2. The audit found full compliance. Because the report is more than seven months old on the audit due date, I confirmed with Wells that there have been no changes to systems or processes which could affect Prime Energy's compliance.

The audit found 19 non-compliance issues and makes two recommendations. The breach risk rating total is 39, which gives an indicative next audit due date of 12 months. I agree with this recommendation. Prime is investigating or has acted to resolve each issue raised.

The matters raised are shown in the tables below:

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Relevant information	2.1	10.6, 11.2, 15.2	Some Orion and registry information was incorrect.	Moderate	Low	2	Identified
Changes to registry information	3.3	10 Schedule 11.1	13 late status updates occurred during the audit period.	Moderate	Low	2	Identified
Provision of information to the registry manager	3.5	9 Schedule 11.1	The registry was not updated within five business days of commencement of trading for 11 ICPs.	Moderate	Low	2	Identified
ANZSIC codes	3.6	9 (1(k)) of Schedule 11.1	One active ICP has a T994 (don't know) ANZSIC code recorded.	Strong	Low	1	Identified
Changes to unmetered load	3.7	9(1)(f) of Schedule 11.1	Trader unmetered load details are not recorded on the registry for three ICPs. One ICP is metered, but also has standard unmetered load. The unmetered load was not recorded in Orion and the unmetered load has not been submitted.	Moderate	Low	2	Identified
Management of "inactive" status	3.9	19 Schedule 11.1	One ICP temporarily had an incorrect status date recorded.	Moderate	Low	2	Identified
Gaining trader changes to switch meter reading - switch move	4.11	12 Schedule 11.3	Three late RR files for switch moves. One RR file contained an incorrect reading and was subsequently rejected and reissued.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Electricity conveyed & notification by embedded generators	6.1	10.13, 10.24 and 15.13	Energy is not metered and quantified according to the code where meters are bridged.	Moderate	Low	2	Identified
NHH meters interrogated annually	6.9	8(1) and (2) Schedule 15.2	One meter reading frequency report was submitted three business days late.	Strong	Low	1	Identified
Identification of readings	9.1	3(3) Schedule 15.2	One estimated reading was entered with an actual read type.	Moderate	Low	2	Investigating
NHH metering information data validation	9.5	16 Schedule 15.2	Where a subsequent read is lower than the switch in reading, an estimated reading is applied.	Moderate	Low	2	Investigating
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	Meter event information is not provided by FCLM.	Moderate	Low	2	Identified
Calculation of ICP days	11.2	15.6	The AV110 report includes inactive ICP days. ICP days were not calculated correctly for all ICPs.	Weak	Low	3	Identified
Electricity supplied information provision to the reconciliation manager	11.3	15.7	Where invoices covered a period longer than the calendar month, or multiple invoices and reversals occurred billed consumption did not always reflect what was billed during the month.	Moderate	Low	2	Identified
Creation of submission information	12.2	15.4	One vacant ICP did not have consumption reported, because of an incorrect status in Orion.	Moderate	Low	2	Identified
Accuracy of submission information	12.7	15.12	Some submission information was incorrect.	Weak	Low	3	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Permanence of meter readings for reconciliation	12.8	4 of Schedule 15.2	Some estimates were not replaced by revision 14.	Moderate	Low	2	Identified
Forward estimate process	12.12	6 Schedule 15.3	The accuracy threshold was not met for all months and revisions.	Moderate	Low	2	Identified
Historical estimate reporting to RM	13.3	10 of Schedule 15.3	Historic estimate thresholds were not met for some revisions.	Weak	Low	3	Identified
Future Risk Rating						39	

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

RECOMMENDATIONS

Subject	Section	Description	Recommendation
Data transmission	2.3	Estimation of readings	Where a read is missing but a zero value indicating a missing read is not recorded, I recommend Prime checks the source read file to determine whether an actual read is present prior to estimating.
ICP days	11.2	Review of ICP days	Calculate the active ICP days using a date ranged registry list and compare to the ICP level ICP days submission to identify any discrepancies.

ISSUES

Subject	Section	Description	Issue
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

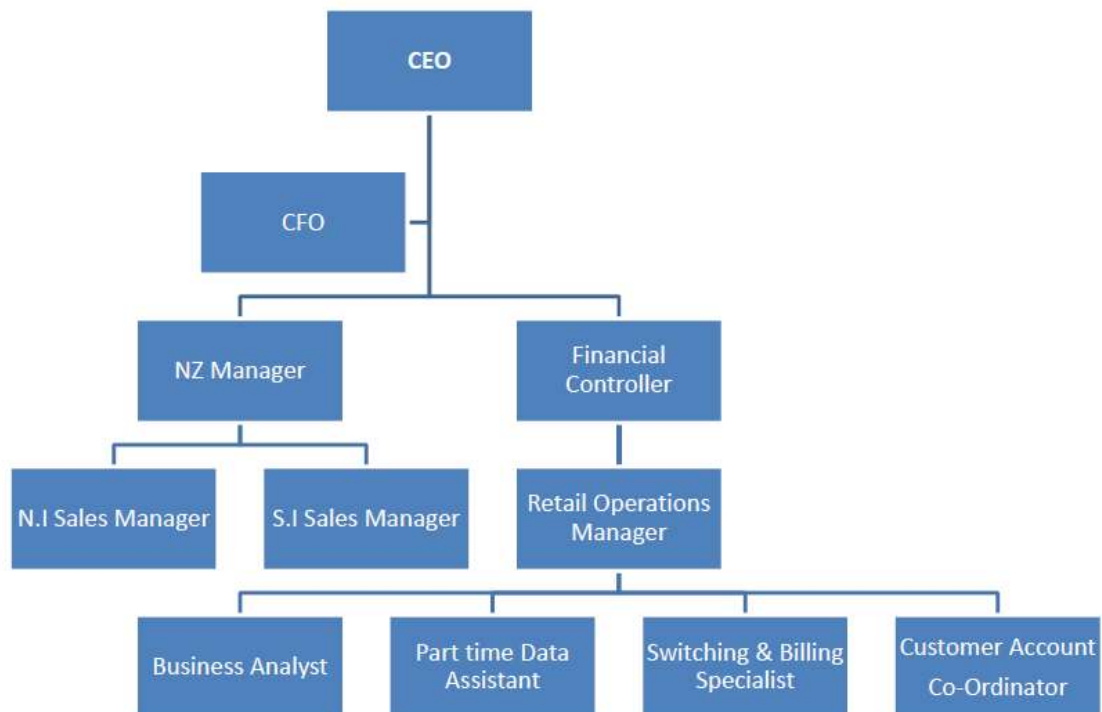
Current code exemptions were reviewed on the Electricity Authority website.

Audit commentary

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

1.2. Structure of Organisation

Prime Energy Organizational Structure – January 2018



1.3. Persons involved in this audit

Auditor:

Tara Gannon

Veritek Limited

Electricity Authority Approved Auditor

Prime Energy personnel assisting with this audit:

Name	Title
Shainaz Rafiq	Retail Operations Manager

Wells personnel assisting with this audit:

Name	Title
Craig Simpson	Operations Manager

1.4. Use of Agents (Clause 15.34)

Code reference

Clause 15.34

Code related audit information

A reconciliation participant who uses an agent

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

Audit observation

Use of agents was discussed with Prime.

Audit commentary

Prime uses Wells to conduct NHH manual data collection, where the meter is not AMI capable, or the MEP cannot provide readings.

AMS, Metrix, Arc Innovations, and FCLM provide data as MEPs and are subject to a separate audit regime. AMS also provides data for Smartco meters.

All other functions are conducted in house.

1.5. Hardware and Software

Prime uses the Orion system for functions included in the scope of the audit. Backup is in accordance with standard industry protocols, and on site and off site back up occurs.

1.6. Breaches or Breach Allegations

The EA confirmed that there were no alleged breaches relevant to the scope of the audit during the audit period.

1.7. ICP Data

All active ICPs are summarised by metering category in the table below. All active ICPs with a metering category of 9 or blank have unmetered load, are new connections in progress, or are ready for decommissioning.

Metering Category	(2018)	(2017)	(2016)
1	1045	784	532
2	126	69	38
3	-	-	-
4	-	-	-
5	-	-	-
9	6	6	4
Blank	9	6	4

All ICPs on the list file are summarised on the table below.

Status	Number of ICPs (2018)	Number of ICPs (2017)	Number of ICPs (2016)
Active (2,0)	1186	865	580
Inactive – new connection in progress (1,12)	3	-	1
Inactive – electrically disconnected vacant property (1,4)	3	2	3
Inactive – electrically disconnected remotely by AMI meter (1,7)	1	1	-
Inactive – electrically disconnected at pole fuse (1,8)			
Inactive – electrically disconnected due to meter disconnected (1,9)	5	9	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	4	4	12

Inactive – reconciled elsewhere (1,5)	-	1	1
Decommissioned (3)	83	73	2

1.8. Authorisation Received

All information required was provided directly by Prime, and Wells.

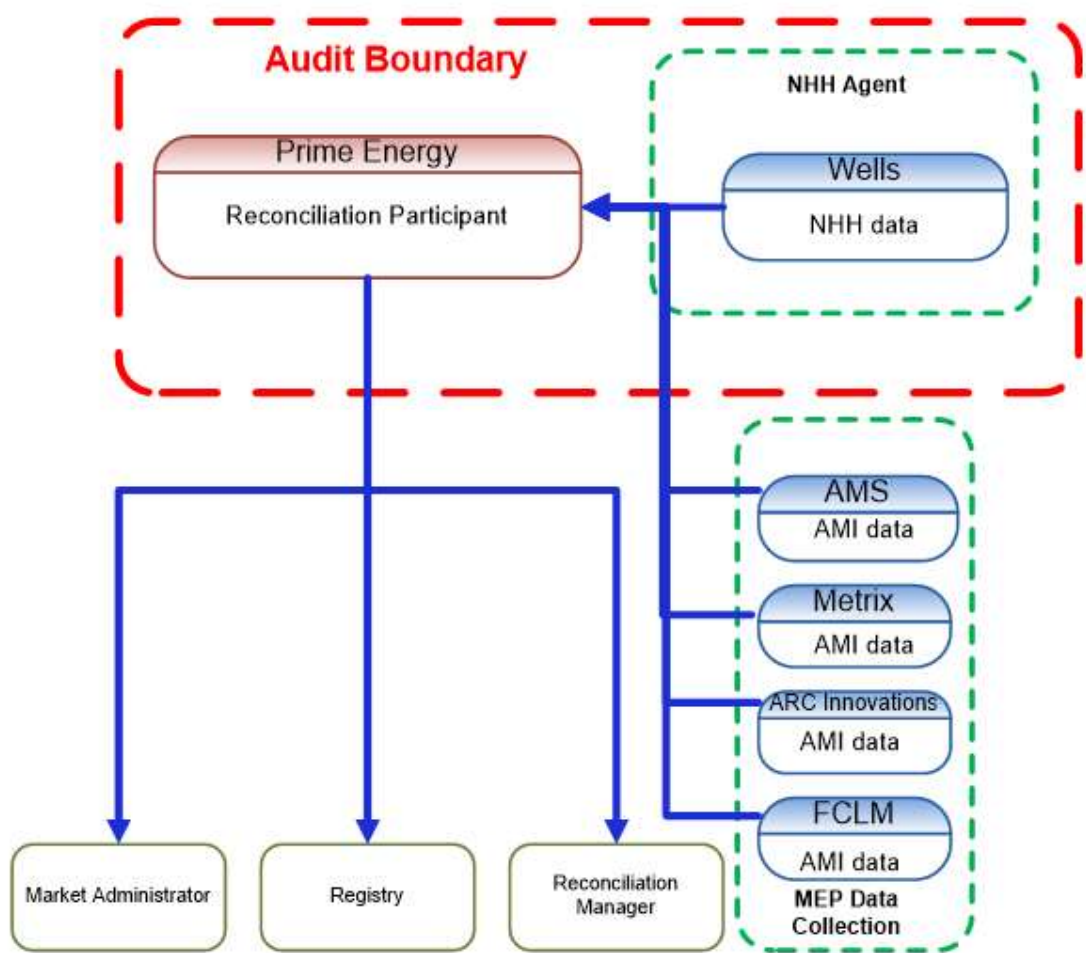
1.9. Scope of Audit

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

The audit was conducted in accordance with the Guideline for Reconciliation Participant Audits version 7.1.

The audit was carried out at Prime’s premises, on 27-28 March 2018.

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



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

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs providing AMI data
(a) - Maintaining registry information and performing customer and embedded generator switching		
(b) – Gathering and storing raw meter data	Wells – NHH	AMS Arc Innovations FCLM Metrix
(c)(ii) - Creation and management of NHH volume information		
(d) – Calculation of the number of ICP days and delivery of a report under clause 15.6		
(da) delivery of electricity supplied information under clause 15.7:		
(e) – Provision of submission information for reconciliation		

The Wells audit was conducted in May 2017 in accordance with the Guidelines for Reconciliation Participant Audits V6.2. The audit found full compliance. Because the report is more than seven months old on the audit due date, I confirmed with Wells that there have been no changes to systems or processes which could affect Prime Energy’s compliance.

AMS, Arc Innovations, FCLM, and Metrix are subject to a separate audit regime as MEPs. They are not acting as agents to Prime.

1.10. Summary of previous audit

Prime provided a copy of their previous audit conducted in March 2017 by Tara Gannon of Veritek Ltd. The audit found 17 non-compliances and six recommendations are made. The status of the non-compliances and recommendations is shown in the tables below.

Table of non-compliance

Subject	Section	Clause	Non-compliance	Remedial Action
Read renegotiation	2.2.5	Clause 6 of Schedule 11.3	Orion did not reflect the accepted RR read on 23/08/16 for one ICP. Prime entered the correct read on 08/03/17 and the revised data will flow through to revision submissions.	Cleared, and no further issues were identified. Refer to section 4.4.
Read renegotiation	2.2.5	Clause 6 of Schedule 11.3	Two late RR files for a move in switch.	Still existing. Refer to section 4.11.
Switch withdrawals	2.4	Clause 18 of Schedule 11.3	Two late AW files.	Cleared. Refer to section 4.15.
Registry notifications	2.8.2	Clause 9 of Schedule 11.1	Registry not updated within five days of commencement of trading.	Still existing. Refer to section 3.5.
Registry notifications	2.8.2	Clause 9 of Schedule 11.1	Incorrect active dates were applied for three new connections.	Cleared during the 2017 audit. No other incorrect dates were identified, refer to section 3.9.
Registry notifications	2.8.3	Clause 10 of Schedule 11.1	Registry not updated within five business days of event.	Still existing. Refer to section 3.3.
MEP nomination	2.8.9	Clause 11.18(4)&(5) of Part11 and Clause 10.18 of Part10	MEP nominated on the registry after the ICP became active.	Cleared. Refer to section 3.3.
ANZSIC Codes	2.8.11	Clause 9(1)(k) of Schedule 11.1	Three ICPs have an ANZSIC code of T994 (Don't know) or blank.	Still existing, but improvements have been made. Refer to section 3.6.

Subject	Section	Clause	Non-compliance	Remedial Action
Unmetered load	2.10.1	Clause 9(1)(f) of Schedule 11.1	Trader unmetered load details are not recorded on the registry for two ICPs	Still existing. Refer to section 3.7 .
Unmetered load	2.10.4	Clause 11(5) of Schedule 15.3	Audits against the code have not been completed during the audit period for ICPs 0000031344AAEF5 and 0001259564UN4AC.	Underway. Prime intends to complete DUML audits prior to 1 June 2018. Refer to section 5.4 .
Unmetered load	2.10.4	Clause 11 of Schedule 15.3	The two DUML databases appear to contain some inaccurate data: The database for 0000031344AAEF5 is to be updated following an on site audit, and contains some data marked as to be confirmed. The database for 0001259564UN4AC contains some inaccurate data. Some DUML load is not being submitted against the correct NSP.	Underway. Refer to section 5.4 .
Calculation of ICP days	5.2	Clause 15.6 of Part 15	Some ICPs were incorrectly included in the ICP days report when they were supplied by other retailers, or because responsibility end dates were not correctly populated.	Cleared, but some other issues are still existing. Refer to section 11.2 .
Permanence of meter readings	6.1.2	Clause 4 of Schedule 15.2	Some estimates are not replaced at R14.	Still existing. Refer to section 12.8 .
Accuracy of submission information	6.1.3	Clause 15.5 of Part 15 and Clause 2 of Schedule 15.3	Submission against the incorrect NSP for some ICPs.	Cleared, but some other issues are still existing. Refer to section 12.7 .
HE calculations	6.1.4	Clauses 4 & 5 of Schedule 15.3	HE calculations not correct for some ICPs.	Cleared. Refer to section 12.11 .

Subject	Section	Clause	Non-compliance	Remedial Action
HE reporting to the RM	6.2.4	Clause 10 of Schedule 15.3	Thresholds not met for some revisions for some months.	Still existing. Refer to section 13.3 .

Subject	Section	Clause	Wells Non-compliance	Remedial Action
Metering information	2.3	5 (b) & (c) of Schedule 15.2	Checks for phase failure and broken or missing seals not conducted and recorded.	Cleared. Wells' and staff reading procedures are compliant. Refer to section 6.6 .

Table of recommendations

Subject	Section	Clause	Non-compliance	Remedial Action
New connections	2.8.2	Clause 9 of Schedule 11.1	Liaise with networks and MEPs to update incorrect initial energisation and certification dates recorded on the registry for three ICPs.	Cleared. Refer to section 3.8 .
Unmetered load	2.10.1	Clause 9(1)(f) of Schedule 11.1	Liaise with distributors to confirm unmetered load details. Arrange for the Registry and Orion to be updated as necessary.	Cleared. Refer to section 3.7 .
Interrogate meters once	3.4	Clauses 7 (1) & (2) of Schedule 15.2	Refine and use period of supply reporting.	Cleared. Refer to section 6.8 .
Metering event details	4.3.1	Clause 17 of Schedule 15.2	Require MEPs to send event information reporting on a regular basis whether events are present or not.	Partially cleared. All MEPs apart from FCLM now send regular event reporting information. Refer to section 9.6 .

Subject	Section	Clause	Non-compliance	Remedial Action
Electricity supplied	5.3	Clause 15.7 of Part 15	Review the AV120 and AV120 detailed report logic to ensure that billed consumption is reported against the correct NSP and network, and all consumption billed on invoices dated within the calendar month is included.	Still existing. Refer to section 11.3.
Market Administrator meter reading reports	6.2.1	Clause 8 & 9 of Schedule 15.2	Review the market administrator reports to ensure that permanent estimates are not counted as actual reads.	Still existing. Refer to section 6.9.

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 10.6, 11.2, 15.2

Code related audit information

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

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

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

Audit observation

The process to find and correct incorrect information was examined. The registry validation process was examined in detail in relation to the achievement of this requirement. The list file was examined to identify any registry discrepancies, and to confirm that all information was correct and not misleading.

Audit commentary

Prime validates their data against the registry:

- prior to each AV080 submission, aggregation factors for each ICP are checked against a date ranged registry list
- prior to each AV110 submission, the network and GXP for each ICP is checked against a date ranged registry list
- ICP discrepancy reporting is conducted twice each month and identifies discrepancies between the data held in Orion and on the registry including multipliers, register counts, submission types, MEPs and unmetered load details.
- monthly, distributor unmetered load details are checked against Orion.

The analysis of the list file returned the following findings:

Item No.	Issue	2018	Comments
1	Status mismatch between registry and Prime	1	One ICP temporarily had an incorrect inactive status event date. This is discussed further in section 3.9 .
2	Active with no MEP	-	Compliant, only unmetered ICPs are active with no MEP.
3	Incorrect submission flag	-	Compliant, all ICPs have submission type NHH.
4	Blank ANZSIC codes	-	Compliant.
5	ANZSIC "T999" not stated	-	Compliant.
6	ANZSIC "T994" don't know	1	One active ICP had a T994 ANZSIC code. This is discussed further in section 3.6 .

Item No.	Issue	2018	Comments
7	Category 9 but Active with MEP and UML "N"	-	Compliant.
8	ICPs with Distributor unmetered load populated but retail unmetered load is blank	3	There are two ICPs with distributor unmetered load details populated and no retailer unmetered load details, and one ICP with an unmetered flag and unmetered daily kWh with no retailer or distributor unmetered load details. Refer to section 3.7 .
9	ICPs with unmetered load flag Y but load is recorded as zero	-	Compliant.
10	ICPs with incorrect shared unmetered load	-	Compliant, no shared unmetered load was identified.
11	ICPs with Distributed Generation indicated but no DG profile	-	Compliant, no ICPs with distributed generation were identified.

The 2017 audit found some ICPs were not recorded against the correct NSP. A system change has now been implemented to ensure that NSP is date ranged in submissions, and I did not see any evidence of submission against incorrect NSPs during the audit.

A small number of data discrepancies were identified during the audit and are recorded as non-compliance below.

- One ICP temporarily had an incorrect inactive status event date as discussed in **section 3.9**.
- One ICP had an incorrect ANZSIC code recorded as discussed in **section 3.6**.
- Three ICPs are unmetered with no retailer unmetered load details recorded on the registry as discussed in **section 3.7**.
- One ICP had an incorrect inactive date recorded as discussed in **section 3.9**.
- An actual reading for one ICP was not used in Orion when it was available, and an estimate for the same ICP was incorrectly classified as actual. This is discussed further in **sections 2.3** and **9.1**. Prime intends to prevent recurrence of this issue by running meter reading frequency reports at the beginning of each month to identify any ICPs which do not have an actual read recorded in the previous month, so action can be taken to check for and obtain reads.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 2.1</p> <p>With: Clause 10.6, 11.2, 15.2</p> <p>From: 01-Feb-17</p> <p>To: 28-Feb-18</p>	<p>Some Orion and registry information was incorrect.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as moderate as they are sufficient to ensure that information is recorded correctly most of the time.</p> <p>The impact is assessed to be low, as the discrepancies identified have little to no impact. The discrepancies identified have either been corrected, or investigation is underway to confirm the correct value prior to correction.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>UNML – load details have been updated in the Registry. We are still waiting for the Distributor to update 1.</p> <p>ANZSIC code – corrected</p> <p>Disco Event dates – corrected</p> <p>Manual read – human error. There was no actual available for the day so staff estimated the read but entered read type as Actual by mistake. Read has been misread & re-entered as an EST. This change will flow through to the washup submissions.</p>		13/3/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We are still working on our ICP discrepancy report & adding extra checks. Priority was given to HE calculation & now that we have resolved that, we can focus on our discrepancy report. As such, ANZSIC code + extra UNML checks, and event dates. In the meantime, we have put interim measures in place to carry out manual check using the LIS report.</p> <p>Reads – ongoing staff training & we are already working on possible reports to capture these errors.</p>		Sep 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

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

Audit commentary

This area is discussed in several sections in this report. I saw evidence during the audit that discrepancies identified were promptly investigated and updated.

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

Prime receives meter readings from AMS, Metrix, Arc, and FCLM as MEPs, and Wells as an agent.

I reviewed the method to receive meter reading data from each MEP and agent. I traced a typical sample of readings for 25 ICPs from the source files to Orion. The sample included five ICPs for each MEP and agent.

Audit commentary

All data transmissions to Prime are via SFTP, which ensures the security and integrity of the data. Upon receipt, reading files are archived to a folder on the network.

Orion requires reads to be imported in a consistent format. The data contained in each read file is reformatted using a template prior to being imported into Orion. Missing reads have a zero value inserted, so they will be easily identified in validation checks.

End of month readings are imported for AMI meters, but readings are received daily. If a customer finalises their account, an ICP is to switch out, a read renegotiation is required, or end of month readings are missing, staff will retrieve readings as necessary from the daily AMI files.

I traced a typical sample of readings for five ICPs for each MEP and agent from the source files to Orion.

- For 24 ICPs, the reads in Orion matched the source file.

- For one ICP, the reading was not imported due to a formatting error and was manually estimated based on consumption history. Compliance is recorded in this section in relation to the data transmission process, the issue related to the manual handling of an exception. Non-compliance is recorded in **section 2.1** because an estimated reading was applied when an accurate actual reading was available, and in **section 9.1** because an estimated reading was recorded with an incorrect read type. I recommend that where a zero value (indicating a missing read) is not present, Prime checks the source reading file to determine whether a read is available prior to estimating. I checked the August end of month reading for the same ICP and found that the value recorded matched the source file.

Description	Recommendation	Audited party comment	Remedial action
Estimation of readings	Where a read is missing but a zero value indicating a missing read is not recorded, I recommend Prime checks the source read file to determine whether an actual read is present prior to estimating.	We have already put this in practice as of 5/3/2018. Where no reads are found on the last day of the month, we will search the other files to see if a read was gained on any other day.	Identified

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

A complete audit trail was checked for all data gathering, validation and processing functions. I viewed audit trails in Orion for a small sample of events.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10.4

Code related audit information

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

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

Audit observation

I reviewed Prime's current terms and conditions.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

The trader must use its best endeavours to provide access:

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

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

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

Audit observation

I reviewed Prime's current terms and conditions.

Audit commentary

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

Prime confirmed that there have been no instances where access could not be arranged for other parties during the audit period.

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

The registry list for 1 February 2017 to 8 February 2018 was reviewed.

Audit commentary

Prime has only supplied ICPs with metering categories 1 and 2. No ICPs have required loss compensation.

Audit outcome

Compliant

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

Code reference

Clause 11.15B

Code related audit information

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

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

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

Audit observation

I reviewed Prime's current terms and conditions.

Audit commentary

Prime's terms and conditions have specific clauses covering this requirement.

Audit outcome

Compliant

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

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

Audit observation

The new connection process was examined in detail to evaluate the strength of controls. The list file and event detail report for the period from February 2017 to February 2018 were analysed to confirm the process is compliant and controls are functioning as expected.

Audit commentary

Prime's new connection process requires all ICPs to be taken to the "new connection in progress" status in the registry and the MEP is nominated at the same time.

The design of the new connections process does not allow ICPs to be connected without authorisation by Prime, or an arrangement with an MEP.

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

Audit observation

The list file and event detail report for the period from February 2017 to February 2018 were analysed to confirm the process is compliant and controls are functioning as expected. I checked all the new connections from the event detail report comparing the meter certification date and the active date.

Audit commentary

The registry list and event detail reports were reviewed. All ICPs recorded as active with metering installed have an MEP recorded.

No ICPs were identified that have been temporarily connected.

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

Audit observation

The list file and event detail report for the period from February 2017 to February 2018 were analysed to confirm process compliance and controls are functioning as expected. I checked all the new connections from the event detail report, and compared the initial energisation date, meter certification date, and the active date.

Audit commentary

The registry list and event detail reports were reviewed. All ICPs recorded as active with metering installed have an MEP recorded. The new connection process ensures the MEP is nominated.

Prime connected 26 ICPs during the audit period. 23 of those were metered and certified within five business days of livening. The other three new connections were unmetered, and the active dates were confirmed to be correct.

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

The registry list for 1 February 2017 to 8 February 2018 was reviewed to identify all the networks Prime traded on during the audit period. Arrangements for line function services for these networks were discussed and use of system agreements were viewed.

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

Audit commentary

Prime has use of system agreements in place with all relevant networks. When ICPs are loaded into Orion, the network is selected from a list of networks which Prime has agreements with. ICPs cannot be loaded where there is not an agreement in place.

Audit outcome

Compliant

2.13. Arrangements for metering equipment provision (Clause 10.36)

Code reference

Clause 10.36

Code related audit information

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

Audit observation

The registry list for 1 February 2017 to 8 February 2018 was reviewed to identify all MEPs for Prime ICPs during the audit period. Arrangements for MEP services were discussed.

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

Audit commentary

Prime has arrangements in place with all relevant MEPs. When ICPs are loaded into Orion, the MEP is selected from a list of MEPs which Prime has arrangements with. ICPs cannot be loaded where there is not an arrangement in place.

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

Audit commentary

This requirement is well understood and managed by Prime.

Audit outcome

Compliant

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

Code reference

Clause 11.7(2)

Code related audit information

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

Audit observation

The new connection process was examined in detail. The list file and event detail report for February 2017 to February 2018 were examined to evaluate the updating of the registry in relation to new connections. This clause links directly to **section 3.5** below. The findings for the timeliness of updates is detailed there.

Audit commentary

The new connection process is detailed in **sections 2.9** and **3.5**. The process in place ensures that the trader required information is populated as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 11.1

Code related audit information

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

Audit observation

The process to manage status changes is discussed in detail in **sections 3.8** and **3.9**. In this section, the event detail report for 1 February 2017 to 1 February 2018 was analysed determine the overall performance for that period.

All late updates were checked to determine the reasons for the late updates.

The process to manage a change of MEP on an existing ICP was examined. An event detail report for the audit period was reviewed, to identify all MEP changes during the period and determine whether they were within the required timeframes.

Audit commentary

The event detail report was examined to confirm whether the registry is updated within five business days when information referred to in clause 9 of schedule 11.1 changes. Overall, the timeliness of registry updates has improved since the 2017 audit.

Event	Year	Total ICPs	ICPs Notified Within 5 Days	ICPs Notified Greater Than 5 Days	Average Notification Days	Percentage Compliant
Change to active (2,0) - reconnections	2016	10	5	5	37.4	50%
	2017	20	11	9	14	55%
	2018	39	32	7	5	82%

Event	Year	Total ICPs	ICPs Notified Within 5 Days	ICPs Notified Greater Than 5 Days	Average Notification Days	Percentage Compliant
Change to electrically disconnected vacant property (1,4)	2016	6	5	1	5	83.3%
	2017	7	6	1	5	85%
	2018	13	13	-	2	100%
Change to electrically disconnected ready for decommissioning (1,6)	2016	11	-	11	168.5	0%
	2017	3	2	1	4	67%
	2018	11	6	5	12	55%
Change to electrically disconnected remotely by AMI meter (1,7)	2016	-	-	-	-	-
	2017	-	-	-	-	-
	2018	9	9	-	1	100%
Change to electrically disconnected due to meter disconnected (1,9)	2016	-	-	-	-	-
	2017	10	8	2	12	80%
	2018	3	3	-	1	100%
Change to electrically disconnected at meter box fuse (1,10)	2016	3	3	-	0.6	100%
	2017	1	1	-	4	100%
	2018	1	1	-	3	100%
Change to new connection in progress (1,12)	2016	13	11	2	28	85%
	2017	8	7	1	27	88%
	2018	25	24	1	1	96%

The table above shows that the registry was not updated within five business days for 13 (12.8%) of 101 ICPs where a status change has been made during the audit period. The late updates are recorded as non-compliance.

The registry was updated more than 30 business days after the actual event date for three ICPs, two were updated to “Inactive - Ready for decommissioning”, and one was updated to active.

Late updates to active status

All late status updates to active were reviewed and found to have been caused by:

- status corrections where customers had self reconnected

- delays in receiving connection paperwork
- delays in processing paperwork once it was received; or
- needing to resolve ICP number issues to ensure the correct records were updated.

Reconnection details were checked against paperwork and correspondence and were confirmed to be accurate.

Late updates to inactive status

All late status updates to inactive ready for decommissioning were checked. All other status updates to inactive were processed on time.

The late updates were caused by Prime not being promptly informed that the site had been demolished, or having difficulty confirming the ready for decommissioning date.

One disconnection was processed from an incorrect date, due to human error. This is discussed further in **section 3.9**.

Late updates to new connection in progress

There was one late update to new connection in progress status. This was caused by the customer providing incorrect ICP details to Prime and was resolved in consultation with the customer and network.

MEP nominations

Review of the event detail report found 52 MEP nominations. The nomination date was compared to the metering event effective date to identify any ICPs that were not nominated within five business days. In all cases, the MEP was nominated within five business days of the metering event date.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.3 With: Clause 10 Schedule 11.1 From: 20-Mar-17 To: 24-Jan-18	13 late status updates occurred during the audit period. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate because they are adequate to ensure that the registry is updated on time most of the time, but there is room for improvement. The risk is low as most updates were completed on time or soon after they were due.		
Actions taken to resolve the issue		Completion date	Remedial action status
The date was corrected in the Registry during the audit.		March 2018	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Responsibility will be shared amongst other departments to ensure checks are carried out before the completion paperwork is filed away.	March 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 registry list and event detail report for the period from February 2017 to February 2018 were reviewed to:

- identify all new connections during the period
- confirm whether all active, metered ICPs have an MEP recorded
- identify all MEP nominations during the period; and
- identify all decommissions during the period.

Audit commentary

Review of the registry list confirmed that all active metered ICPs have an MEP recorded. The new connection process ensures the MEP is nominated.

53 MEP nominations were made; 52 were accepted by the MEP. The rejected nomination was reissued to another MEP and accepted. The timeliness of MEP nominations was found to be compliant in **section 3.3**.

Nine ICPs were decommissioned during the audit period. Prime met their obligation to arrange a meter interrogation prior to or upon meter removal. In two cases they were unable to complete the

interrogation because the meter had been removed without Prime's knowledge and the asset could not be recovered.

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 new connection process was examined in detail. The list file was analysed in conjunction with the event detail report for the period from February 2017 to February 2018 to evaluate the updating of the registry in relation to new connections. I examined all 11 late updates.

Audit commentary

The event detail report was examined to confirm that information is provided to the registry within five business days of commencement of trading at each ICP.

Event	Year	Total ICPs	ICPs notified within 5 days	ICPs notified greater than 5 days	Average notification days	Percentage compliant
New connections Change to active	2016	12	0	12	46.75	0%
	2017	7	5	2	5	71%

Event	Year	Total ICPs	ICPs notified within 5 days	ICPs notified greater than 5 days	Average notification days	Percentage compliant
	2018	26	15	11	10	58%

The table above shows that the registry was not updated within five business days for 11 of the 26 ICPs where the status became active during the audit period. This is recorded as non-compliance below.

All late updates were checked:

- Three late updates were caused by delays in confirming NSPs and ICP numbers with the network where an existing ICP was split.
- One update was delayed for a complex new connection. Two retailers were involved and an existing ICP was present at the address, as well as the new ICP. There were delays while the retailers confirmed who would be responsible and the correct ICP numbers.
- The other seven late updates were caused by a combination of delays in receiving paperwork and processing the paperwork once it was received.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.5 With: Clause 9 Schedule 11.1 From: 28-Feb-17 To: 14-Dec-17	The registry was not updated within five business days of commencement of trading for 11 ICPs. Potential impact: Low Actual impact: Low Audit history: Three times previously Controls: Moderate Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
Low	Controls are rated as moderate, because they are sufficient to ensure that the registry is updated on time most of the time. The risk rating is low. The late updates caused by late or missing paperwork were between two and six business days late. The delays caused by confirming ICP numbers were between 24 and 31 business days late.

Actions taken to resolve the issue	Completion date	Remedial action status
<p>We had initially requested the ICP given to us by the network, which we later found out was for a different customer with a different meter number. However; the Registry showed out meter number linked to that ICP so we had to arrange several site visits to confirm the meter number & end users.</p> <p>Missing paperwork – we are actively chasing the MEPs for paperwork.</p>	Change applied already	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>If the job was completed on any day other than Monday, if the Registry is updated on the 5th working day, it's counted as 7 days due to the weekend. This is beyond our control. However; we endeavour to update the Registry within 48hrs of receiving the completion paperwork. We haven't had any late updates caused by processing times in the past few months.</p>	Change applied already	

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

Code reference

Clause 9 (1(k) of Schedule 11.1

Code related audit information

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

Audit observation

The process to capture and manage ANZSIC codes was examined. A Registry list file dated 8 February 2018 was reviewed to check ANZSIC codes.

Audit commentary

Since July 2017, Prime has checked ANZSIC codes on switch in, and corrected any ICPs with blank or unknown ANZSIC codes. ANZSIC codes are not checked as part of the regular discrepancy reporting processes, and Prime intends to investigate adding these checks.

Review of the registry list found one ICP was active with a T994 (don't know) ANZSIC code. This is recorded as non-compliance below. The ICP switched in on 1 June 2017, prior to the process change. The ANZSIC code was corrected during the audit.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: Clause 9 (1(k)) of Schedule 11.1 From: 01-Jun-17 To: 14-Feb-18	One active ICP has a T994 (don't know) ANZSIC code recorded. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as they are sufficient to ensure that most ICPs have the correct ANZSIC code. This was an isolated exception, which had switched in between ANZSIC codes for historic ICPs being corrected, and the new procedure to check ANZSIC codes being implemented.		
Actions taken to resolve the issue		Completion date	Remedial action status
Updated during the audit		28/2/18	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We implemented checks around mid last year & this ICP was gained before the checks were implemented. Once we update the ICP discrepancy file to include ANZSIC codes, this should resolve the issue		Sep 2018	

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 process to manage unmetered load was examined. The list file as at 8 February 2018 was examined to identify any ICPs where:

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

Audit commentary

Prime checks unmetered loads as part of the registry discrepancy process. They have 13 ICPs with standard unmetered load indicated, and three ICPs with distributed unmetered load. Prime does not supply any ICPs with shared unmetered load, these are rejected as part of the application process.

Review of the registry list found:

- All ICPs with unmetered load recorded by the distributor also have unmetered load recorded by Prime.
- All ICPs with the unmetered flag set to Y have unmetered load populated. No ICPs have daily unmetered kWh of 0.
- Two ICPs have unmetered load recorded by Prime, and no unmetered load recorded by the distributor. The ICPs both have no metering on the registry and appear to be genuinely unmetered.
- The distributor's field was populated in the correct format for eight ICPs. I calculated the daily unmetered kWh based on the distributor information and compared it to the daily unmetered kWh field. The values matched exactly.
- Three ICPs have no retailer unmetered load details recorded on the registry. This is recorded as non-compliance below. The unmetered flag and daily unmetered kWh were correctly populated.
- One metered ICP has the unmetered flag set to yes, daily unmetered kWh, and trader unmetered load details recorded. The ICP was checked with the distributor, who confirmed the ICP was metered and has standard unmetered load connected for one under verandah light. No unmetered load details are recorded in Orion, and no unmetered load submissions have been made. Daily unmetered load is recorded as 1.38 kWh per day, and the ICP has been active with Prime since 07/07/2017. This is recorded as non-compliance below.

Daily unmetered load is recorded in Orion, and I confirmed it matched the retailer daily unmetered kWh recorded on the registry for each unmetered ICP.

Each unmetered ICP has a dummy meter associated with it. End of month readings are calculated as last read + (daily unmetered kWh x active days in the month) and entered onto the dummy meter. I reviewed evidence of monthly checks to ensure that these readings are calculated correctly and checked the readings for the previous four months for each unmetered ICP. This dummy meter data is used to bill the customer and produce reconciliation submissions. I reviewed a sample of submissions to confirm unmetered load was reported correctly.

The unmetered load issues identified in the 2017 audit have been cleared. For all four ICPs, Prime's details were correct, and the distributor's unmetered load details have been updated.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.7</p> <p>With: Clause 9(1)(f) of Schedule 11.1</p> <p>From: 01-Feb-17</p> <p>To: 14-Mar-18</p>	<p>Trader unmetered load details are not recorded on the registry for three ICPs.</p> <p>One ICP is metered, but also has standard unmetered load. The unmetered load was not recorded in Orion and the unmetered load has not been submitted.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<p>Low</p>	<p>The controls are rated as moderate, because most ICPs have trader unmetered load details recorded and correct information is recorded in Orion.</p> <p>The impact is low because</p> <ul style="list-style-type: none"> two of the three ICPs with missing trader details have distributor unmetered load details recorded the ICP without unmetered load is correctly recorded in Orion, so there is no impact on submissions. 1.38 kWh per day has been under reported since 07/07/2017 for the ICP with a meter and standard unmetered load. This has resulted in under submission of 346.38 kWh across the period of supply. 		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>All UNML data have been updated in the Registry. The market impact is very minimal (less than 1MW), however; we have already updated our system, & the submission data was in our March Day13 submissions. We gained the ICP in July 2017 & the M14 washup for this is still pending so the unreconciled UNML data will get washed up.</p>		Mar 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We are adding this to our discrepancy report and as an interim action we will manually check all UNML ICPs in the LIS file against our own data.</p>		<p>Discrepancy Report – Sep2018</p> <p>Manual Checks – Mar2018</p>	

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

Audit observation

The connection and reconnection processes were examined. The event detail report for 1 February 2017 to 1 February 2018 was analysed. The findings in relation to the timeliness of updates to registry are recorded in **section 3.3**.

Audit commentary

Prime’s Orion system will not allow more than one party per ICP and requires ICPs to have an MEP and meter recorded.

I checked the accuracy of the active dates used by Prime for new connections by comparing the active dates, meter certification dates, and initial energisation dates for all new connections that were energised during the audit period. I found:

- where the initial energisation dates had been populated by the distributor, they matched Prime’s active date
- where meter certification dates were populated, they are the same as, or within five business days of the connection date. MEPs must provide certification details within five business days of connection.

A typical sample of ten reconnections were checked to confirm that the correct status and date had been applied. Some late status changes are recorded as non-compliance in **section 3.3**.

The 2017 audit recommended liaising with networks and MEPs to update incorrect initial energisation and certification dates recorded on the registry for three ICPs. I confirmed that the recommendation had been implemented, and Prime’s active dates on the registry were correctly recorded.

54 ICPs had status changes to active during the audit period. I checked all ICPs to determine whether they had certified metering installations in place, including all reconnected ICPs. 51 of the ICP final metering certification in place on the connection or reconnection date, and the other three ICPs were unmetered.

Audit outcome

Compliant

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

Code reference

Clause 19 Schedule 11.1

Code related audit information

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

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

Audit observation

The disconnection process was discussed. The event detail report for 1 February 2017 to 1 February 2018 was analysed to identify all disconnections during the period.

A typical sample of at least ten ICPs at each inactive status (or all ICPs if less than ten were available) were checked using the typical characteristics methodology.

The findings in relation to the timeliness of updates to registry is recorded in **section 3.3**.

Audit commentary

The processes in place in relation to the management of the inactive statuses are used as intended. Meters continue to be read for inactive ICPs.

60 ICPs were updated to inactive statuses during the audit period. I reviewed a sample of 30 updates to inactive status, including at least ten ICPs updated to each inactive status (or all if less than ten examples were available) to determine whether the status reason codes and event dates were correctly applied.

- Status reason codes were correctly applied for all ICPs checked.
- Event dates were matched to correspondence and paperwork where available. One status update was recorded with an incorrect event date to human error, 07/10/2017 was recorded instead of 06/10/2017. This is recorded as non-compliance below. The registry was corrected during the audit.

The 2017 audit found one ICP switched in with a status of “inactive-reconciled elsewhere” (1,5) on 26/05/15. On site investigation by Prime found the address was correct, there was no connected load, and no evidence of supply. The ICP has now been decommissioned.

Some late status updates to inactive are recorded as non-compliance in **section 3.3**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.9 With: Clause 19 Schedule 11.1 From: 07-Oct-17 To: 27-Feb-18	One ICP temporarily had an incorrect status date recorded. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are sufficient to ensure that status dates are correctly recorded most of the time. The discrepancy occurred due to human error.</p> <p>The risk rating is assessed to be low, only one ICP was affected and the date has now been corrected. The difference in dates was one day. There was no impact on reconciliation submissions.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The date was corrected during the audit		28/2/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have already implemented a report to capture the status event dates so going forward can ensure this is used by all staff.		Mar 2018	

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

Audit observation

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

Audit commentary

Prime uses the status "inactive – new connection in progress" status. No ICPs with new or ready status were identified and they have not received any requests from Distributors.

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 two business days after the arrangement comes into effect and include in its advice to the registry manager that the switch type is TR and one or more profile codes associated with that ICP.

Audit observation

The switch gain process was examined to determine when Prime deem all conditions to be met. A sample of five ICPs using the typical sampling methodology were checked to confirm that they were notified to the registry within two business days.

Audit commentary

Prime's processes are compliant with the requirements of Section 36M of the Fair Trading Act 1986. NT files are sent as soon as all pre-conditions are met, and the withdrawal process is used if the customer changes their mind. NT files were sent within two days of all conditions being met for the ICPs checked.

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

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

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

Audit observation

An event detail report for 1 February 2017 to 1 February 2018 was reviewed to:

- identify AN files issued by Prime during the period; and
- assess compliance with the setting of event dates requirement.

All AN response codes were reviewed to determine whether they had been correctly applied.

The switch breach report was examined for the audit period.

Audit commentary

The switch breach report confirmed all AN files were sent within the allowable timeframes.

Event dates set by losing trader must be no more than 10 business days after receipt of an NT file. Over a 12 month period 50% of event dates must be within five business days.

One AN for a transfer switch was sent during the audit period. The AN proposed event date matched the requested date and the AN receipt date, and the AN response code was correctly applied.

Total transfer ANs	Total over 10 business days	Total within 10 business days	Total within 5 business days	% within 5 business days
1	0	1	1	100%

Audit outcome

Compliant

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

Code reference

Clause 5 Schedule 11.3

Code related audit information

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

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

Audit observation

An event detail report for the period from 1 February 2017 to 1 February 2018 was reviewed, to identify CS files issued by Prime. The accuracy of the content of CS files was confirmed by checking the content of all transfer CS files. The content checked included:

- correct identification of meter readings and correct date of last meter reading
- accuracy of meter readings; and

- accuracy of average daily consumption.

The process to manage the sending of the CS file within five business days of the event date was examined.

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

Audit commentary

The switch breach report confirmed all CS files for transfer switches were sent within the allowable timeframes.

The content of all CS files was examined and found to be accurate.

Audit outcome

Compliant

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

Code reference

Clause 6(1) and 6A Schedule 11.3

Code related audit information

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

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

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

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

Audit observation

The process for the management of read requests was examined.

The event detail report for the period from 1 February 2017 to 1 February 2018 was reviewed to identify all read change requests and acknowledgements.

- all read change requests for transfer switches were reviewed to confirm that information provided in the request was correct, and that the reads recorded in Orion were consistent with the acceptance or rejection provided by the other retailer.
- no read change requests for transfer switches were made by other retailers.

A typical sample of six gained ICPs with estimated CS reads where an RR was not processed were reviewed, to confirm whether the correct read was applied.

The switch breach history report for the audit period was reviewed, to identify late read change and acknowledgement files.

Audit commentary

When a high or low read is identified through the read validation process for a new switch in, the ICP is investigated to determine whether a read change is required. Prime will issue an RR file once they have received two actual readings if the difference is:

- more than ± 200 kWh,
- is negative and the actual reads are not expected to catch up within the month, or
- Prime has AMI readings which prove that the read is incorrect.

If there is a small negative difference, Prime waits for the AMI readings to “catch up” and exceed the switch read and estimates zero consumption. This process is discussed further in **section 9.5**.

Prime issued three read change requests for two transfer switch ICPs. All requests were based on estimated readings, and the values recorded in Orion were consistent with the outcome of the RR process. No read change requests were received from other retailers.

I reviewed a typical sample of six ICPs (including transfer switches and switch moves) which switched in on estimated readings with no RR issued, to determine whether they were treated correctly. In all cases the opening read recorded in Orion matched the CS read.

No late read change requests or acknowledgements were identified for transfer switches.

Audit outcome

Compliant

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

Code reference

Clause 6(2) and (3) Schedule 11.3

Code related audit information

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

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

Audit observation

The event detail report for the period from 1 February 2017 to 1 February 2018 was reviewed to identify all read change requests and acknowledgements where clause 6(2) and (3) of schedule 11.3 applied.

Audit commentary

Prime only uses submission type NHH and did not issue any read change requests where clause 6(2) and (3) of schedule 11.3 applied.

No read changes were issued to Prime by other traders.

Prime is aware of the requirements of this clause and intends to comply.

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

Disputes were discussed with Prime.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 9 Schedule 11.3

Code related audit information

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

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

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

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

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

Audit observation

The switch gain process was examined to determine when Prime deem all conditions to be met. A sample of five ICPs using the typical sampling methodology were checked to confirm that they were notified to the registry within two business days.

Audit commentary

Prime's processes are compliant with the requirements of Section 36M of the Fair Trading Act 1986. NT files are sent as soon as all pre-conditions are met, and the withdrawal process is used if the customer changes their mind. NT files were sent within two days of all conditions being met for the ICPs checked.

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

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

Audit observation

The process to manage the sending of switch information within five business days of the event date was examined.

An event detail report for the period from 1 February 2017 to 1 February 2018 was reviewed, to identify AN files issued by Prime during the audit period. All AN response codes were reviewed to determine whether they had been correctly applied.

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

Audit commentary

The switch breach report confirmed all AN files were sent within the allowable timeframes.

Event dates set by losing trader must be no more than 10 business days after receipt of an NT file, and on or after the gaining trader's requested date.

One AN for a switch move was sent during the audit period. The AN proposed event date matched the requested date and the AN receipt date, and the AN response code was correctly applied.

Total transfer ANs	Total over 10 business days	Total within 10 business days	Total within 5 business days	% within 5 business days
1	0	1	1	100%

Audit outcome

Compliant

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

Code reference

Clause 10(2) Schedule 11.3

Code related audit information

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

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

Audit observation

The setting of event dates for move switches was examined. The event detail report for 1 February 2017 to 1 February 2018 was examined, comparing the NT requested event date with the AN event date sent by Prime for any switches dated earlier than the NT requested date. The report was also checked for any event dates that were set greater than ten days from the NT receipt date.

Audit commentary

Analysis found no switch move AN files where the event date was set greater than ten business days after the NT receipt date. No switch move AN files had a proposed event date before the losing trader's proposed date.

Switches were completed as required by this clause.

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

An event detail report for the period from 1 February 2017 to 1 February 2018 was reviewed, to identify CS files issued by Prime. The accuracy of the content of CS files was confirmed by checking the content of all switch move CS files. The content checked included:

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

The process to manage the sending of the CS file within five business days of the event date was examined.

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

Audit commentary

The switch breach report recorded four late switch move CS files; CS files should be sent within five business days of the NT receipt date. In all cases, the CS file was delayed by a withdrawal request being issued by Prime and the CS was issued soon after the withdrawal was rejected.

The content of all CS files was examined and found to be accurate.

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 five business days after receiving final information from the registry manager, may provide the losing trader with a switch event meter reading from that meter. The losing trader must use that switch event meter reading (clause 12(2B)).*

Audit observation

The process for the management of read requests was examined.

The event detail report for the period from 1 February 2017 to 1 February 2018 was reviewed to identify all read change requests and acknowledgements.

- All read change requests for switch moves were reviewed to confirm that information provided in the request was correct, and that the reads recorded in Orion were consistent with the acceptance or rejection provided by the other retailer.
- No read change requests for switch moves were made by other retailers.

A typical sample of six gained ICPs with estimated CS reads where an RR was not processed were reviewed, to confirm whether the correct read was applied.

The switch breach history report for the audit period was reviewed, to identify late read change and acknowledgement files.

Audit commentary

When a high or low read is identified through the read validation process for a new switch in, the ICP is investigated to determine whether a read change is required. Prime will issue an RR file once they have received two actual readings if the difference is:

- more than ± 200 kWh,
- is negative and the actual reads are not expected to catch up within the month, or
- Prime has AMI readings which prove that the read is incorrect.

If there is a small negative difference, Prime waits for the AMI readings to “catch up” and exceed the switch read and estimates zero consumption. This process is discussed further in **section 9.5**.

Prime issued nine read change requests for eight transfer switch ICPs. The values recorded in Orion were consistent with the outcome of the RR process. Four of the requests were based on actual readings, consistent with the read source files. The other five requests were based on estimated readings. One RR file contained a typo in the read, and the RR was subsequently rejected and reissued with the correct reading.

No read change requests were received from other retailers.

I reviewed a typical sample of six ICPs (including transfer switches and switch moves) which switched in on estimated readings with no RR issued, to determine whether they were treated correctly. In all cases the opening read recorded in Orion matched the CS read.

The switch breach history report showed three RR files which were 12-17 days late. All late RR files were checked. Two related to a delay in obtaining two actual readings for the ICP before requesting the change, the other related to reissue of a rejected RR.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.11</p> <p>With: Clause 12 Schedule 11.3</p> <p>From: 10-Apr-17</p> <p>To: 20-Jul-17</p>	<p>Three late RR files for switch moves.</p> <p>One RR file contained an incorrect reading and was subsequently rejected and reissued.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate as they are sufficient to ensure that RR files are normally provided within four months, and RR content is usually correct.</p> <p>The impact of the late files is low, because the files were between 12 and 17 days late. There is no impact for the incorrect RR file content, because the request was rejected and promptly reissued with the correct reading.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Depending on the type of sites gained, sometimes it does take couple of months to obtain actual reads, especially with non AMI meters. It becomes more difficult when there are access issues. However; we arrange RR's quiet promptly upon receiving 2 actuals. If its AMI meters, RR is initiated using the AMI read.		March 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We do our best to ensure RR is initiated with the 4 months timeframe. Our main objective is to correct the data even if its outside the preferred time frames. We always consult the losing retailer before initiating the late RRs		March 2018	

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

Code reference

Clause 13 Schedule 11.3

Code related audit information

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

- a half hour metering installation (that is not a category 1 or 2 metering installation) at an ICP with a submission type of half hour in the registry and an AMI flag of "N"; or

- a half hour metering installation at an ICP that has a submission type of half hour in the registry and an AMI flag of “N” and is traded by the losing trader as non-half hour; or
- a non half hour metering installation at an ICP at which the losing trader trades electricity through a half hour metering installation with an AMI flag of “N”.

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

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

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

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

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

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

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

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

Audit observation

An event detail report for the period from 1 February 2017 to 1 February 2018 was reviewed to determine whether any HH switches occurred during the period.

Audit commentary

No HH switches occurred during the audit period.

Audit outcome

Not applicable

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

Code reference

Clause 15 Schedule 11.3

Code related audit information

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

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

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

Audit observation

An event detail report for the period from 1 February 2017 to 1 February 2018 was reviewed to determine whether any HH switches occurred during the period.

Audit commentary

No HH switches occurred during the audit period.

Audit outcome

Not applicable

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

Code reference

Clause 16 Schedule 11.3

Code related audit information

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

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

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

16(b)- carry out an interrogation and, no later than 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

An event detail report for the period from 1 February 2017 to 1 February 2018 was reviewed to determine whether any HH switches occurred during the period.

Audit commentary

No HH switches occurred during the audit period.

Audit outcome

Not applicable

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

Code reference

Clauses 17 and 18 Schedule 11.3

Code related audit information

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

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

- for each ICP, the trader withdrawing the switch request must provide the registry manager with (clause 18(c)):*

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

Audit observation

The switch withdrawal process was examined.

The event detail report for 1 February 2017 to 1 February 2018 was analysed to identify all switch withdrawal requests (NW) and acknowledgements (AW).

The switch breach report was checked for any late NW and AW files. The event detail report was also analysed to confirm timeliness of switch withdrawal acknowledgements.

The content of a diverse characteristics sample of switch withdrawal requests was reviewed, including two (or all if less than two were available) with each withdrawal code applied.

Audit commentary

24 NWs were issued by Prime; all were sent within two calendar months of the event date. Nine were checked, and I confirmed that the correct codes were applied. Two NWs had the code CX (customer cancellation); both were requested after the switch was completed.

No late NW or AW files were recorded on the switch breach report.

59 AW files were sent by Prime; all were sent within five business days of the NW receipt date. 22 AW files were acceptances and 37 were rejections. 15 of the rejected files were accepted after being reissued with the correct NW code by the other retailer. I reviewed the ten other rejected NWs, and found they were rejected on the customer's instructions.

Audit outcome

Compliant

4.16. Metering information (Clause 21 Schedule 11.3)

Code reference

Clause 21 Schedule 11.3

Code related audit information

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

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

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

Audit observation

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

Audit commentary

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

Prime's policy regarding the management of meter reading expenses is compliant.

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

The Electricity Registry switch save protected retailer list was examined.

Winback processes were discussed. The event detail report for 1 February 2017 to 1 February 2018 was analysed to identify all withdrawn switches with a CX code applied prior to the switch completion date for any switch save protected retailer.

Audit commentary

Prime has been a save protected retailer since 10/02/2015 and does not complete any winback activity.

The event detail report identified two NWs with the CX (customer cancellation) withdrawal reason code; both were requested after the switch was completed.

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 process to identify and monitor unmetered load was discussed. The registry list for 1 February 2017 to 8 February 2018 was reviewed to identify all shared unmetered load.

Audit commentary

Prime does not supply any ICPs with shared unmetered load and does not intend to.

Processes to prevent ICPs with shared unmetered load from switching in, and to monitor existing ICPs for addition of unmetered load are discussed in **section 3.7**.

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

Examination of the list file as at 8 February 2018 found 16 active ICPs have unmetered load recorded. The estimated kWh per annum was calculated based on the daily unmetered kWh recorded.

Audit commentary

Of the 16 active ICPs with unmetered load recorded:

- nine have unmetered load under 3,000 kWh per annum - one of these ICPs is not genuinely unmetered and is discussed further in **section 3.7**
- four have unmetered load between 3,000 and 6,000 kWh per annum, which is predictable, and of a type approved and published by the authority
- three have DUMML databases and are discussed in **section 5.4**.

Audit outcome

Compliant

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

Code reference

Clause 10.14 (5)

Code related audit information

If the unmetered load limit is exceeded the retailer must:

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

Audit observation

Examination of the list file as at 8 February 2018 found two active ICPs which have exceeded the unmetered threshold of 6000 kWh per annum.

Audit commentary

All ICPs with unmetered kWh over 6000 kWh per annum have DUMML databases and are discussed in **section 5.4**.

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

Prime is responsible for maintaining two distributed unmetered load databases. Audits for these databases are due to be completed before 1 June 2018.

Audit commentary

Prime supplies three ICPs with distributed unmetered load, recorded in two databases. Both are scheduled to be audited before 1 June 2018.

Wellington DUML Database

A database exists in the form of a spreadsheet and meets the minimum content requirements of the code. An audit trail is in place, additional date ranged sheets are added when data is changed. The database was last updated in February 2018.

Prime has continued to work with the customer and Wellington Electricity to confirm which NSP each item of load is connected to. Separate ICPs have been created for each NSP, and load is moved as necessary once details are confirmed with Wellington Electricity and the customer.

Prime has attempted to obtain specifications to confirm the unmetered loads for all sites. Because the customer inherited the load from another company, specifications are not available. Prime has worked with the network and customer to mutually agree on the unmetered loads.

Confirmation of loads and NSPs is still being worked through for some locations with multiple billboards where some are metered and some are unmetered. The database is as up to date as possible, based on the information Prime holds.

Submission volumes are calculated correctly each month based on the most recent version of the spreadsheet.

Auckland DUML Database

A database exists in the form of a spreadsheet and meets the minimum content requirements of the code. An audit trail is in place, additional date ranged sheets are added when data is changed. The database was last updated in October 2015. Following the 2017 audit, a full audit of the database was conducted by the customer's electrician and a site engineer. The database was found to be accurate, and no updates were required.

Submission volumes are calculated correctly each month based on the most recent version of the spreadsheet.

Audit outcome

Compliant

6. GATHERING RAW METER DATA

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

Code reference

Clause 10.13, Clause 10.24 and Clause 15.13

Code related audit information

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

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

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

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

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

Audit observation

Processes for distributed generation were reviewed. A registry list with history for 1 February 2017 to 8 February 2018 was examined to confirm whether Prime had supplied any ICPs with generation during the audit period.

Audit commentary

Analysis of the registry list found that Prime has not supplied any ICPs with generation capacity during the audit period. Prime does not intend to supply any ICPs with distributed generation, and the application process rejects any ICP which has "B" in the Installation Type field.

All active, metered ICPs have an MEP, and at least one meter channel.

Prime provided a list of two ICPs where remote disconnection had occurred then the meter had been bridged to reconnect. This is recorded as non-compliance below. The bridged meters were replaced, and consumption was estimated for the bridged periods. This process is discussed further in **section 8.1**.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.1</p> <p>With: Clause 10.13, 10.24 and 15.13</p> <p>From: March and August 2017</p>	<p>Energy is not metered and quantified according to the code where meters are bridged.</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>Controls are rated as moderate as they are sufficient to mitigate risk most of the time, but there is room for improvement.</p> <p>Bridging only occurs where the customer urgently requires their energy supply, and it is not possible to reconnect the meter.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Supply was bridged because the meter overheated & was a safety concern. The MEP contractor visited the site on the day & confirmed he couldn't replace the meter straight away & had to come back, and so the site was bridged.</p> <p>The other site was bridged after hours due to a small fire as well. PRME was informed afterwards.</p> <p>In both cases we used the most recent Actual available to Estimate for the removal reads.</p>		March 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We try & avoid bridges but it's not always possible. As soon as we are aware, we contact the MEP for a meter change straight away. Sometimes the MEPS are reluctant to remove the meter due to asbestos and we are left with no other option.</p>		March 2018	

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

Code reference

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

Code related audit information

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

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

The participant responsible for the metering installation must:

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

Audit observation

The NSP table was reviewed.

Audit commentary

Review of the NSP table confirmed that Prime is not responsible for any GIPs. 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

The registry list for 1 February 2017 to 8 February 2018 was reviewed, to identify any ICPs with profiles that require certification of the control device.

Audit commentary

Examination of the list file found that Prime has only used the RPS profile, and control devices are not used for reconciliation purposes.

Audit outcome

Compliant

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

Code reference

Clause 10.43(2) and (3)

Code related audit information

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

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

Audit observation

Processes relating to defective metering were examined.

Prime provided three examples of defective meters. They were reviewed to determine whether the MEP was advised and if appropriate action was taken.

Audit commentary

Defective meters are typically identified through the meter reading validation process, or from information provided by the MEP or customer. Upon identifying a possible defective meter, Prime raises a field services job to investigate.

For two of the possible defective meter examples provided, the MEP was notified and appropriate action was taken. For the other defective meter, the customer's electrician was a contractor to the MEP, and had already notified the MEP when Prime was advised of the defective meter.

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

AMI data is provided by AMS, Metrix, Arc and FCLM as MEPs. Interrogation requirements and clock synchronisation were reviewed as part of their MEP audits.

Manual readings are provided by Wells as an agent. Their processes were reviewed as part of their agent audit.

Audit commentary

Fulfilment of the interrogation systems requirements was examined as part of the MEP audits and found to be compliant. Only the MEPs can interrogate the meters where Prime is the trader.

Wells' data collection processes were reviewed as part of their agent audit in May 2017 and found to be compliant. Because the report is more than seven months old, I confirmed that there have been no changes to systems or processes which could affect Prime's compliance.

Prime has not received notification of any clock synchronisation events outside the maximum permissible errors during the audit period and does not deal with HHR data.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

All validated meter readings must be derived from meter readings.

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

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

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

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

Audit observation

The data collection process was examined.

Processes to provide meter condition information were reviewed as part of Wells' agent audit. Prime's processes to manage meter condition information were reviewed.

Processes for customer and photo reads were reviewed.

Audit commentary

Wells readings

Wells' data collection processes were reviewed as part of their agent audit in May 2017 and found to be compliant. Because the report is more than seven months old, I confirmed that there have been no changes to systems or processes which could affect Prime's compliance.

For manually collected readings, the meter register value is collected and entered into a hand held device. This reading enters Orion system and is appropriately labelled to denote that it is a meter reading collected and validated by a meter reader. Validated meter readings are derived from meter readings.

Wells provide meter condition information as events occur, and Prime investigates and raises field services jobs as necessary. No meter condition issues have been identified during the audit period.

Customer readings

Customer provided readings are recorded as customer readings in Orion. Customer readings are not treated as actual by the reconciliation process.

In the rare event that customer readings are obtained by Wells, a no reading is recorded, and the customer reading is inserted in the notes. No examples of this were available during the audit period.

Photo readings by staff and customers

Where Wells cannot access a meter, Prime staff may take a photo reading instead. As part of their reading process they check the condition of the meter and take a clear photograph. These readings are entered into Orion from the photos and are correctly recorded as actual.

Prime also accepts photo readings provided by customers. These photo readings will be recorded as actual only if the following requirements are met:

- A clear photo of the meter and its surroundings is provided to meet the requirements of clause 5 of Schedule 15.2; and
- The read can be validated against recent readings received from Wells, MEPs, or Prime staff.

I reviewed photo readings for ten ICPs, and found:

- Photo readings for six ICPs were provided by Prime staff.
- Photo readings for four ICPs were provided by customers, which were validated against a set of validated meter readings not provided by the consumer. The photos clearly showed the meter surroundings and were dated within two days to one month of a reading provided by Wells. The customer readings were generally used to validate Wells readings where they were unusually high or low.

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 process of the application of meter readings was examined.

Audit commentary

All AMI systems have a clock synchronisation function, which ensures correct timestamping. Prime imports the midnight AMI midnight readings, which are applied as at 2400hrs.

Manual readings are taken by Wells, and the readings are applied correctly.

Application of reads was reviewed as part of the historic estimate checks in **section 12.11** and found to be compliant. The content of CS files was examined in **sections 4.3** and **4.10**.

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

The process to manage missed reads was reviewed. Reporting on ICPs not read during the period of supply was examined.

Audit commentary

The NHH meter reading frequency guidelines published by the Electricity Authority define “Exceptional circumstances” as meaning “circumstances in which access to the relevant meter is not achieved despite the reconciliation participant's best endeavours”. “Best endeavours” is defined as

“Where a reconciliation participant failed to interrogate an ICP as a result of access issues, the reconciliation participant had made a minimum of three attempts to contact the customer, by using at least two methods of communication”.

The process for missed reads was examined. Unread meters have a zero reading loaded in Orion and will appear on the meter read import exceptions as a low read and be reviewed by staff. They will attempt to obtain another read if the meter is AMI capable, or try to contact the customer to arrange access to the meter. Prime staff complete meter readings if Wells is having difficulty obtaining access.

When a customer switches out, Prime attempts to obtain an actual meter reading.

An Orion segment report identifies meters not read during the period of supply. I found that all meters were read at least once during the period of supply, where the period of supply ended during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 8(1) and (2) Schedule 15.2

Code related audit information

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

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

Audit observation

The process to manage missed reads was reviewed.

Monthly meter reading frequency reports for the months of September to December 2017 were examined.

Four meter reading frequency report submissions were reviewed to determine whether they were submitted on time.

Audit commentary

Read attainment processes are discussed in **section 6.8**.

The monthly meter reading reports provided were reviewed and found all ICPs were read within the previous 12 months.

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
September 2017	70	-	-	100%
October 2017	71	-	-	100%
November 2017	76	-	-	100%

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
December 2017	78	-	-	100%

I reviewed meter reading reports for August to December 2017, which confirmed that they met the meter reading frequency report requirements. The reports for August, September, October and November 2017 were submitted on time, but the December 2017 report was submitted three business days late, because Auckland anniversary day was not counted as a business day when calculating the due date. This is recorded as non-compliance below.

As identified during the 2017 audit, Prime classifies permanent estimates as actual readings, to ensure that they are used for historic estimate calculations. The meter reading notes indicate that they are permanent estimates. Permanent estimates are mainly used where corrections have been processed or estimated switch reads are applied, and in these cases other actual reads are normally present. I did not identify any examples where a permanent estimate had been applied but no actual readings had been received in the previous 12 months.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.9 With: Clause 8(1) and (2) Schedule 15.2 From: 31-Jan-18 To: 02-Feb-18	One meter reading frequency report was submitted three business days late. Potential impact: Low Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong, and the risk rating is low because all other reports checked were sent on time, and there was no impact.		
Actions taken to resolve the issue		Completion date	Remedial action status
The report was submitted within days of falling overdue. We have put measures in place to ensure this doesn't happen again		Mar 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The FMR submission dates has been brought forward to ensure compliance. This will be effective from this month onwards		Mar 2018	

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

Code reference

Clause 9(1) and (2) Schedule 15.2

Code related audit information

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

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

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

Audit observation

The process to manage missed reads was reviewed.

Monthly meter reading frequency reports for the months of September to December 2017 were provided. NSPs with less than 90% of ICPs read in the previous four months on these reports were reviewed to determine whether reasonable endeavours were used to attain reads, and if exceptional circumstances existed.

Audit commentary

Read attainment processes are discussed in **section 6.8**.

The monthly meter reading reports provided were reviewed.

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
September 2017	94	7	20	97.91%
October 2017	92	3	16	98.33%
November 2017	102	4	12	98.80%
December 2017	100	3	11	98.92%

Unread ICPs on the NSPs where less than 90% read attainment was achieved were reviewed. In all cases Prime could demonstrate that exceptional circumstances existed, or the reasonable endeavours requirement had been met.

Audit outcome

Compliant

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

Code reference

Clause 10 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

NHH data is collected by

- Wells for manually read meters; and
- AMS, Metrix, Arc, and FCLM for AMI meters.

The data interrogation log requirements were reviewed as part of their agent and MEP audits.

Audit commentary

Compliance with this clause has been demonstrated by Prime's agents and MEPs as part of their own audits. Because Wells' audit report is more than seven months old, I confirmed that there have been no changes to systems or processes which could affect Prime's compliance.

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

Review of a registry list for the period from 1 February 2017 to 8 February 2018 confirmed that Prime has not supplied any ICPs with submission type HHR.

Audit commentary

Compliance with these clauses was not assessed, because Prime does not deal with HHR readings.

Audit outcome

Not applicable

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

Code reference

Clause 11(2) Schedule 15.2

Code related audit information

The following information is collected during each interrogation:

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

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

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

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

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

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

Audit observation

Review of a registry list for the period from 1 February 2017 to 8 February 2018 confirmed that Prime has not supplied any ICPs with submission type HHR.

Audit commentary

Compliance with these clauses was not assessed, because Prime does not deal with HHR readings.

Audit outcome

Not applicable

6.14. HHR interrogation log requirements (Clause 11(3) Schedule 15.2)

Code reference

Clause 11(3) Schedule 15.2

Code related audit information

The interrogation log forms part of the interrogation audit trail and, as a minimum, must contain the following information:

11(3)(a)- the date of interrogation

11(3)(b)- the time of commencement of interrogation

11(3)(c)- the operator identification (if available)

11(3)(d)- the unique identifier of the meter or data storage device

11(3)(e)- the clock errors outside the range specified in Table 1 of clause 2

11(3)(f)- the method of interrogation

11(3)(g)- the identifier of the reading device used for interrogation (if applicable).

Audit observation

Review of a registry list for the period from 1 February 2017 to 8 February 2018 confirmed that Prime has not supplied any ICPs with submission type HHR.

Audit commentary

Compliance with these clauses was not assessed, because Prime does not deal with HHR readings.

Audit outcome

Not applicable

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

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

Audit observation

Review of a registry list for the period from 1 February 2017 to 8 February 2018 confirmed that Prime has not supplied any ICPs with submission type HHR.

Audit commentary

Compliance with these clauses was not assessed, because Prime does not deal with HHR readings.

Audit outcome

Not applicable

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

Code reference

Clause 18 Schedule 15.2

Code related audit information

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

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

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

Audit observation

Processes to archive and store raw meter data were reviewed. The oldest raw meter data available was viewed, to confirm it is retained.

Audit trails were reviewed in **section 2.4**.

Audit commentary

Prime intends to retain meter reading data for over 48 months. I viewed meter readings from 31/08/2013 in Orion.

Review of audit trails in **section 2.4** confirmed that reads cannot be modified without an audit trail being created. Access to modify readings is restricted through log on privileges.

Audit outcome

Compliant

7.3. Non-metering information collected / archived (Clause 21(5) Schedule 15.2)

Code reference

Clause 21(5) Schedule 15.2

Code related audit information

All relevant non-metering information, such as external control equipment operation logs, used in the determination of profile data must be collected, and archived in accordance with clause 18.

Audit observation

Processes to record non-metering information were discussed.

Audit commentary

No non-metering information is collected by Prime.

Audit outcome

Compliant

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

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

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

If 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

Processes for the correction of NHH meter readings were reviewed.

Audit commentary

Where errors are detected during validation of non-half hour meter readings then firstly a check reading will be performed for manually read meters, or AMI readings for surrounding days will be checked. If an original meter reading cannot be validated it will be made a misread, and an appropriately labelled estimated reading will be added. Misreads are excluded from billing and historic estimate processes in Orion.

A sample of three corrections were examined, and the process was walked through. Corrected volume flowed through to the relevant revision files.

No incorrect multipliers were identified during the audit period; there have been no multiplier corrections.

Audit outcome

Compliant

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

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

If 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

Review of a registry list for the period from 1 February 2017 to 8 February 2018 confirmed that Prime has not supplied any ICPs with submission type HHR.

Audit commentary

Compliance with these clauses was not assessed, because Prime does not deal with HHR readings.

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

The registry list for 1 February 2017 to 8 February 2018 was reviewed.

Audit commentary

Prime has only supplied ICPs with metering categories 1 and 2. No ICPs have required loss compensation.

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

Corrections are discussed in **section 8.1**, which confirmed that raw meter data is not overwritten as part of the correction process. Audit trails are discussed in **section 2.4**.

Raw meter data retention for MEPs and agents was reviewed as part of their own audits.

Audit commentary

Raw meter data is held by AMS, Metrix, Arc and FCLM as MEPs, and Wells as an agent. Compliance was assessed as part of their agent audits. Because Wells' report is more than seven months old, I confirmed that there have been no changes to systems or processes which could affect Prime's compliance.

Prime only corrects working data and keeps an appropriate audit trail.

Audit outcome

Compliant

9. ESTIMATING AND VALIDATING VOLUME INFORMATION

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

Code reference

Clause 3(3) Schedule 15.2

Code related audit information

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

Audit observation

Provision of estimated reads to other participants during switching was reviewed in **sections 4.3, 4.4, 4.5, 4.10 and 4.11.**

Correct identification of estimated reads, and review of the estimation process was completed in **sections 8.1.**

Audit commentary

All estimated readings and validated readings are clearly identified as required by this clause. Permanent estimates are marked as actuals, but reference information denotes the source of the read, e.g. a CS file.

One meter reading classification issues was identified. When inserting estimates, the user must manually select the read type and the estimate was entered with an actual read type. For one ICP, an estimate reading was incorrectly recorded with a read type of actual. This is recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.1 With: Clause 3(3) Schedule 15.2 From: 31-May-17 To: 01-Dec-17	One estimated reading was entered with an actual read type. 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, read types are correctly recorded most of the time. The manual process to enter estimates resulted in incorrect classification of one estimate read. The impact is low. The Orion estimate reading was 630 kWh lower than the actual reading for the same date. The ICP remained with Prime, and the August reading was checked and found to be consistent with the source reading file. All consumption was reported by Prime.

Actions taken to resolve the issue	Completion date	Remedial action status
This misread has been corrected so all washup files will ensure consumption is reported correctly.	13/3/18	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
Human errors cannot be avoided, therefore we will have ongoing staff training & are working on possible reports to capture these errors.	Sep 18	

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

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

A sample of submission data was reviewed in **section 12**, to confirm that volume was based on readings as required.

Audit commentary

Review of submission data confirmed that it is based on readings as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 3(5) Schedule 15.2

Code related audit information

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

Audit observation

A sample of submission data was reviewed in **sections 2.3** and **12**, to confirm that volume was based on readings as required.

Raw unrounded meter data retention for MEPs and agents was reviewed as part of their own audits.

Audit commentary

Raw unrounded meter data is held by AMS, Metrix, Arc and FCLM as MEPs, and Wells as an agent. Compliance was assessed as part of their agent audits. Because Wells' report is more than seven months old, I confirmed that there have been no changes to systems or processes which could affect Prime's compliance.

A sample of 25 reads were traced from the source files to Orion in **section 2.3**. The source files contained the raw unrounded data, and the data is not rounded or truncated on import into Orion.

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

Review of a registry list for the period from 1 February 2017 to 8 February 2018 confirmed that Prime has not supplied any ICPs with submission type HHR.

Audit commentary

Compliance with these clauses was not assessed, because Prime does not deal with HHR readings.

Audit outcome

Not applicable

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

Code reference

Clause 16 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

I reviewed and observed the NHH data validation process, including checking a sample of data validations.

Audit commentary

Manual meter readings are collected by Wells as Prime's agent, and their processes were found to be compliant during their 2017 agent audit. Because the agent audit report is more than seven months old on the audit due date, I confirmed with Wells that there have been no changes to systems or processes which could affect Prime Energy's compliance.

Once manual and AMI readings are received, further validation is completed:

1. Upon receipt of meter reading files Prime staff manually check that dates are valid and reformat the data as described in **section 2.3**.
2. The Orion import process confirms that there is an open meter and ICP for the reading to be recorded against. If no open ICP or meter is found, an exception is created.
3. Exceptions are created for multiple readings on the same day, high readings, low readings, and zero (missing) readings. Every instance of zero or missing consumption is investigated, and outbound calls and site visits are organised where necessary. If there is a small negative difference between a switch in read and subsequent reading, Prime waits for the AMI readings to "catch up" and exceed the switch read and estimates zero consumption. This is recorded as non-compliance below.
4. First invoices are validated by the billing team and account manager. Subsequent invoices are validated by the billing team, including a check against the previous invoice for reasonableness. Any anomalies are investigated.

Vacant and disconnected ICPs remain active in Prime's system to ensure that any consumption is captured and reported. Vacant and disconnected ICPs continue to have invoices generated if consumption is present. These invoices are individually reviewed by the billing team, who investigate and take appropriate action.

Reconciliation submissions are also reviewed prior to submission, this process is discussed in **section 12.3**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.5 With: Clause 16 Schedule 15.2 From: 01-Feb-17 To: 27-Feb-18	Where a subsequent read is lower than the switch in reading, an estimated reading is applied. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate, because most reads are expected to be recorded correctly. If a read difference is greater than ± 200 kWh, or if Prime doesn't expect the difference will catch up with a month, a read renegotiation request will be issued.</p> <p>The impact is low, because any differences are expected to be less than ± 200 kWh. Once reads catch up to the switch read, all consumption will be accounted for. Because almost all ICPs supplied by Prime are commercial, consumption is expected to catch up quickly.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
If the variance is less than 200kwh, we avoid estimating these sites because then it would take longer for the reads to catchup. All examples used, had shown the read had caught up within couple of months.		March 2018	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
I had previously discussed this option with Ron Beatty & was told as long as the meter reader was visiting the site & there were no reports of the meter being tempered with, then we as long as we are referencing the MR reads, it is ok. However; if an AMI meter has a difference of 200kwh, then we do initiate a RR		March 2018	

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

Code reference

Clause 17 Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

Audit observation

Electronic read validation and meter event log processes were reviewed.

Audit commentary

Submission type is NHH for all ICPs, and data is validated as described in **section 9.5**. Prime receives AMI data for AMS, Metrix, Arc, and FCLM meters, and all other meters are read manually.

Metering event detail reports are provided by AMS (for AMS, Arc, and Smartco), and Metrix. These reports are reviewed by Prime to identify any events that could affect meter data integrity so that appropriate action can be taken. Because Prime only uses end of month AMI readings, intermittent communication issues recorded in the logs are not usually actioned unless they are persistent or affect readings close to month end.

FCLM do not provide any metering event data.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 9.6 With: Clause 17 Schedule 15.2 From: 01-Feb-17 To: 28-Feb-18	Meter event information is not provided by FCLM. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate, because where meter event information is received, it is reviewed. The risk is rated as low, Prime supplies 28 active ICPs with FCLM meters.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have already requested the MEP to send these through		Mar 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Since we don't hold many FCLM is meters, we are hoping they will start sending the event data soon. If they fail to supply any event data over the next month, then we will escalate this matter.		Apr 2018	

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

The NSP table on the registry was reviewed.

Audit commentary

Prime is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

Audit outcome

Not applicable

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

Code reference

Clause 13.137

Code related audit information

Each generator must provide the 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

The NSP table on the registry was reviewed.

Audit commentary

Prime is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

Audit outcome

Not applicable

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

Code reference

Clause 13.138

Code related audit information

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

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

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

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

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

Audit observation

The NSP table on the registry was reviewed.

Audit commentary

Prime is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

Audit outcome

Not applicable

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

Code reference

Clause 13.140

Code related audit information

If the generator provides half-hourly metering information to 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

The NSP table on the registry was reviewed.

Audit commentary

Prime is not responsible for any NSPs. No information is provided to the pricing manager in accordance with this clause.

Audit outcome

Not applicable

11. PROVISION OF SUBMISSION INFORMATION FOR RECONCILIATION

11.1. Buying and selling notifications (Clause 15.3)

Code reference

Clause 15.3

Code related audit information

Unless an embedded generator has given a notification in respect of the point of connection under clause 15.3, a trader must give notice to the reconciliation manager if it is to commence or cease trading electricity at a point of connection using a profile with a profile code other than HHR, RPS, UML, EG1, or PV1 at least five business days before commencing or ceasing trader.

The notification must comply with any procedures or requirements specified by the reconciliation manager.

Audit observation

A registry list was reviewed for the period from 1 February 2017 to 8 February 2018 to confirm the profiles used.

Audit commentary

Prime only uses RPS profile; this clause does not apply.

Audit outcome

Compliant

11.2. Calculation of ICP days (Clause 15.6)

Code reference

Clause 15.6

Code related audit information

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

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

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

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

Audit observation

The process for the calculation of ICP days was examined by checking 80 NSPs with a small number of ICPs to confirm the AV110 ICP days calculation was correct.

A registry list with history for the period from 1 February 2017 to 8 February 2018 was reviewed to determine whether there have been any upgrades from NHH to HHR, or downgrades from HHR to NHH; none were identified.

I reviewed variances for 12 months of GR100 reports and investigated the causes of the variances for two months.

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

Examples were reviewed to confirm that issues raised in the 2017 audit were resolved.

Audit commentary

Breach information provided by the Electricity Authority did not identify any late ICP days submissions.

The process for the calculation of ICP days was examined by checking 80 NSPs with a small number of ICPs.

- For 76 NSPs, ICP days were aggregated correctly.
- For the remaining four ICPs, I found that inactive ICP days had been included in the calculation. This is not compliant with clause 15.6, which requires traders to report ICP days, defined in the code as “any day when an ICP with the installation type L or B is recorded on the registry as having the status of Active”. Prime records all sites as active to ensure that all consumption while inactive is captured and reported.

The following table shows the ICP days difference between Prime’s database and the RM return file (GR100) for all available revisions for 12 months. The consistent negative percentage figures indicate that the Prime’s ICP days are higher than those on the registry, because inactive ICP days are included in Prime’s submissions.

Month	Ri	R1	R3	R7
Jan 2017	-8.66%	-8.23%	-	-0.74%
Feb 2017	-	-	-	-1.34%
Mar 2017	-	-	-1.34%	-1.63%
Apr 2017	-	-	-2.63%	-2.63%
May 2017	-2.60%	-2.50%	-	-2.62%
Jun 2017	-	-1.53%	-1.40%	-1.50%
Jul 2017	-1.92%	-	-2.07%	-
Aug 2017	-1.08%	-1.15%	-1.11%	-
Sep 2017	-1.15%	-1.39%	-1.63%	-
Oct 2017	-1.07%	-1.26%	-1.40%	-
Nov 2017	-0.77%	-0.82%	-	-
Dec 2017	-1.33%	-1.30%	-	-

NSP level variances were reviewed for May 2017 (revision 7) and July 2017 (revision 3). The differences were caused by:

- Inclusion of inactive days in the AV110 report, resulting in over submission where an ICP is inactive.
- Under submission of active ICP days for three ICPs due to incorrect calculation of the connection date, where there was inconsistency between the contract start date and GXP start date in Orion. Prime is working with Agility to resolve this issue and ensure the correct start date is applied.

ICP days issues identified during the 2017 audit were followed up:

2017 audit issue	2018 findings
If an ICP has an incorrect network type populated in Orion (contestable/non contestable) it may be incorrectly included in or excluded from the AV110 submission.	ICP level AV110 information is compared to registry list for the month, to ensure that ICPs are included correctly. No ICPs with incorrect network types were identified during the audit.
Where an ICP has had an NSP change, ICP days are reported against the current NSP, which may be different to the NSP which applied during the report period.	System changes have been implemented to ensure that ICPs are reported against the NSP that applied during the report period. AV110 ICP, network and GXP are compared against a date ranged registry list to ensure that the correct ICPs are included in the report. No ICPs reported against the incorrect NSP were identified during the audit.

Prime's comparison to the registry list only considers the presence of each ICP against the network and GXP during the audit period, not whether the correct days have been calculated. I recommend adding a check to match the expected active ICP days to the registry list prior to submission, so that any discrepancies can be identified, investigated, and corrected prior to submission.

Description	Recommendation	Audited party comment	Remedial action
Review of ICP days	Calculate the active ICP days using a date ranged registry list and compare to the ICP level ICP days submission to identify any discrepancies.	We have taken this recommendation on board and are working through finalising this process as an interim action. Hoping to get the ICPs Days reporting fixed next couple of months. Our systems IT team are already working this.	Identified

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 11.2</p> <p>With: Clause 15.6</p> <p>From: 01-Feb-17</p> <p>To: 28-Feb-18</p>	<p>The AV110 report includes inactive ICP days.</p> <p>ICP days were not calculated correctly for all ICPs.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as weak, because they are unlikely to consistently prevent errors in the ICP days calculations.</p> <p>The impact is rated as low. Because consumption is only reported where an ICP is active in Orion, Prime's method ensures that if any consumption occurs during an inactive period it will be reported. Review of the registry list showed Prime supplies 13 inactive ICPs. For 76 of the 80 NSPs checked (95%), the ICP days reported were consistent with the registry.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Interim action: ICP days file will be cross checked against the LIS file to ensure correct number of days are submitted.		Apr 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We are working on a permanent fix to the ICP days report to ensure inactive ICPs are not reported & the days are correctly submitted.</p> <p>We have already consulted our IT team about correctly calculating the ICP Days. The biggest complication is that the Distributors still request these ICPs to be submitted. Plus if we choose the easiest fix, then we won't be able to capture any consumption on inactive sites caused by self-reconnections.</p>		Jun 2018	

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

Code reference

Clause 15.7

Code related audit information

A retailer must deliver to the reconciliation manager its total monthly quantity of electricity supplied for each NSP, aggregated by invoice month, for which it has provided submission information to the

reconciliation manager, including revised submission information for that period as non- loss adjusted values in respect of:

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

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

Audit observation

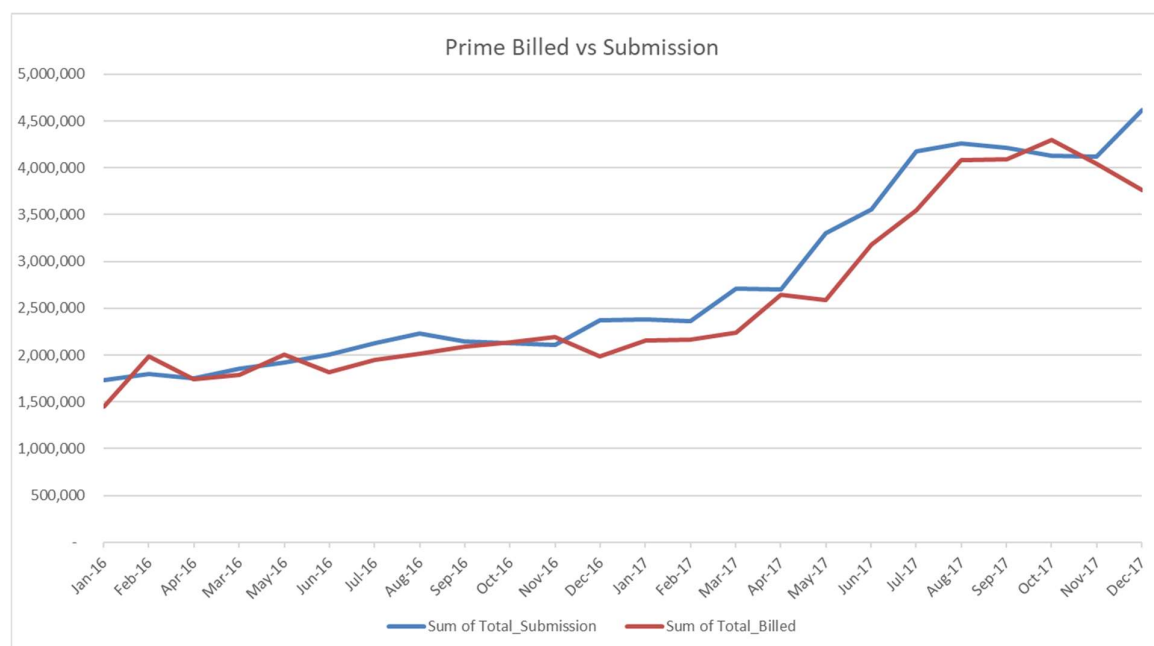
The process for the calculation of as billed volumes was examined by checking five NSPs with a small number of ICPs to confirm the AV120 calculation was correct.

GR130 reports for January 2016 to December 2017 were reviewed to confirm whether the relationship between billed and submitted data appears reasonable.

Audit commentary

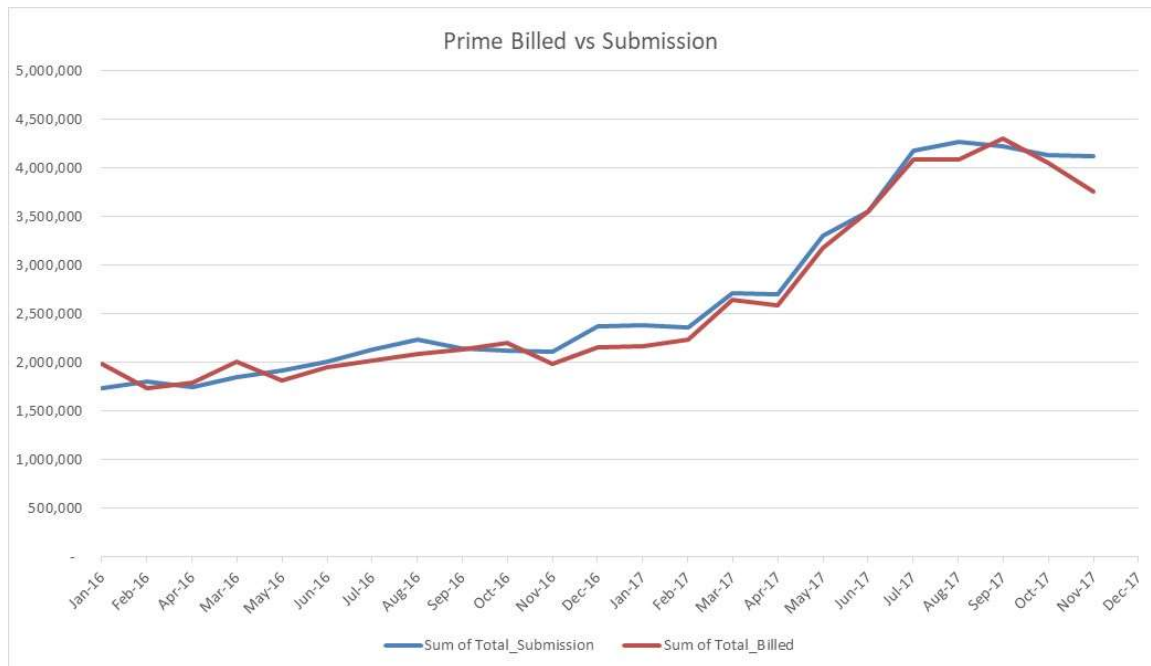
The process for the calculation of as billed volumes was examined by checking five NSPs with a small number of ICPs against Prime's invoice information for December 2017. Submissions for four NSPs were correct. The submission for GLN0332 were incorrect due to an Orion processing issue that was resolved in February 2018. This is recorded as non-compliance below. Like the historic estimate proportion issues, Orion would incorrectly apportion some of the invoiced consumption to surrounding months if invoices covered more than the calendar month, or there were multiple invoices and reversals. In most cases, invoices cover one calendar month. I reviewed reports run after the change and found that revision submissions will be correct.

I also checked the difference between submission and electricity supplied information for a 24 month period, and the results are shown in the chart below. The total difference is -7.68% for the two years ended December 2017, and -9.63% for the year ended December 2017 (billed lower than submission).



Due to Prime's billing cycle, billed consumption always relates to the month before the submission consumption. Prime bills customers up to the end of the month, at the beginning of the month after consumption has occurred. This results in misalignment between billed and submitted data, for example 1st-28th February normalised consumption is compared to 1st-31st January billed consumption (which is invoiced in early February). Once the billing and submission periods are aligned, the close

relationship between billed and submitted data is visible. The total difference is -2.97% for the two years ended November 2017, and -3.83% for the year ended November 2017 (billed lower than submission).



During the 2017 audit two potential issues with the AV120 report that could lead to non-compliance were noted.

- Billed consumption was recorded against the latest network and NSP, rather than the NSP that applied at the time of billing. A system change in February 2018 resolved this issue.
- If billed consumption occurs after the responsibility end date populated in Orion, the report will deduct consumption for those days based on the average daily consumption, instead of reporting all consumption billed on invoices dated within the calendar month. The correction of the pro rata issues in February 2018 resolved this issue, and Prime has cleansed the responsibility end dates held within Orion.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 11.3</p> <p>With: Clause 15.7</p> <p>From: 01-Feb-17</p> <p>To: 31-Jan-18</p>	<p>Where invoices covered a period longer than the calendar month, or multiple invoices and reversals occurred billed consumption did not always reflect what was billed during the month.</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>Controls are rated as moderate as they were sufficient to that most NSPs had accurate information reported, but there was room for improvement. Recently implemented changes have improved the controls to be stronger by removing the process to pro rate billed consumption between months from the report.</p> <p>The impact is low. I confirmed that new submissions and revisions will not pro rate billed consumption, and in most cases one invoice is produced per month covering the entire month.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The AV-120 report was re-written to comply with the Part15 requirements.		Feb 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The report has been re-written & released in production prior to the audit. This audit has revealed the report is submitted the correct invoiced volumes		Feb 2018	

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

Review of a registry list for the period from 1 February 2017 to 8 February 2018 confirmed that Prime has not supplied any ICPs with submission type HHR.

Audit commentary

Compliance with these clauses was not assessed, because Prime does not deal with HHR readings.

Audit outcome

Not applicable

12. SUBMISSION COMPUTATION

12.1. Daylight saving adjustment (Clause 15.36)

Code reference

Clause 15.36

Code related audit information

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

Audit observation

Review of a registry list for the period from 1 February 2017 to 8 February 2018 confirmed that Prime has not supplied any ICPs with submission type HHR.

Audit commentary

Compliance with these clauses was not assessed, because Prime does not deal with HHR readings.

Audit outcome

Not applicable

12.2. Creation of submission information (Clause 15.4)

Code reference

Clause 15.4

Code related audit information

By 1600 hours on the 4th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all NSPs for which the reconciliation participant is recorded in the registry as having traded electricity during the consumption period immediately before that reconciliation period (in accordance with Schedule 15.3).

By 1600 hours on the 13th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all points of connection for which the reconciliation participant is recorded in the registry as having traded electricity during any consumption period being reconciled in accordance with clauses 15.27 and 15.28, and in respect of which it has obtained revised submission information (in accordance with Schedule 15.3).

Audit observation

The accuracy of submissions is discussed in **section 12.7**.

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

Audit commentary

Prime prepares reconciliation submissions using reconciliation consumption generated by Orion. Further information on calculation of historic estimate is recorded in **section 12.11**, and aggregation of the AV080 report is checked in **section 12.3**.

A sample of NHH ICPs were checked to make sure they are handled correctly, including vacant ICPs with consumption, disconnected ICPs with consumption, and unmetered load:

- Three ICPs with vacant consumption were checked. Vacant ICPs are treated as active in Orion so that vacant consumption is reported. Two ICPs had vacant consumption correctly reported. One ICP did not have consumption reported because it had been made an inactive site in Orion in error, and therefore excluded from the AV080 submissions. This is recorded as non-compliance below and in **section 12.7**. The status was corrected during the audit, and reports for the affected periods were re-run to confirm it will be correctly included in revision submissions. This status did not impact on reporting prior to recent system changes, and Prime and Agility are working to identify any ICPs with inactive status to prevent recurrence of this issue.
- All disconnected ICPs were checked. I found that none had any consumption during the audit period. The Orion reconciliation process ensures that any consumption during disconnected periods will be identified and included in submissions.
- All ICPs with unmetered volumes were checked, including standard unmetered and DUML. Correct consumption was submitted.

NHH metered and unmetered volumes are reviewed prior to submission as discussed in **section 12.3**.

No breaches had been recorded for late provision of submission information.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.2 With: Clause 15.4 From: 18-Feb-17 To: 30-Apr-17	One vacant ICP did not have consumption reported, because of an incorrect status in Orion. 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 moderate, the issue was caused by a recent system change and data cleansing is underway to prevent recurrence. The impact is low. The status was corrected during the audit, and reports for the affected periods were re-run to confirm it will be correctly included in revision submissions.		
Actions taken to resolve the issue		Completion date	Remedial action status
This was corrected during the audit & any inactive consumption will be reported.		28/2/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have identified all inactive sites & have ensured none are marked in-active. We will do this on a monthly basis.		Effective immediately	

12.3. Allocation of submission information (Clause 15.5)

Code reference

Clause 15.5

Code related audit information

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

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

Audit observation

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry were reviewed in **section 2.1**.

The process to ensure that AV080 submissions are accurate was discussed. The process for aggregating the AV080 was examined by checking five NSPs with a small number of ICPs.

The GR170 to AV080 files for five months were compared, to confirm zeroing occurs.

Audit commentary

The process for the calculation of NHH volumes was examined by checking five NSPs with a small number of ICPs. NHH volume calculation was confirmed to be correct.

GR170 and AV080 files for September 2016 (14 month), March 2017 (7 month), April 2017 (7 month), May 2017 (7 month) and August 2017 (3 month) were compared, and found to contain the same NSPs, confirming that zeroing is occurring as required.

AV080 submissions are reviewed by Prime prior to being submitted, including checks for high consumption, a comparison to previous revisions, and a review of the aggregation factors for each ICP against the registry list file for the report period. Other validation checks are discussed in **section 9.5**.

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

The NSP table on the registry and registry list were reviewed.

Audit commentary

Prime is not responsible for any GIPs; compliance was not assessed.

Audit outcome

Not applicable

12.5. Provision of NSP submission information (Clause 15.10)

Code reference

Clause 15.10

Code related audit information

The participant (if a local or embedded network owner) must provide to the reconciliation manager for each NSP for which the participant has given a notification under clause 25(1) Schedule 11.1 (which relates to the creation, decommissioning, and transfer of NSPs) the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.10(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period (clause 15.10(b)).*

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

Prime is not a local or embedded network owner; compliance was not assessed.

Audit outcome

Not applicable

12.6. Grid connected generation (Clause 15.11)

Code reference

Clause 15.11

Code related audit information

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

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

Audit observation

The registry list and NSP table were reviewed.

Audit commentary

Prime is not a grid connected generator; compliance was not assessed.

Audit outcome

Not applicable

12.7. Accuracy of submission information (Clause 15.12)

Code reference

Clause 15.12

Code related audit information

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

Audit observation

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late. Corrections were reviewed in **section 8.1**.

Audit commentary

Review of alleged breaches confirmed that no reconciliation submissions were made late.

Corrections were processed as required and are discussed in **section 8.1**.

Some inaccurate submission information was provided during the audit. In each case, Prime intends to provide revised submission through the revision process:

- Inactive ICP days are included in AV110 submissions, and some ICP days were not aggregated correctly as discussed in **section 11.2**. I recommend adding a check to match the expected active ICP days to the registry list prior to submission, so that any discrepancies can be identified, investigated, and corrected prior to submission.
- Billed information was sometimes not recorded against the correct period as discussed in **section 11.3**. The system issue was resolved in February 2018.
- Historic estimate proportions were not always correctly recorded as discussed in **sections 12.8, 12.11 and 13.3**. The system issue was resolved in February 2018.
- Vacant consumption for one ICP was not reported for February, March and April 2017 due to an Orion status issue, as discussed in **section 12.2**. The status has been corrected, and the ICP will be correctly included in future submissions.
- One metered ICP has the unmetered flag set to yes, daily unmetered kWh, and trader unmetered load details recorded. The ICP was checked with the distributor, who confirmed the ICP was metered and also has standard unmetered load connected for one under verandah light. No unmetered load details are recorded in Orion, and no unmetered load submissions have been made. Daily unmetered load is recorded as 1.38 kWh per day, and the ICP has been active with Prime since 07/07/2017.

Some historical issues relating to reporting against the current NSP, instead of the NSP that applied during the audit period have been resolved.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.7 With: Clause 15.12 From: 01-Feb-17 To: 31-Jan-18	Some submission information was incorrect. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are weak as they will not prevent errors in submission information for most of the audit period. Controls have recently improved, system fixes have been implemented, and data cleansing underway. The impact is low. Prime has or intends to submit revision reports containing correct information.		
Actions taken to resolve the issue		Completion date	Remedial action status
HE calculation corrected AV-120 – corrected Feb 18 Missing UNML – already corrected in Orion & washup submissions already started this Month (Mar 2018) AV-110 – correction is underway already		See actions taken	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We try our best to correct the submission data ASAP. Hopefully once we have fixed our AV-110 & the discrepancy report, we will be in a much better position for the next audit. However; in the interim we are going to carry out manual checks against the LIS file		Sep 2018	

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

Three AV080 14 month revisions were reviewed to identify any forward estimate still existing. All NSPs with forward estimate remaining on any of the revisions were checked to determine the reasons for the forward estimate.

Audit commentary

Review of the 14 month revisions for September 2016 to November 2016 showed that not all estimated meter readings had been replaced with validated meter readings. This is recorded as non-compliance below.

For the September, October and November 2016 14 month revisions, I checked all NSPs where forward estimate remained. Two reasons for forward estimate were identified, and Prime has since acted to resolve both issues.

- **Incorrect reporting of historic estimate proportion.** In February 2018, a historic non-compliance which caused incorrect reporting of historic estimate proportions was resolved. While the total consumption was correctly reported, the historic estimate was sometimes incorrect because Orion used a pro rata calculation based on the number of days in the month historic estimate was present. This pro rata calculation could result in less than 100% historic estimate being reported for a month if the read period was longer than the reconciliation month. The affected reports were re-run following the system fix and I found 12 NSPs no longer had forward estimate, and the other five NSPs had significantly reduced forward estimate.
- **Not treating estimated switch out reads as permanent estimates.** The closing estimate read type is not treated as actual in Orion. In late 2017, Prime updated their processes to record permanent estimate readings as “actual” with a reference that indicates they are estimates to ensure that they are used by the reconciliation process. Two NSPs, and five ICPs were affected by this issue across the three revisions reviewed.

Where an actual reading is not obtained within a year, Prime has a process to enter a permanent estimate reading. This process did not need to be used during the audit period, and this finding is supported by **section 6.9** which found there was 100% read attainment for the 12 months ended September to December 2017.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 12.8</p> <p>With: Clause 4 of Schedule 15.2</p> <p>From: 01-Feb-17</p> <p>To: 31-Jan-18</p>	<p>Some estimates were not replaced by revision 14.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as moderate as they were sufficient to that most NSPs had 100% historic estimate by revision 14, but there was room for improvement. I found that in most cases, consumption was fully historic, but the historic estimate proportion had been reported incorrectly. Recently implemented changes have improved the controls to be stronger, and it is expected that historic estimate will increase as a result.</p> <p>Total forward estimate for the three months reviewed was 25,574 kWh – 9377 kWh for September 2016, 9178 kWh for October 2016 and 7020 for November 2016. This was not true forward estimate, because most of the forward estimate was caused by incorrect classification of the historic estimate proportion. The total submission was accurate.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
HE calculations have always been an issue for us until now. The fix is finally in place so as we submit the M14 wash-ups they soon be 100% HE.		Feb 18	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
HE calculations are derived from Actual Reads, therefore; we will be focusing on obtaining Actuals for all our ICPs this year. This will require a lot of resource so we are working on this. Currently at planning stage.		Aug 2018	

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

Code reference

Clause 2 Schedule 15.3

Code related audit information

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

- *half hour volume information for each ICP notified in accordance with clause 11.7(2) for which there is a category 3 or higher metering installation (clause 2(1)(a))*
- *for each ICP about which information is provided under clause 11.7(2) for which there is a category 1 or category 2 metering installation (clause 2(1)(b)):*
 - a) *half hour volume information for the ICP; or*
 - b) *non half hour volumes information calculated under clauses 4 to 6 (as applicable).*
 - c) *unmetered load quantities for each ICP that has unmetered load associated with it derived from the quantity recorded in the registry against the relevant ICP and the number of days in the period, the distributed unmetered load database, or other sources of relevant information. (clause 2(1)(c))*

- *to create non half hour submission information a reconciliation participant must only use information that is dependent on a control device if (clause 2(2)):*
 - a) *the certification of the control device is recorded in the registry; or*
 - b) *the metering installation in which the control device is location has interim certification.*
- *to create submission information for a point of connection the reconciliation participant must apply to the raw meter data (clause 2(3)):*
 - a) *for each ICP, the compensation factor that is recorded in the registry (clause 2(3)(a))*
 - b) *for each NSP the compensation factor that is recorded in the metering installations most recent certification report (clause 2(3)(b)).*

Audit observation

Aggregation and content of reconciliation submissions was reviewed.

Audit commentary

Compliance with this clause was assessed:

- all Prime's ICPs have metering category 1 or 2 and are submitted as NHH
- unmetered load submissions were checked in **section 12.2** and found to be correct
- no profiles requiring a certified control device are used
- no loss or compensation arrangements are required
- aggregation of the AV080 reports is compliant.

Some historical issues relating to reporting against the current NSP, instead of the NSP that applied during the audit period have been resolved.

Audit outcome

Compliant

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

Code reference

Clause 3 Schedule 15.3

Code related audit information

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

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

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

Audit observation

Review nine AV080 submissions for revisions 3 to 14, to confirm that historic estimates are included and identified.

Permanence of meter readings is reviewed in **section 12.8**. The methodology to create forward estimates is reviewed in **section 12.12**.

Audit commentary

I reviewed nine AV080 submissions for a diverse sample of months and revisions and confirm that forward and historic estimates are included and identified as such.

Audit outcome

Compliant

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

Code reference

Clause 4 and 5 Schedule 15.3

Code related audit information

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

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

Audit observation

To assist with determining compliance of the Historical Estimate (HE) processes, Prime were supplied with a list of scenarios, and for some individual ICPs a manual HE calculation was conducted and compared to the result from Orion.

Audit commentary

In all cases, the calculated figure matched the total consumption for the ICP. Because in most cases, Prime ICPs are read as at the last day of the month, consumption between readings usually matches the consumption in the reconciliation period, minimising the risk of errors.

In February 2018, a historic non-compliance which caused incorrect reporting of historic estimate proportions was resolved. While the total consumption was correctly reported, the historic estimate was sometimes incorrect because Orion used a pro rata calculation based on the number of days in the month historic estimate was present. This pro rata calculation could result in less than 100% historic estimate being reported for a month if the read period was longer than the reconciliation month. The affected reports were re-run following the system fix, and historic estimate proportions should be correctly reported for new and revision submissions.

Test	Scenario	Test Expectation	Result
a	ICP becomes Active part way through a month	Consumption is only calculated for the Active portion of the month.	Compliant
b	ICP becomes Inactive part way through a month.	Consumption is only calculated for the Active portion of the month.	Compliant
c	ICP become Inactive then Active again within a month.	Consumption is only calculated for the Active portion of the month.	Has not occurred
d	ICP switches in part way through a month on an estimated switch reading	Consumption is calculated to include the 1st day of responsibility.	Compliant

Test	Scenario	Test Expectation	Result
e	ICP switches out part way through a month on an estimated switch reading	Consumption is calculated to include the last day of responsibility.	Compliant
f	ICP switches out then back in within a month	Consumption is calculated for each day of responsibility.	Compliant
g	Continuous ICP with a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
h	Continuous ICP without a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
i	Rollover Reads	Consumption is calculated correctly in the instance of meter rollovers.	Complaint
j	Unmetered load for a full month	Consumption is calculating based on daily unmetered kWh for full month.	Complaint
k	Unmetered load for a part month	Consumption is calculating based on daily unmetered kWh for active days of the month.	Complaint
l	Network/GXP/Connection (POC) alters partway through a month.	Consumption is separated and calculated for the separate portions of where it is to be reconciled to.	Complaint
m	ICP with a customer read during the month	Customer reads are not used to calculate historic estimate, unless they are validated against a set of actual reads not provided by the customer.	Complaint
n	ICP with a photo read during the month	Photo reads are not used to calculate historic estimate, unless they are validated against a set of actual reads not provided by the customer.	Compliant.
o	ICP has a meter with a multiplier greater than 1	The multiplier is applied correctly	Complaint

Audit outcome

Compliant

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

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

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

Audit observation

The process to create forward estimates was reviewed.

Forward estimates were checked for accuracy by analysing the GR170 file for variances between revisions over the audit period.

Audit commentary

Prime's forward estimate process is based on a "straight line" forward standard estimate methodology. Prime applies the estimated daily consumption for the meter, which is based on meter reading history or the value provided by the losing retailer on switch in. Where no historical information is available, a "forward default" estimate of 25 units per day is used.

Before making submissions Prime reviews any NSPs with differences between revisions over $\pm 10\%$ and/or $\pm 1000\text{kWh}$, and any total submissions with differences over $\pm 2\%$.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within $\pm 15\%$ and within $\pm 100,000\text{kWh}$. The target was not met one balancing area for June 2017, and one balancing area for September 2017. This is recorded as non-compliance below.

Quantity of balancing areas with differences over 15% and 100,000 kWh

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total Balancing Areas
Aug 2016	0	0	0	0	45
Sep 2016	0	0	0	0	48
Oct 2016	0	0	0	0	47
Nov 2016	0	0	0	0	49
Feb 2017	0	0	0	-	56
Mar 2017	0	0	0	-	58

Month	Revision 1	Revision 3	Revision 7	Revision 14	Total Balancing Areas
April 2017	0	0	0	-	58
May 2017	0	0	0	-	61
June 2017	0	1	1	-	59
July 2017	0	0	-	-	65
Aug 2017	0	0	-	-	66
Sep 2017	1	1	-	-	69

The total variation between revisions at an aggregate level is shown below.

Month	Revision 1	Revision 3	Revision 7	Revision 14
Aug 2016	-0.48%	-3.14%	-3.70%	-3.73%
Sep 2016	-0.09%	1.15%	1.19%	0.75%
Oct 2016	-0.29%	2.52%	1.28%	2.55%
Nov 2016	1.11%	2.31%	1.91%	3.03%
Feb 2017	-0.11%	-0.11%	0.47%	-
Mar 2017	0.16%	1.02%	1.09%	-
April 2017	0.07%	1.26%	1.30%	-
May 2017	-1.53%	-1.52%	-1.46%	-
June 2017	-4.59%	-7.25%	-5.49%	-
July 2017	0.15%	-0.75%	-	-
Aug 2017	0.04%	-0.42%	-	-
Sep 2017	-4.35%	-0.28%	-	-

I investigated all balancing area differences over the allowable threshold:

- The June 2017 issue related to seven new ICPs switching in with estimated daily consumption of zero. The incorrect estimated daily consumption was identified during the first billing run, which occurred after the initial submission was made. Prime created updated estimates for revision 1, which were replaced with actual data by revision 3.
- The September 2017 issue related to the estimated daily consumption being set too high due to a misread. When a read is made a misread, Orion will not recalculate the estimated daily consumption unless the operator manually selects an option to recalculate or a subsequent reading is entered. The data was corrected when the next actual reading was entered.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.12 With: Clause 6 Schedule 15.3 From: June and September 2017	The accuracy threshold was not met for all months and revisions. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate, as they are sufficient to ensure data is within the accuracy threshold most of the time. Initial data is replaced with revised data and washed up.		
Actions taken to resolve the issue		Completion date	Remedial action status
Data has been corrected in the M3 washup submissions already		Sep 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Staff are being trained to ensure the UPD (EDC) is reset if a read is MISREAD. Once an Actual is entered and as part of the invoice generation, the UPD is automatically calculated to the recent read		Apr 2018	

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

Code reference

Clause 7 Schedule 15.3

Code related audit information

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

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

Audit observation

The registry list for 1 February 2017 to 8 February 2018 was reviewed.

Audit commentary

Examination of the list file found that Prime has only used the RPS profile; compliance was not assessed.

Audit outcome

Not applicable

13. SUBMISSION FORMAT AND TIMING

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

Code reference

Clause 8 Schedule 15.3

Code related audit information

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

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

Audit observation

The process to ensure that AV080 submissions are accurate was discussed in **section 12.2**.

Processes to ensure that information used to aggregate the reconciliation reports is consistent with the registry were reviewed in **section 2.1**.

Zeroing in the AV080 submission is discussed in **section 12.3** and was found to be compliant.

Audit commentary

Submission information is provided to the reconciliation manager in the appropriate format and is aggregated to the following level:

- NSP code
- reconciliation type
- profile
- loss category code
- flow direction
- dedicated NSP
- consumption period.

Aggregation factors for each ICP are checked against a registry list for the period prior to each AV080 and AV110 submission.

Non-compliance is recorded in **section 11.2** in relation to some AV110 ICP days not being calculated correctly. Compliance is recorded in **section 12.3** for AV080 NHH volumes aggregation.

Audit outcome

Compliant

13.2. Reporting resolution (Clause 9 Schedule 15.3)

Code reference

Clause 9 Schedule 15.3

Code related audit information

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

If the unrounded digit to the right of the second decimal place is greater than or equal to five, the second digit is rounded up, and if the digit to the right of the second decimal place is less than five, the second digit is unchanged.

Audit observation

I reviewed the rounding of data on the AV080 reports as part of the aggregation checks.

Audit commentary

Review of nine AV080 reports confirmed that submission information is appropriately rounded to two decimal places.

Audit outcome

Compliant

13.3. Historical estimate reporting to RM (Clause 10 Schedule 15.3)

Code reference

Clause 10 Schedule 15.3

Code related audit information

By 1600 hours on the 13th business day of each reconciliation period the reconciliation participant must report to the reconciliation manager the proportion of historical estimates per NSP contained within its non half hour submission information.

The proportion of submission information per NSP that is comprised of historical estimates must (unless exceptional circumstances exist) be:

- *at least 80% for revised data provided at the month 3 revision (clause 10(3)(a))*
- *at least 90% for revised data provided at the month 7 revision (clause 10(3)(b))*
- *100% for revised data provided at the month 14 revision (clause 10(3)(c)).*

Audit observation

The timeliness of submissions of historic estimate was reviewed in **section 12.2**.

I reviewed nine months of AV080 reports to determine whether historic estimate requirements were met.

Audit commentary

The quantity of historical estimates is contained in the submission file and is not a separate report. The proportion of HE in the revision files was checked for nine separate months, and the table below shows that compliance has not been achieved in all instances. The non-compliance has been caused by two issues:

- **Incorrect reporting of historic estimate proportion.** In February 2018, a historic non-compliance which caused incorrect reporting of historic estimate proportions was resolved. While the total consumption was correctly reported, the historic estimate was sometimes

incorrect because Orion used a pro rata calculation based on the number of days in the month historic estimate was present. This pro rata calculation could result in less than 100% historic estimate being reported for a month if the read period was longer than the reconciliation month. I viewed reports run and re-run after the system change and confirmed that the historic estimate proportion issue was resolved, and it is expected that incorrect historic estimate proportions will wash out through the revision process.

- **Not treating estimated switch out reads as permanent estimates.** The closing estimate read type is not treated as actual in Orion. In late 2017, Prime updated their processes to record permanent estimate readings as “actual” with a reference that indicates they are estimates to ensure that they are used by the reconciliation process.

Since late 2017 processes have been in place to treat permanent estimate reads as actuals, which is expected to improve 14 month revision compliance.

Quantity of NSPs where revision targets were met

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Sep 2016	-	-	70	77
Oct 2016	-	-	71	76
Nov 2016	-	-	74	79
Mar 2017	-	86	-	88
Apr 2017	-	88	-	91
May 2017	-	90	-	92
Aug 2017	100	-	-	102
Sep 2017	102	-	-	105
Oct 2017	102	-	-	107

The table below shows that the percentage HE at a summary level for all NSPs is at or above the required targets for all revisions.

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Sep 2016	-	-	99.6%
Oct 2016	-	-	99.6%

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Nov 2016	-	-	99.7%
Mar 2017	-	98.8%	-
Apr 2017	-	98.8%	-
May 2017	-	99.3%	-
Aug 2017	97.6%	-	-
Sep 2017	96.8%	-	-
Oct 2017	96.4%	-	-

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 13.3 With: Clause 10 of Schedule 15.3 From: October, November and December 2016 revision 14	<p>Historic estimate thresholds were not met for some revisions.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are weak as they will not prevent errors in submission information for most of the audit period. Controls have recently improved, system fixes have been implemented.</p> <p>The audit risk rating is low, because Prime were reasonably close to the target in all cases.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The formula/logic for HE calculation was corrected in Feb 2018 so all submissions from this month onwards have the correct HE		Feb 2018	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
It looks like this HE issue affected other retailers using Orion system to calculate their submissions. However; the final fix has been implemented so we shouldn't have this problem again.	Feb 2018	

CONCLUSION

Prime has been working with their system provider, Agility, to resolve some reconciliation reporting issues since before their 2017 audit. The issues were resolved in February 2018 and related to Orion applying a pro rata calculation to split AV120 billed consumption between months (when it should have been reported against the invoice month) and calculating AV080 historic estimate proportions using a pro rata method (when the actual historic estimate should have been reported).

Unfortunately, because the system changes were implemented recently, the issues were present for most of the audit period and non-compliance has been recorded. Corrected submissions will be provided through the revision processes, and I expect compliance to improve in these areas in the next audit.

Some further issues with reporting were identified for the AV110 ICP days report; inactive days are included in the report, and some ICPs did not have the correct ICP days calculated.

Prime has worked hard to resolve issues identified during the audit period and has made good progress with reviewing DUML databases.

Wells is an agent to Prime, providing NHH meter readings. The Wells audit was conducted in May 2017 in accordance with the Guidelines for Reconciliation Participant Audits V6.2. The audit found full compliance. Because the report is more than seven months old on the audit due date, I confirmed with Wells that there have been no changes to systems or processes which could affect Prime Energy's compliance.

The audit found 19 non-compliance issues and makes two recommendations. The breach risk rating total is 39, which gives an indicative next audit due date of 12 months. I agree with this recommendation. Prime is investigating or has acted to resolve each issue raised.

PARTICIPANT RESPONSE

Since our last year's audit, we have made some good progress with our system performance and our compliance. We still have a long way to go and are working towards fixing the non-compliances, if they haven't been fixed already.

We are glad our HE fix has finally been implemented and this will be obvious in our revision data. We appreciate the recommendations mentioned in the audit & have taken it on board to work towards enhancing our performance.