

ELECTRICITY INDUSTRY PARTICIPATION CODE  
RECONCILIATION PARTICIPANT AUDIT REPORT



VERITEK

For

SIMPLY ENERGY LIMITED

NZBN: 9429034417010

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## EXECUTIVE SUMMARY

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

Simply Energy has used three participant codes during the audit period (SIMP, SELS and SELX), and also acts as an agent for other participants. No active ICPs have been supplied by SELX or SIMP during this audit period, and the remaining SELS ICPs are expected to switch to Contact Energy's CTCS participant code.

Management of the registry and switching information has continued to improve since the last audit:

- Simply Energy has automated part of the switching process, and a material change audit was undertaken prior to this going live; the change has improved the timeliness and accuracy of NT and AN files, and full compliance was found during the audit,
- the Operations Team is better resourced, resulting in a significant improvement in the timeliness and accuracy of switching and registry updates; most late updates were caused by investigation to confirm the correct attributes, or other parties providing later information,
- registry data accuracy is high, and registry data validation is thorough; I saw evidence data accuracy issues are being detected and corrected promptly,
- some CS accuracy issues occurred because of calculation errors within a spreadsheet template used to generate CS file content; the errors were detected by Simply Energy and resolved in September 2022, prior to the audit, and
- the issue of read changes not being reflected in submissions has been resolved and this was confirmed in the samples checked.

There have been some improvements to reading and reconciliation:

- read attainment processes have recently been improved, and some recommendations have been made to further improve the process,
- some previous audit issues have been resolved including allowing MADRAS to accept readings with decimal places, no longer sending customer reads to MADRAS, and ensuring that agreed switch readings are applied for reconciliation, and
- additional reporting has been implemented such as inactive consumption monitoring.

The following key areas require some improvement to increase compliance for Simply Energy's activities as an agent, as they will no longer supply ICPs under their SIMP, SELS or SELX participant codes:

- **Read validation:**  
There are some gaps in the read validation process which should be addressed, including validation of zero consumption, and full analysis of meter events provided by MEPs.
- **Reads used to calculate historic estimate:**  
Some validated actual readings are not recorded in MADRAS because they are omitted during the data transfer process. Simply Energy is investigating revising the read transfer process to prevent permanent deletion of earlier reads and also to use the read insert date, rather than the read date to ensure that all readings are captured where a backdated switch occurs. Readings for unmetered load are not calculated and entered for every month, resulting in some forward estimate for unmetered load. Simply Energy is refining its processes to make calculating and loading unmetered load readings more efficient.
- **Replacement of HHR data:**  
Where an MEP provides data for part of a day, and then later provides replacement data for the missing part of the day, the initially provided data is omitted and estimated when the replacement is loaded. Where data is flagged as unvalidated or failed validation by the MEP, no investigation is conducted to determine if the issue is related to the midnight read

availability/accuracy or the interval data accuracy before AXOS performs an estimation of the affected period.

Overall performance has improved, and this is evident in the audit risk rating score which has reduced over the last three audits from 122 to 69 and now to 48. This indicates that the next audit be in six months. Taking into account that all active ICPs remaining with SELS are expected to switch to CTCS and plans are in place to resolve the non-compliances, I recommend that the next audit is completed in 12 months if any active ICPs remain under Simply Energy codes.

The matters raised are shown in the tables below:

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Relevant information	2.1	11.2 & 15.2	Some inaccurate data is recorded and was not updated as soon as practicable.  Some submission data was inaccurate and was not corrected at the next available opportunity.	Moderate	Low	2	Identified
Data transmission	2.3	20 Schedule 15.2	<b>SELS</b> Some validated actual readings are not recorded in MADRAS because they are omitted during the data transfer process.	Moderate	Medium	4	Identified
Connection of an ICP	2.9	10.32	<b>SELS</b> Responsibility was not accepted before 0000051418WE4CB was connected on 5 October 2021.	Strong	Low	1	Identified
Electrical Connection of Point of Connection	2.11	10.33A	<b>SELS</b> Two new connections were not certified within five business days of the initial electrical connection date.  One reconnection was not certified within five business days.	Strong	Low	1	Identified
Changes to registry information	3.3	10 Schedule 11.1	<b>SIMP</b> <ul style="list-style-type: none"> <li>Two late updates to inactive status.</li> </ul> <b>SELS</b> <ul style="list-style-type: none"> <li>Four late updates to active status for reconnections.</li> <li>Ten late updates to inactive status.</li> <li>38 late trader updates.</li> <li>14 late ANZSIC code updates.</li> </ul>	Strong	Low	1	Identified
Provision of information to the registry manager	3.5	9 Schedule 11.1	<b>SELS</b> <ul style="list-style-type: none"> <li>25 late status updates for new connections.</li> <li>15 late MEP nominations for new connections.</li> <li>14 late initial ANZSIC code updates.</li> </ul>	Moderate	Low	2	Identified
Management of "active" status	3.8	17 Schedule 11.1	<b>SELS</b> Three SELS ICPs had more than one active customer and switched out effective 1 December 2022.	Moderate	Low	2	Cleared



Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Management of “inactive” status	3.9	19 Schedule 11.1	Two ICPs (1001280350TC294, 1001280352TC211) where the disconnection reading was deleted in error resulting in a total of 24 kWh of consumption being incorrectly recorded during the inactive period.  ICP 0000005028CB2A0 – (341 kWh) had genuine consumption detected but the registry status was inactive.	Moderate	Low	2	Identified
Losing trader must provide final information - standard switch	4.3	5 Schedule 11.3	The CS files for 0010423478EL5E7 26 July 2022 and 0000857700TE7CF 14 April 2022 had incorrect last actual read dates recorded.  The CS files for 0000335080MP1BE 26 May 2022 and 0004557794TCD57 31 May 2022 contained incorrect average daily kWh. The values were within ±83 kWh of the expected value.	Strong	Low	1	Identified
Losing trader must provide final information - switch move	4.10	11 Schedule 11.3	<b>SELS</b>  Nine CS files contained incorrect average daily kWh values because readings were entered into the average daily kWh field in error.  CS files for 0199407274LCODE 8 May 2022, 0000014335KP587 1 June 2022, 0000514131NR159 1 July 2022, and 0000003501TCF34 1 July 2022 had incorrect last actual read dates recorded. The last actual read date reflected the last day of supply, not the date of the last actual reading.  The CS file for 0000046829WEFFB 1 May 2022 contained a last actual reading on the switch event date. The last actual reading is expected to be the last actual reading during SELS' period of supply.  The CS file for 1001280409TCBCF 10 March 2022 contained an incorrect read type. Actual was recorded instead of estimate.	Strong	Low	1	Identified
Gaining trader changes to switch meter reading - switch move	4.11	6(1) and 6A Schedule 11.3	<b>SELS</b>  One RR breach.  The RR for 0000031580WE264 27 January 2022 was supported by one validated actual reading and one photo reading from the customer instead of two validated actual readings.	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	<p><b>SELS</b></p> <p>ICP 0000001066RJ70F 17 June 2022 which was issued with DF (date failed) but the requested transfer date was not more than ten business days in the future.</p> <p>ICP 1001280423TC40B 27 January 2022 which was issued with WS (wrong switch type) but should have been issued with CE (customer error).</p> <p>Three NA breaches.</p>	Strong	Low	1	Identified
Electricity conveyed & notification by embedded generation	6.1	10.13	Energy is not metered and quantified according to the code where meters are bridged.	Strong	Medium	2	Identified
Interrogate meters once	6.8	7(1) and (2) Schedule 15.2	For 32 ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.	Moderate	Low	2	Identified
NHH meters interrogated annually	6.9	8(1) and (2) Schedule 15.2	<p>The meter read frequency report was not accurate prior to April 2022.</p> <p>For two ICPs unread in the 12 months ending 31 July 2022, exceptional circumstances did not exist, and the best endeavours requirement was not met.</p>	Moderate	Low	2	Identified
NHH meters 90% read rate	6.10	9(1) and (2) Schedule 15.2	<p>The meter read frequency report was not accurate prior to April 2022.</p> <p>90% read attainment not achieved for 24 NSPs in July 2022 and exceptional circumstances did not exist, and the best endeavours requirement was not met.</p>	Moderate	Low	2	Identified
Correction of NHH meter readings	8.1	19(1) Schedule 15.2	The meter reading history for ICP 0007108589RNEAF was deleted from MADRAS and no replacement read or estimate read was applied resulting in default consumption being applied for the affected period. Six other ICPs were also affected.	Moderate	Low	2	Identified
Identification of readings	9.1	3(3) Schedule 15.2	1001280409TCBCF had an actual CS event reading recorded as estimated in its 10 March 2022 CS file.	Strong	Low	1	Identified
Meter data used to derive volume information	9.3	3(5) of schedule 15.2	EMS EIEP3 file format may round the trading period data to two decimal places if the meter does not have a multiplier and the volume for that	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			hour has a non-zero value in the third decimal place.				
Half hour estimates	9.4	15 Schedule 15.2	<p>Estimations are performed even though actual data is received where:</p> <ul style="list-style-type: none"> <li>an AMI MEP has flagged the interval data as either having failed sum check validation or there were insufficient midnight reads available to perform this validation, and</li> <li>a partial replacement file has been provided by the AMI MEP that includes null values for previously provided actual data; the received null values then replace the previously supplied actual data which in turn triggers an estimation to be performed.</li> </ul>	Moderate	Low	2	Investigating
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	AMI event logs are not routinely reviewed.	Moderate	Low	2	Identified
Creation of submission information	12.2	15.4	<p>One ICP (1001280400TC59E) did not have consumption (11 kWh) during a vacant inactive period reported.</p> <p>Three ICPs (0000051418WE4CB, 0000328398MP8C5, 0000638910MP0A3) had incorrect unmetered load information resulting in an under submission of 136 kWh for May 2022.</p> <p>Three ICPs (1001280350TC294, 1001280352TC211, 0000005028CB2A0) had consumption recorded during inactive periods that was initially included in submission.</p> <p>Some corrections identified in the previous audit not corrected and are now outside the revision cycle.</p> <p>Some readings in MADRAS have been deleted and not replaced prior to the 14-month revision.</p> <p>Historic Estimates not calculated for ICPs with only one day period of supply.</p> <p>HHR data not submitted for one day for ICP 0000047002TCBE4.</p>	Moderate	Low	2	Identified
Accuracy of submission information	12.7	15.12	Some submission data was inaccurate and was not corrected at the next available opportunity.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<p>Actual HHR data being replaced by estimates where flagged as unvalidated by the MEP.</p> <p>Actual HHR data being replaced by estimates where partial replacement file if provided that includes null values for data already sent.</p> <p>One day of actual HHR data for ICP 0000047002TCBE4 missing from submission due to a failed validation and was not replaced by an estimation.</p> <p>EMS EIEP3 file format may round the trading period data to two decimal places if the meter does not have a multiplier and the volume for that hour has a non-zero value in the third decimal place.</p>				
Permanence of meter readings for reconciliation	12.8	4 Schedule 15.2	Some estimates are not replaced at R14.	Weak	Low	3	Identified
Historical estimates and forward estimates	12.10	3 Schedule 15.3	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Moderate	Low	2	Identified
Forward estimate process	12.12	6 Schedule 15.3	Some balancing area differences between revisions were over the $\pm$ 15% threshold because of inaccurate forward estimates.	Strong	Low	1	Identified
Historical estimate reporting to RM	13.3	10 of schedule 15.3	Historic estimate targets were not met for all months and revisions.	Moderate	Low	2	Identified
Future Risk Rating						48	

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
Provision of information on dispute resolution scheme	2.19	Consistent information on Utilities Disputes for inbound calls	<p>Add Utilities Disputes information to recordings for inbound calls for Compass Communications to ensure this information is consistently provided for all inbound calls.</p> <p>Move the Utilities Disputes message to an earlier portion of the IVR messaging so that all callers hear the message.</p>

Subject	Section	Description	Recommendation
Management of “inactive” status	3.9	Meter reading attainment for inactive ICPs	Simply Energy to standardise the meter read attainment process for all inactive ICPs to ensure all inactive consumption can be detected and resolved within the available revision window.
Management of “inactive” status	3.9	Inactive Consumption threshold	Simply Energy review the current threshold of 10 kWh applied to the inactive consumption report to ensure all relevant exceptions are identified by this report and all genuine consumption is then included in the submission process. The largest discrepancies should be prioritised for investigation and resolution.
Collection of information by certified reconciliation participant	6.5	Create and implement a process to monitor AMI MEP time difference reporting and corrections	Simply Energy to develop a process to load the AMI MEP time difference reports into the data warehouse and develop reporting to enable independent monitoring to occur.
Interrogate meters once	6.8	Communication with customers on the reasons ICPs are unread	Ensure that the reasons each ICP is unread is provided to the customer so that issues can be appropriately resolved.
Interrogate meters once	6.8	Develop clear guidance to ensure the best endeavours requirements for read attainment are met	Currently communication methods and content are determined by the staff member. I recommend providing guidance to ensure that the requirement to make at least three attempts to contact the customer using two different communication methods are met where the issue cannot be resolved promptly.
Interrogate meters once	6.8	Engage with embedded network owners to improve read attainment in these commercial premises	Where an active vacant ICP is part of an embedded network, engage with the embedded network owner to resolve the access issue as this will also improve the network reporting volume accuracy to the benefit of the EN owner.
Half hour estimates	9.4	Default HHR estimates where insufficient history is available	Develop a default estimate shape and mechanism to automatically perform estimates in DataHub where insufficient HHR data history available for an ICP.
Half hour estimates	9.4	Replacement of actual data with actual data	If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in DataHub.
NHH metering information data validation	9.5	Zero consumption reporting	Establish a validation process for meters with zero consumption.

## ISSUES

Subject	Section	Description	Issue
Reporting resolution	13.2	Clarification at which point can HHR volume information be rounded when creating submission information	AV-090 (HHRVOLS – aggregated submission information) and AV-140 (HHRAGGS – ICP submission information) are sourced from the same volume information. Where a trader creates the ICP level submission information to create the AV-140 (HHRAGGS) file prior to aggregation to create the AV-090 (HHRVOLS) file, clarification is required to confirm that this approach is compliant with clause 8 & 9 of schedule 15.3.

## 1. ADMINISTRATIVE

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

#### Code reference

*Section 11 of Electricity Industry Act 2010.*

#### Code related audit information

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

#### Audit observation

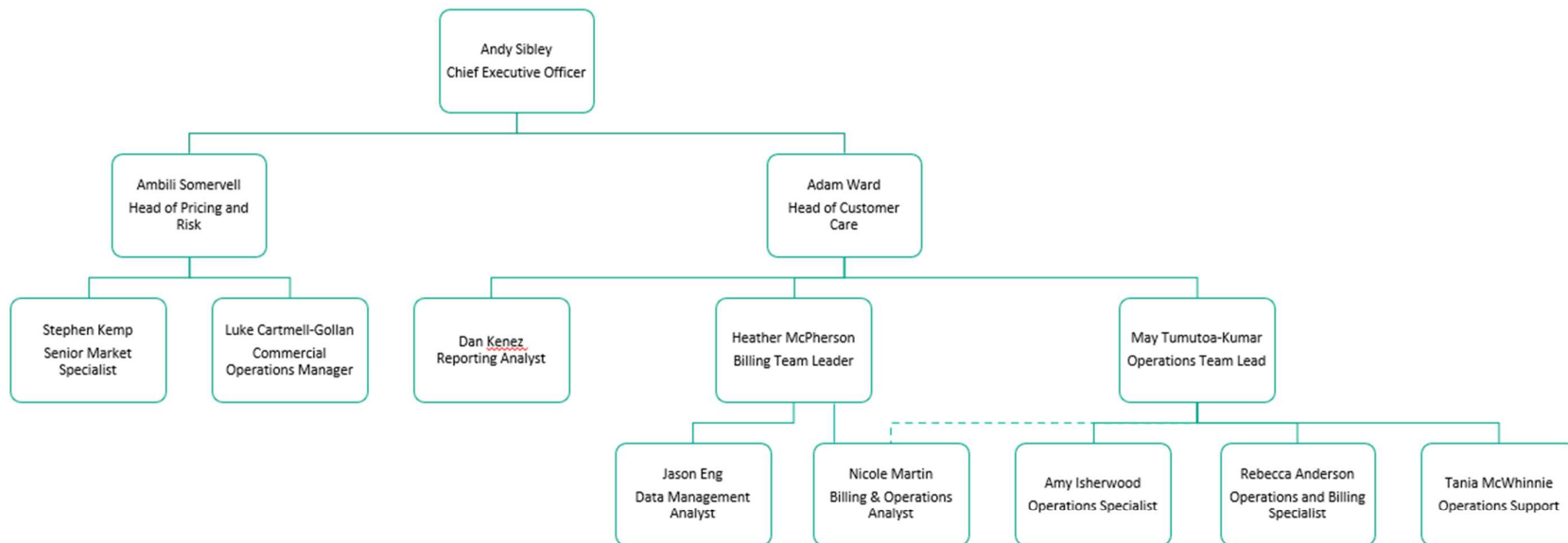
The Electricity Authority's website was reviewed to identify any exemptions relevant to the scope of this audit.

#### Audit commentary

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

# Simply Energy Compliance Organization Chart

1 Oct 2022



### 1.3. Persons involved in this audit

Auditors:

Name	Company	Role
Tara Gannon	Veritek Limited	Lead Auditor
Bernie Cross	Veritek Limited	Supporting Auditor

Simply Energy personnel assisting with this audit were:

Name	Title
Adam Ward	Customer Care Manager
Ambili Somervell	Head of Pricing and Risk
Luke Cartmell-Gollan	Commercials Operations Manager
May Tumutoa-Kumar	Operations Team Lead
Stephen Kemp	Senior Market Specialist
Jason Eng	Data Management Analyst
Tania McWhinnie	Operations Support

Other personnel assisting with this audit were:

Name	Title	Organisation
Craig Simpson	Operations Manager Service Hub	Wells

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

#### Code reference

*Clause 15.34*

#### Code related audit information

*A reconciliation participant who uses an agent*

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

#### Audit observation

Use of agents was discussed with Simply Energy.



## Audit commentary

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

- EMS, EDMI and AMS gather HHR metering data and EMS completes the NHH reconciliation function.
- Wells provides NHH metering data.

NHH AMI data is provided by AMS (NGCM and SMCO), Arc, Influx (FCLM), IntelliHUB (Metrix and Counties Power), WEL Networks (WASN) and Nova (BOPE) as MEPs.

### 1.5. Hardware and Software

Simply Energy's processes use the following systems:

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

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

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

Simply Energy have been developing a data warehouse to enable an improved level of exception reporting to be built. The data structures have now been completed and the next phase is to begin populating this data warehouse with reconciliation data and develop a more comprehensive reporting suite.

### 1.6. Breaches or Breach Allegations

There have been no breach allegations relevant to the scope of this audit during the audit period.

### 1.7. ICP Data

#### *SIMP*

All active SIMP ICPs transferred to SELS or other traders prior to the start of the audit period, and SIMP is currently the trader for eight inactive ICPs and 490 decommissioned ICPs.

Active ICPs by metering category:

Metering Category	Oct 2022	Dec 2021	Mar 2021	2020	2019	2018	2017	2016	2015
1	-	-	1,182	1,527	1,141	1,139	1,102	589	493
2	-	-	29	101	118	152	157	78	64
3	-	-	11	20	24	30	39	21	17
4	-	-	9	11	13	21	21	10	6

Metering Category	Oct 2022	Dec 2021	Mar 2021	2020	2019	2018	2017	2016	2015
5	-	-	4	5	5	5	5	5	2
9	-	-	9	12	9	2	21	-	-
Blank	-	-	16	20	20	22	39	63	25

ICPs by status:

Status	Oct 2022	Dec 2021	Mar 2021	2020	2019	2018	2017	2016
Active (2,0)	-	-	1,260	1,696	1,330	1,371	1,081	766
Inactive – new connection in progress (1,12)	1	2	6	13	24	3	-	1
Inactive – electrically disconnected vacant property (1,4)	2	4	20	22	19	16	14	6
Inactive – electrically disconnected remotely by AMI meter (1,7)	-	-	28	12	4	2	-	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	4	4	5	4	1	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	-	6	6	3	1	3	1
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-	-	-	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	3	3	3	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	5	5	6	6	4	-	12	13
Inactive – reconciled elsewhere (1,5)	-	-	-	-	-	1	1	1
Decommissioned (3)	490	487	484	450	395	331	272	158

SELS

The active ICPs from the list file are summarised by meter category in the table below. Four active SELS ICPs have a metering category of nine or blank. One had unmetered load recorded and the other three had metering details populated on the registry after the report was run.

Active ICPs by metering category:

Metering Category	Oct 2022	Dec 2021	Mar 2021	2020	2019
1	711	1,670	1,431	395	5
2	51	134	117	9	-
3	2	26	13	1	-
4	1	20	4	-	-
5	1	5	1	-	-
9	1	9	1	-	-
Blank	3	19	4	-	-

ICPs by status:

Status	Oct 2022	Dec 2021	Mar 2021	2020	2019
Active (2,0)	770	1,883	1,571	405	5
Inactive – new connection in progress (1,12)	6	11	6	-	-
Inactive – electrically disconnected vacant property (1,4)	23	29	12	-	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	17	15	1	-	-
Inactive – electrically disconnected at pole fuse (1,8)	7	4	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	5	8	1	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	1	3	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	1	-	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-	-	-
Decommissioned (3)	87	58	44	36	36



SELX

All active SELX ICPs transferred to SELS or other traders prior to the start of the audit period, and SELX is currently the trader for two inactive ICPs and six decommissioned ICPs.

Active ICPs by metering category:

Metering Category	Oct 2022	Dec 2021	Mar 2021	2020	2019	2018	2017
1	-	-	573	644	781	242	13
2	-	-	26	25	45	23	-
3	-	-	6	6	5	-	-
4	-	-	5	4	2	-	-
5	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
Blank	-	-	5	5	5	-	-

ICPs by status:

Status	Oct 2022	Dec 2021	Mar 2021	2020	2019	2018	2017
Active (2,0)	-	-	615	684	838	265	13
Inactive – new connection in progress (1,12)	-	-	-	1	-	-	-
Inactive – electrically disconnected vacant property (1,4)	1	2	4	3	3	1	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	1	1	2	2	1	1	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-	-	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	-	1	-	1	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-	-	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-	-	-	-	-

Status	Oct 2022	Dec 2021	Mar 2021	2020	2019	2018	2017
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-	-	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	1	1	1	-	-
Decommissioned (3)	6	6	6	5	1	1	-

### 1.8. Authorisation Received

Authorisation was received from Simply Energy.

### 1.9. Scope of Audit

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

Simply Energy has used three participant codes during the audit period (SIMP, SELS and SELX), and also acts as an agent for other participants. No active ICPs have been supplied by SELX or SIMP during this audit period, and the remaining SELS ICPs are expected to switch to Contact Energy’s CTCS participant code.

For SELS registry list, event detail, and audit compliance reports for 1 January 2022 to 6 October 2022 and a registry list snapshot and meter event details report for 6 October 2022 were reviewed.

For SIMP a registry list for 1 January 2022 to 6 October 2022 and for SELX a registry list for 1 January 2022 to 4 October 2022 and were reviewed.

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

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks	MEPs
(a) - Maintaining registry information and performing customer and embedded generator switching	EMS for part of clause 11 of schedule 11.1 only (registry discrepancies)	
(b) - Gathering and storing raw meter data	Wells – NHH AMS – HHR EDMI - HHR	AMS (NGCM and SMCO) Arc Innovations (Arc) Influx (FCLM) IntelliHUB (Metrix and Counties Power) Smartco WEL Networks (WASN) Nova (BOPE)

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

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

#### 1.10. Summary of previous audit

The reports for the previous reconciliation participant audit completed in March 2022 by Rebecca Elliot (lead auditor) of Veritek Limited and switching material change audit report completed in May 2022 by Tara Gannon of Veritek Limited were reviewed. The summary tables below show the statuses of the non-compliances and recommendations raised in the previous reconciliation participant audit. No non-compliances were recorded in the switching material change audit report. Further comment is made in the relevant sections of this report.

#### Table of Non-compliance

Subject	Section	Clause	Non-compliance	Status
Relevant information	2.1	11.2 & 15.2	Some inaccurate data is recorded and was not updated as soon as practicable. Some submission data was inaccurate and was not corrected at the next available opportunity. Some corrections identified in the last audit have not been corrected.	Still existing
Retailer responsibility for electricity conveyed - participant obligations	2.5	10.4	The Brighttr terms and conditions do not include consent for access for other participants.	Cleared, Brighttr is no longer supplied.
Retailer responsibility for electricity conveyed - access to metering installations	2.6	10.7	The Brighttr terms and conditions do not include consent for access for other participants.	Cleared, Brighttr is no longer supplied.

Subject	Section	Clause	Non-compliance	Status
Trader contracts to permit assignment by the Authority	2.8	11.15B	The Brightr terms and conditions do not include assignment by the Electricity Authority in the event of retailer default.	Cleared, Brightr is no longer supplied.
Electrical Connection of Point of Connection	2.11	10.33A	SELS One new connection was not certified within five business days of the initial electrical connection date. Two reconnections were not certified within five business days.	Still existing
Provision of information on dispute resolution scheme	2.19	11.30A	Smart Energy (now Brightr) does not include information on Utilities Disputes on its website or when responding to queries from customers.	Cleared, Brightr is no longer supplied.
Provision of information on electricity plan comparison site	2.20	11.30B	Smart Energy (now Brightr) does not include information on Powerswitch on its website, its invoices, or in outbound communications regarding price changes or billing.	Cleared, Brightr is no longer supplied.
Changes to registry information	3.3	10 Schedule 11.1	SIMP <ul style="list-style-type: none"> <li>two late updates to active status, and</li> <li>nine late updates to inactive status.</li> </ul> SELS <ul style="list-style-type: none"> <li>16 late updates to active status for reconnections,</li> <li>19 late updates to inactive status</li> <li>46 late trader updates, and</li> <li>20 late ANZSIC code updates, at least one of which was not genuine and related to correction of other attributes.</li> </ul> SELX <ul style="list-style-type: none"> <li>one late trader update.</li> </ul>	Still existing
Provision of information to the registry manager	3.5	9 Schedule 11.1	SIMP <ul style="list-style-type: none"> <li>ten late updates for new connections.</li> </ul> SELS <ul style="list-style-type: none"> <li>118 late updates for new connections,</li> <li>ICP 0000163525CKB50 has a status date of 28 October 2021 but should have 9 October 2021, and</li> <li>ICP 0120110020PNA29 has a status date of 16 March 2021 but should have 15 March 2021.</li> </ul>	Still existing
ANZSIC codes	3.6	9 (1(k)) of Schedule 11.1	SELS Eight ICPs had incorrect ANZSIC codes assigned. All were corrected during the audit.	Cleared
Management of "active" status	3.8	17 Schedule 11.1	SELS <ul style="list-style-type: none"> <li>two SELS ICPs have more than one active customer, and</li> </ul>	Still existing



Subject	Section	Clause	Non-compliance	Status
			<ul style="list-style-type: none"> <li>two ICPs made active for the incorrect date of the sample of 45 ICPs sampled (18 new connection late updates, 15 new connections with potential first active date discrepancies, ten late reconnection active updates and two reconnected ICPs with expired certification).</li> </ul>	
Management of "inactive" status	3.9	19 Schedule 11.1	<p>SIMP</p> <p>One incorrect inactive status update applied.</p> <p>SELS</p> <p>Three of the five ICPs set to the inactive vacant status were corrections to the first active date. The status events should have been reversed and taken straight to active.</p>	Still existing
Losing trader must provide final information - standard switch	4.3	5 Schedule 11.3	<p>SIMP</p> <ul style="list-style-type: none"> <li>one transfer CS file contained incorrect last actual read date, and</li> <li>one transfer CS file contained the incorrect average daily kWh figure and the incorrect last read date.</li> </ul> <p>SELS</p> <ul style="list-style-type: none"> <li>two E2 breaches,</li> <li>one transfer CS file contained a negative average daily consumption figure,</li> <li>one transfer CS files contained an incorrect average daily kWh of the sample of five ICPs with a greater than 200kWh average daily consumption, and</li> <li>two ICPs of the three transfer CS files checked were sent with the incorrect final read resulting in consumption being pushed to the gaining trader.</li> </ul> <p>SELX</p> <ul style="list-style-type: none"> <li>two ICPs of a sample of 13 transferred ICPs with the incorrect last read type of "E"</li> </ul>	Still existing
Retailers must use same reading - standard switch	4.4	9 Schedule 13.3	<p>SELS</p> <p>One AC breach.</p>	Cleared
Gaining trader informs registry of switch request - switch move	4.7	9 Schedule 11.3	<p>SELS</p> <p>One NT file was issued more than two business days after pre-conditions were cleared of the 21 NT files sampled.</p>	Cleared
Losing trader provides information - switch move	4.8	10(1) Schedule 11.3	<p>SELS</p> <p>Five T2 breaches.</p>	Cleared
Losing trader must provide final	4.10	11 Schedule 11.3	<p>SIMP</p>	Still existing

Subject	Section	Clause	Non-compliance	Status
information - switch move			<ul style="list-style-type: none"> <li>two of a sample of five ICPs checked with an average daily kWh value of greater than 200 kWh had an incorrect average daily consumption,</li> <li>five of a possible 14 switch move CS files contained the incorrect read type of "E",</li> <li>two switch move CS files contained the incorrect read type of "A", and</li> <li>one of a typical sample of three CS files checked found one with the incorrect average daily kWh figure.</li> </ul> <p>SELS</p> <ul style="list-style-type: none"> <li>three of a sample of 13 ICPs checked had an incorrect average daily consumption, and</li> <li>five of a possible 17 switch move CS files contained the incorrect read type of "E".</li> </ul> <p>SELX</p> <ul style="list-style-type: none"> <li>one of a sample of eight ICPs checked had an incorrect average daily consumption,</li> <li>five of a possible 22 switch move CS files contained the incorrect read type of "E", and</li> <li>one switch move CS file contained the incorrect read type of "A"</li> </ul>	
Gaining trader changes to switch meter reading - switch move	4.11	6(1) and 6A Schedule 11.3	<p>SELS</p> <ul style="list-style-type: none"> <li>eight RR breaches, and</li> <li>ICP 0003727038WF438 has the incorrect read type of "A" instead of "E" in DataHub and Madras.</li> </ul>	Still existing
Withdrawal of switch requests	4.15	17 and 18 Schedule 11.3	<p>SIMP</p> <p>Three incorrect NW withdrawal reason codes.</p> <p>SELS</p> <p>Six NA breaches.</p> <p>Two AW breaches.</p> <p>Two incorrect NW withdrawal reason codes.</p> <p>SELX</p> <p>One SR breach.</p> <p>One NW request issued in error.</p> <p>Four incorrect NW withdrawal reason codes.</p>	Still existing
Metering information	4.16	21 Schedule 11.3	<p>SIMP</p> <p>All five ICPs sampled of a possible 14 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E".</p> <p>Two switch move ICPs with the incorrect read type of "A" applied due to human error.</p> <p>SELS</p> <p>All five ICPs sampled of a possible 23 transfer where the last actual read date is for the date before the</p>	Cleared

Subject	Section	Clause	Non-compliance	Status
			<p>switch event date were sent with the incorrect read type of "E".</p> <p>All five ICPs sampled of a possible 17 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E".</p> <p>Two CS files of a sample of six checked sent with the incorrect last actual reads resulting in 79 kWh being pushed to the gaining trader and reconciled in the wrong period.</p> <p>SELX</p> <p>All five ICPs sampled of a possible 22 switch moves where the last actual read date is for the date before the switch event date were sent with the incorrect read type of "E".</p> <p>One switch move ICP with the incorrect read type of "A" applied due to human error.</p>	
NHH meter reading application	6.7	6 Schedule 15.2	<p>SIMP</p> <p>Five switch event readings of a possible 14 MI switches were incorrectly classified as estimates when they were actuals.</p> <p>Two MI switches with an incorrectly classified switch event reading classified as actuals when they were estimates.</p> <p>SELS</p> <p>Five switch event readings of a possible 23 TR switches were incorrectly classified as estimates when they were actuals.</p> <p>Five switch event readings of a possible 17 MI switches were incorrectly classified as estimates when they were actuals.</p> <p>Two ICPs of the three transfer CS files checked were sent with the incorrect final read resulting in consumption being pushed to the gaining trader.</p> <p>SELX</p> <p>Two TR switch event readings were incorrectly classified as estimates when they were actuals.</p> <p>Five switch event readings of a possible 22 MI switches were incorrectly classified as estimates when they were actuals.</p> <p>One MI switch event reading classified as an actual when it was an estimate.</p>	Cleared
Interrogate meters once	6.8	7(1) and (2) Schedule 15.2	<p>SIMP</p> <p>One ICP unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.</p> <p>SELS</p>	Still existing

Subject	Section	Clause	Non-compliance	Status
			For 12 ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.	
Identification of readings	9.1	3(3) Schedule 15.2	<p>SIMP</p> <ul style="list-style-type: none"> <li>• five switch event readings of a possible 14 MI switches were incorrectly classified as estimates when they were actuals.</li> <li>• two switch event readings of a possible 14 MI switches were incorrectly classified as actuals when they were estimates.</li> </ul> <p>SELS</p> <ul style="list-style-type: none"> <li>• five switch event readings of a possible 23 TR switches were incorrectly classified as estimates when they were actuals, and</li> <li>• five switch event readings of a possible 17 MI switches were incorrectly classified as estimates when they were actuals.</li> </ul> <p>SELX</p> <ul style="list-style-type: none"> <li>• two TR switch event readings were incorrectly classified as estimates when they were actuals, and</li> <li>• five switch event readings of a possible 22 MI switches were incorrectly classified as estimates when they were actuals.</li> </ul>	Still existing
Half hour estimates	9.4	15 Schedule 15.2	<p>SELS</p> <p>HHR estimate was not reasonable and not consistent with the ICPs consumption patterns for ICP 0000014504EACAF due to human error and a system vulnerability which has since been corrected.</p> <p>Estimates not replaced with actuals if the replacement file does not contain a register read.</p>	Still existing
Electronic meter readings and estimated readings	9.6	17 Schedule 15.2	<p>SELS</p> <p>AMI event logs are not routinely reviewed.</p>	Still existing
Calculation of ICP days	11.2	15.6	<p>SELS</p> <p>ICP days were not reported correctly one NSP.</p> <p>SELX</p> <p>ICP days were not reported correctly one NSP.</p>	Cleared
Accuracy of submission information	12.7	15.12	<p>Invalid permanent estimate readings were used in the calculation of volumes due to a code change made by AXOS resulting in an +/-1% submission variance. These inaccuracies will be washed up through the revision process.</p>	Still existing

Subject	Section	Clause	Non-compliance	Status
			<p>Some submission data was inaccurate and was not corrected at the next available opportunity.</p> <p>EMS acting as an agent of Simply Energy submitted washup NHH volumes and ICP days for consumption months July 2021 (R3) and September 2021 (R1). There shouldn't have been volumes submitted on those months as Simply has not had any NHH customers since May 2021.</p>	
Permanence of meter readings for reconciliation	12.8	4 Schedule 15.2	<p>SIMP, SELX and SELS</p> <p>Some estimates are not replaced at R14.</p> <p>Permanent estimates not calculated correctly resulting in inaccurate apportionment in volumes.</p>	Still existing
Historical estimates and forward estimates	12.10	3 Schedule 15.3	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.	Still existing
Historical estimate reporting to RM	13.3	10 of schedule 15.3	<p>SIMP, SELX and SELS</p> <p>Historic estimate targets were not met for all months and revisions.</p>	Still existing

### Table of Recommendations

Subject	Section	Clause	Recommendation	Status
Management of "inactive" status	3.9	Monitoring of inactive consumption	Put reporting in place to detect consumption on vacant ICPs and develop BAU processes to investigate all instances.	Adopted
Provision of information on dispute resolution	2.19	Consistent information on Utilities Disputes for inbound calls	Add Utilities Disputes information to recordings for inbound calls for Compass Communications to ensure this information is consistently provided for all inbound calls.	Repeated
Changes to registry information	3.5	Correction to active date.	Contact Jade to assist with correcting ICP 0120110020PNA29 active date corrected from 16 March 2021 to 15 March 2021.	Not adopted
ICPs at new or ready status for 24 months	3.10	Monitoring of new and ready ICPs	A Registry List (type P) with proposed trader = SIMP, SELS and SELX and status = 000 and 999 should be run at least quarterly to identify ICPs which are at new or ready status, and investigation should be completed to determine whether the ICPs are still required.	Adopted. Now checked weekly.

Subject	Section	Clause	Recommendation	Status
Losing trader response to switch request and event dates - standard switch	4.2	AN response code hierarchy	Add the OC (occupied premises), and CO (contracted customer) codes to the AN code hierarchy to ensure that AA (accept and acknowledge) is only used when no other codes are applicable.	Adopted
Switch saving protection	4.17	Recording of customer interactions	Work with white label retailer to capture customer conversations for withdrawn switches.	Not adopted
Half hour estimates	9.4	Replacement of estimates with actual data	<i>SELS</i> If actual data is received for periods which have been estimated, ensure that the estimates are replaced with the actual data.	Repeated
		Replacement of actual data with actual data	<i>SELS</i> If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in DataHub.	Repeated

## 2. OPERATIONAL INFRASTRUCTURE

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

#### Code reference

Clause 10.6, 11.2, 15.2

#### Code related audit information

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

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

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

#### Audit observation

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

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

#### Audit commentary

##### Registry and static data accuracy

Registry updates are processed directly on the registry using the web interface, and Salesforce is updated at the same time. The user will identify any failed updates by reviewing the registry acknowledgement message displayed after they save the update. Registry acknowledgement errors are also imported into Salesforce and reviewed daily. I walked through the process and confirmed that the errors had been reviewed and cleared.

Activities which require registry updates such as new connections, disconnections, reconnections, and metering changes are managed using Salesforce cases. These cases are assigned to team members, and can easily be reassigned if they are absent. Next actions and next action dates are set for each case.

Data accuracy is monitored using a combination of Salesforce Dashboard reports, and other reports and queries. Simply Energy runs a business day checklist to ensure that all checks are completed on time.

The following data accuracy checks are completed:

Validation area	Findings
ANZSIC codes	<p>ANZSIC codes are validated on switch in. Account Managers advise the switching team if they believe the customer's existing ANZSIC code is incorrect and should be updated.</p> <p>The Salesforce Dashboard reports ICPs which have T9 series ANZSIC codes and ICPs with landlord L671 codes, which are reviewed and updated monthly.</p> <p>The Head of Pricing and Risk creates a monthly report which compares the end consumer name and address to the ANZSIC code for reasonableness. This identifies any unusual codes for investigation and/or correction. Simply Energy is considering</p>

Validation area	Findings
	adding more data fields to Emersion to improve validation of ANZSIC codes for white label customers.
ICPs with estimated switch in reads with an AMI meter	The Salesforce Dashboard reports ICPs with estimated switch in reads with an AMI meter, which are checked every two to three days to determine whether read renegotiations are required.
Unmetered load on metered ICPs	The Salesforce Dashboard reports unmetered load on metered ICPs. These ICPs are reviewed monthly to ensure that all unmetered load is recorded and reconciled.
New connections	<p>The Salesforce Dashboard reports ICPs with “inactive - new connection in progress” status, including their initial electrical connection dates and MEP details if populated on the registry. This report is reviewed daily, and any ICPs with initial electrical connection dates or meter certification details are checked and updated to “active” status once the correct connection date is confirmed. The report is also used to track MEP nominations.</p> <p>ICPs at “new” and “ready” status on the registry are checked against Salesforce weekly to make sure they have been added to Salesforce, and if no application has been received, they are followed up with the distributor.</p>
Inactive ICPs	The Salesforce Dashboard reports ICPs with “inactive” status, which is reviewed monthly to confirm that the “inactive” status was correct and genuine.
Distributed generation	Distributed generation ICPs are checked monthly by reviewing registry information to identify ICPs with generation recorded by the distributor and check whether the ICP has compliant I flow metering and correct profiles recorded. Findings are verified against meter reading information where I flow metering is installed.
Meter details	<p>Metering changes are identified through the daily read validation process. Where a ICP – meter – register match cannot be found for imported meter reading and volume information, an exception is generated for review. The Operations Team is advised by the Data Management Analyst where metering details need to be checked and updated.</p> <p>The Salesforce Registry Metering Workflow – NHH supply dashboard identifies ICPs where registry metering information is different to DataHub including meter number, multiplier, content code, number of registers or meters, import metering without installation type B or G. These are reviewed daily and any missing paperwork is followed up with the MEP.</p> <p>There is a weekly check for ICPs with the AMI flag set to N and HHR profile. The affected ICPs are returned to NHH profile from the first day of the month where they last had an actual reading.</p>
MADRAS workflow issues	<p>MADRAS workflow issues are checked daily for days 1-4 each month, and then every 2-3 days for the remainder of the month.</p> <p>The Salesforce Operations Registry Update screen alerts users when data maintained by another participant changes on the registry including distributor and MEP populated data. The user then checks and updates Salesforce and DataHub as necessary and ensures that changes flow through to MADRAS. This process identifies any changes to unmetered load, NSP, or distributed generation details.</p>



Validation area	Findings
	The Salesforce Dashboard produces a series of reports for ICPs which have missing MADRAS workflows, are not set up in MADRAS, or are end dated by a Simply Energy code that is still responsible for the ICP.

### SELS

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

Issue	Oct 2022	Dec 2021	Mar 2021	2020	2019	Comments
Status mismatch between registry and Simply Energy	-	-	-	-	-	Compliant.
ICP is at ready or inactive new connection in progress status but is ICP is connected	-	-	3	-	-	Compliant.
Active date variance with Initial Electrical Connection Date	47	130	73	-	-	Compliant. The exceptions were reviewed and in all cases SELS' active date was correct. See sections 3.5 and 3.8.
Incorrect active date	-	3	4	-	-	
Active with no MEP and unmetered flag = N	-	-	5	-	-	Compliant.
Incorrect submission flag	-	-	-	-	-	Compliant.
Active with blank ANZSIC codes	-	-	-	-	-	Compliant
Active with ANZSIC "T999" not stated	-	-	-	-	-	Compliant.
Active with ANZSIC "T994" don't know	-	-	-	-	-	Compliant.
Active with an incorrect ANZSIC code	-	8	1	-	-	Compliant.
Category 9 but Active with MEP and UML "N"	-	-	-	-	-	Compliant. All exceptions identified on the audit compliance report were timing differences.
ICPs with Distributor unmetered load populated but retail	-	-	-	-	-	Compliant.

Issue	Oct 2022	Dec 2021	Mar 2021	2020	2019	Comments
unmetered load is blank						
ICPs with unmetered load flag Y but load is recorded as zero	-	5	-	-	-	Compliant.
ICPs with incorrect shared unmetered load	-	-	-	-	-	Compliant.
ICPs with Distributed Generation indicated but no DG profile	-	-	4	1	-	Compliant.

#### *SIMP*

No active ICPs have been supplied by SIMP during the audit period, and no inaccurate data was identified.

#### *SELX*

No active ICPs have been supplied by SIMP during the audit period, and no inaccurate data was identified.

#### **Previous audit data accuracy exceptions**

I re-checked data accuracy exceptions identified during the previous audit in 2022 and found they were resolved. Where data accuracy issues identified in the 2021 audit have still not been resolved, non-compliance has not been recorded again, because the non-compliance was recorded in the previous two audits.

#### **Read and volume data accuracy**

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

Defective meters	<p>Where a meter is found to be stopped or faulty, it will be replaced. Estimated consumption during the stopped or faulty period will be calculated based on the consumption of the replacement meter, or historic consumption prior to the stopped or faulty period. The consumption is typically added as a permanently estimated meter removal read and sent to EMS.</p> <p>No defective meters were identified during the audit period for SIMP, SELS or SELX.</p>
Incorrect multipliers	<p>Multipliers are stored in Salesforce and DataHub based on the metering information held on the registry. I viewed examples of the reading files sent to EMS and historic estimates calculated by MADRAS and confirmed that the meter multiplier accompanies the reading and is applied when historic estimate is calculated.</p> <p>Where a meter multiplier correction is required, the original meter is archived in MADRAS from the date of the change. A new meter is created with the correct multiplier and readings during the affected period are transferred to the new meter.</p> <p>Three multiplier corrections were identified during the audit period for the SELS participant code and these were correctly processed.</p>

<p>Bridged meters</p>	<p>Bridging of meters is against Simply Energy’s policies. A correction process is followed in the unlikely event bridging occurs. Estimated consumption during the bridged period will be calculated based on the consumption on the replacement meter, or historic consumption prior to the stopped or faulty period:</p> <ul style="list-style-type: none"> <li>• if the meter is replaced as part of the un-bridging process, the estimated consumption during the bridged period is added as a permanently estimated meter removal read and sent to EMS, and</li> <li>• if the meter is not replaced, a pseudo meter will be created to record the estimated consumption, so that it is included in reconciliation submissions.</li> </ul> <p>One bridged meter relating to ICP 0000012112WEA2A was identified during the audit period for the SELS participant code. A volume correction was applied for the unquantified consumption, and this was applied to the available revision window.</p>
<p>Consumption while inactive</p>	<p>Meters are no longer end dated in DataHub when ICPs are disconnected. Simply Energy requests that Wells stop manually reading meters once they become disconnected, but do not routinely ask the MEPs to stop reading ICPs. I note that reads are often unable to be obtained by the MEPs where the meter has been physically disconnected at the fuse point. This inconsistent approach to meter reading of inactive ICPs means that some consumption occurring at inactive ICPs is not being detected or investigated as discussed in <b>section 3.9</b>.</p> <p>Simply Energy has implemented a new inactive consumption report from October 2022. Currently the threshold applied within this report has been set to 10 kWh to try and eliminate potential false positives. However, the application of a threshold greater than 1 kWh means that some exceptions are not investigated and resolved.</p> <p>Nine ICPs had inactive consumption identified during the audit period, and three exceptions were identified:</p> <ul style="list-style-type: none"> <li>• two ICPs (1001280350TC294, 1001280352TC211) where the disconnection reading was deleted in error resulting in consumption being incorrectly recorded during the inactive period; the missing disconnection reads has been reinserted, and revised submission information will be washed up, and</li> <li>• ICP 0000005028CB2A0 – (341 kWh) had genuine consumption detected but the registry status was “inactive” and the consumption was omitted from submissions, the status has now been corrected and revised submission information will be washed up.</li> </ul>
<p>Unmetered load corrections</p>	<p>Simply Energy records unmetered load by manually calculating and entering meter readings against an unmetered load register. The readings are calculated as previous reading + (daily unmetered kWh x number of days between reading dates). Where a correction is required, the reads are invalidated and recalculated and then resent to EMS using the read replacement process discussed in <b>section 12.3</b>.</p> <p>The check of a typical sample of all four ICPs with unmetered load present for the month of May 2022 confirmed that the unmetered load volumes submitted as virtual meter readings were not always being entered as end of month reads. This resulted in MADRAS applying some incorrect estimated volumes as a result:</p> <ul style="list-style-type: none"> <li>• ICP 0000051418WE4CB 29.51 kWh reported in May 2022 – correct volume is 148.8 kWh,</li> <li>• ICP 0000328398MP8C5 72.81 kWh reported in May 2022 – correct volume is 65.47 kWh, and</li> <li>• ICP 0000638910MP0A3 102.43 kWh reported in May 2022 – correct volume is 126.48 kWh.</li> </ul> <p>These three ICPs have now switch away to CTCS and only one current unmetered ICP is supplied by SELS at the time of the audit.</p> <p>I rechecked the last audit’s unmetered corrections and confirmed all have been corrected.</p>

The following submission accuracy issues were not identified and resolved as soon as practicable:

Issue	Description	Section
MADRAS reads	<p>In May 2022, Simply Energy discovered two issues with the “PushActual” file which provides validated readings to MADRAS which are described in <b>section 2.3</b>.</p> <p>ICP 0007145841RNFE9 was reviewed in <b>section 12.11</b> for a change of Network/GXP/Connection (POC) scenario. While consumption is calculated for separate GXPs, there is a total 34.39 kWh (3.5% difference) unaccounted for due to not all reads being sent to MADRAS. Because MADRAS operate independently to AXOS which validates all meter readings there is a risk of misalignment between these two systems without Simply being aware that critical boundary reads are not present in MADRAS. The issue of reads missing from MADRAS is discussed further in <b>sections 2.3</b> and <b>12.8</b>.</p> <p>ICP 0230000022PN295 had not been read since February 2021 and switched away on an estimate read. MADRAS did not treat the switch loss estimate as a permanent estimate read for the calculation of historic estimate volumes.</p>	12.7
NHH submission	<p>As detailed in <b>section 12.7</b> some reads are not correctly released in AXOS resulting in the reads not being transferred to MADRAS:</p> <ul style="list-style-type: none"> <li>• ICP (0002290002DFE1C) had four meters on site and was replaced by a single meter in December 2021; not all meter readings for this meter change were released to MADRAS resulting in forward estimate volumes being calculated, and</li> <li>• ICP (0007108589RNEAF) had a read in April 2021 that was not correctly released therefore it was not provided to MADRAS to use in the historic estimate calculation.</li> </ul> <p>As detailed in <b>section 12.8</b>:</p> <ul style="list-style-type: none"> <li>• eight ICPs had all reading history deleted as part of the process to resolve a read import error and the read history for these eight ICPs was not replaced resulting in default estimations being applied; for six ICPs the affected periods extended outside the 14-month revision window,</li> <li>• where an ICP is only with SELS for one day MADRAS cannot recognise both start and stop readings for the same day; MADRAS can only process one reading per day therefore cannot calculate a one-day period of supply for historic estimate volumes, instead MADRAS calculates one day of default consumption,</li> <li>• for ICP (1001280328TC5DD), the seasonal shape values published for June 2021 were all zero values which MADRAS treats a nulls therefore MADRAS flags the volumes calculated between the actual reads as FE,</li> <li>• ICP (0007108589RNEAF) had a read in April 2021 that was not correctly released therefore it was not provided to MADRAS to use in the historic estimate calculation,</li> <li>• ICP (0230000022PN295) had not been read since February 2021 and switched away on an estimate read; MADRAS did not treat the switch loss estimate as a permanent estimate read for the calculation of historic estimate volumes, and</li> <li>• for ICP (1001280328TC5DD), the seasonal shape values published for June 2021 were all zero values which MADRAS treats a nulls therefore MADRAS flags the volumes calculated between the actual reads as FE.</li> </ul>	12.2, 12.7, 12.8

HHR submission	<p>Estimations are performed even though actual data is received where:</p> <ul style="list-style-type: none"> <li>• an AMI MEP has flagged the interval data as either having failed sum check validation of there was insufficient midnight reads available to perform this validation,</li> <li>• a partial replacement file has been provided by the AMI MEP that includes null values for previously provided actual data; the received null values then replace the previously supplied actual data which in turn triggers an estimation to be performed, and</li> <li>• ICP 0000047002TCBE4 where the data validation process had rejected some interval values due the switch loss read entered into the system and provided in the CS file to zero decimal places was lower than the recorded midnight reads recorded to three decimal places for the last day of the consumption period; this rejected interval data was not replaced with an initial estimate resulting in one day not being included in the HHR submission and one day less being recorded in the ICPDAYs report.</li> </ul>	9.4, 12.7
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### Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 2.1</p> <p>With: Clause 11.2 &amp; 15.2</p> <p>From: 01-Jan-22</p> <p>To: 16-Dec-22</p>	<p>Some inaccurate data is recorded and was not updated as soon as practicable.</p> <p>Some submission data was inaccurate and was not corrected at the next available opportunity.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated as moderate as the controls have been improved during the audit period but there is still room for improvement.</p> <p>The impact is assessed to be low based on the minor impact on submission accuracy.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The root cause of these issues is the inaccuracy previously identified with the readings data being sent to MADRAS (the NHH DA system). A code change to address these inaccuracies has been reviewed and released via a material change audit in February 2023. While some historic data issues might still exist, we are now confident that the risk of future issues is much reduced.</p>		21/02/2023	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
A code change to ensure all readings inserted, removed (unvalidated) or updated, are sent to MADRAS regardless of the date has been released via a material change audit in February 2023. While some historic data issues might still exist, we are now confident that the risk of future issues is much reduced.	21/02/2023	

## 2.2. Provision of information (Clause 15.35)

### Code reference

Clause 15.35

### Code related audit information

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

### Audit observation

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

### Audit commentary

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

### Audit outcome

Compliant

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

### Code reference

Clause 20 Schedule 15.2

### Code related audit information

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

### Audit observation

#### NHH

Wells NHH read data is transferred via SFTP and loaded into SQL server data warehouse and then DataHub.

NHH AMI data is provided by AMS (AMS and Smartco), Arc, IntelliHUB (MTRX, IHUB and Counties Power), Influx (FCLM), WEL Networks (WASN) and Nova (BOPE) as MEPS. AMI data is received via the registry SFTP for WASN, and SFTP for all other MEPS. WASN reads are loaded directly into DataHub. All other AMI readings are loaded into the Datawarehouse, and a daily read file is extracted and imported into DataHub. AMI HHR interval data is imported directly into DataHub.

The process to transfer NHH reads to EMS was discussed with Simply Energy. Once validation is complete in DataHub, the validated (published) reads are exported back to the data warehouse, and then to AXOS billing engine and EMS' MADRAS for NHH settled ICPs. Reads are updated in MADRAS by the following files produced from DataHub:

File type	Description
StartService	Set up information for new ICP-meter-registers including the switch event reading for switch gains, or start meter reading for new connections or meter installations.
EndService	End information for closing ICP-meter-registers including the switch event reading for switch losses, or removal readings for meter removals or replacements.
PushActual	New and updated validated meter readings for existing ICP-meter-registers with a read date in the 30 days prior to the date the "PushActual" file is created. If there is a delay of more than 30 days to enter or invalidate a reading the record will not be transferred to MADRAS. Delays in read entry can occur because of backdated switches or withdrawals, meter communication issues being resolved, or later readings or meter investigations confirming that earlier reads were invalid.
ClearService	Completely clears all data for an ICP from MADRAS, where a switch has been withdrawn or all readings need to be removed and then re-loaded.

In May 2022, Simply Energy discovered two issues with the "PushActual" file which provides validated readings to MADRAS.

- Reads 30 days prior to file generation were deleted:**

The "PushActual" file would clear reads with read dates within the last 30 days, and re-send validated reads with read dates within the last 29 days. This permanently deleted any reads with a read date 30 days earlier in MADRAS.

By the end of May 2022, Simply Energy had resolved this issue by changing the existing system parameter for sending reads from 29 days to 30 days. This change was tested before going live, and was not a major change therefore a material change audit was not required.
- Reads were sent based on the read date not the read edit date:**

The "PushActual" file would only select reads if the read date was within the last 30 days, regardless of when the read was entered. Any reads which were entered or updated more than 30 days after the read date would be excluded. Backdated reads may be entered where backdated switches, new connections, or withdrawals occur, when meter accuracy issues are discovered late, or metering paperwork is late.

Simply Energy intends to ensure that all validated readings are sent to DataHub regardless of the read date by adding a DataHub system parameters to store the last date and time that a "PushActual" file was created and updating the "PushActual" file logic to include all readings entered, invalidated, or deleted since the last date and time that a "PushActual" file was created.

Prior to implementation of the change, a material change audit will be completed. A one-off update will be completed prior to moving the change into production to ensure that all readings are up to date for all current ICPs. There will be no changes to meters which have been removed, or ICPs which have switched out.

Start (opening) and end (closing) reads for ICPs which have switched, had meters installed or removed, or been decommissioned will continue to be sent in StartService and EndService files and are not affected

by the issues above or the material change. Only readings from the ICP-meter-register’s second day of supply to the second to last day of supply are affected.

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

**HHR**

No active ICPs have been supplied by SIMP or SELX during the audit period.

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

**Audit commentary**

**NHH readings**

All NHH read and AMI volume data is securely transferred. Compliance for the data transmission process is confirmed for the sample of NHH and AMI readings checked. The issues with the “PushActual” read transfer process are not visible in the MADRAS calculations or when tracing reads from the source files to MADRAS if the expected reads are present, because they had read dates within the last 29 days. By the end of May 2022, Simply Energy had resolved changed their system parameters for sending reads from 29 days to 30 days. This change was tested before going live, and was not a major change therefore a material change audit was not required. A material change is in progress to allow reads to be selected based on the insert date instead of the read date.

**HHR readings**

No active ICPs have been supplied by SIMP or SELX during the audit period.

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

**Audit outcome**

Non-compliant

Non-compliance	Description
Audit Ref: 2.3 With: Clause 20 Schedule 15.2 From: 01-Jan-22 To: 16-Dec-22	<b>SELS</b> Some validated actual readings are not recorded in MADRAS because they are omitted during the data transfer process. Potential impact: Medium Actual impact: Unknown Audit history: None Controls: Moderate Breach risk rating: 4



Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	<p>The controls are rated as moderate. In most cases readings are correctly recorded in MADRAS. The impact is unknown but assessed to be medium because:</p> <ul style="list-style-type: none"> <li>the issue affects all readings on days which are 30 days before the ETL process is run; because the ETL process is usually run weekly, reads are present in MADRAS for most days and the more frequently the process is completed, the higher the risk of missing reads, and</li> <li>the issue will only affect historic estimate calculations if the first and/or last reads within each reconciliation period are missing, excluded reads will not be used to calculate historic estimate and could result in inaccurate apportionment of consumption between reconciliation periods and/or forward estimate which differs from actual consumption being submitted.</li> </ul>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The root cause of the most material issues were addressed via a code change effective 16 May 2022 to the SQL query extracting data from the Datawarehouse.</p> <p>It is expected that the code change detailed in the preventative solutions section will resolve additional issues with correct readings being used to calculate submission information.</p>		<p>Complete</p> <p>31/12/2022</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>A code change to ensure all readings inserted, removed (unvalidated) or updated, are sent to MADRAS regardless of the date has been released via a material change audit in February 2023. This issue is now resolved.</p>		<p>21/02/2023</p>	

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

##### Code reference

Clause 21 Schedule 15.2

##### Code related audit information

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

*The audit trail must include details of information:*

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

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

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

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

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

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

#### **Audit observation**

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

#### **Audit commentary**

Compliance with this clause has been demonstrated by Simply Energy's MEPs and agents.

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

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

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.4*

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

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

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

#### **Audit observation**

I reviewed the current terms and conditions for all brands supplying ICPs under SELS.

#### **Audit commentary**

The current terms and conditions for all brands supplying ICPs under SELS include consent to access for authorised parties for the duration of the contract.

#### **Audit outcome**

Compliant

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

### Code reference

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

### Code related audit information

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

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

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

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

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

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

### Audit observation

I reviewed the current terms and conditions for all brands supplying ICPs under SELS, and discussed processes for where access cannot be obtained.

### Audit commentary

The current terms and conditions for all brands supplying ICPs under SELS include consent to access for authorised parties for the duration of the contract.

Where another party has difficulty arranging access to the metering installation, Simply Energy provides assistance by working with the customer to resolve the issue. There were no issues where access to metering could not be arranged.

### Audit outcome

Compliant

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

### Code reference

Clause 10.35(1)&(2)

### Code related audit information

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

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

- 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 file was examined to confirm compliance. Loss compensation processes were discussed.

#### **Audit commentary**

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

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 11.15B*

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

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

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

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

#### **Audit observation**

I reviewed the current terms and conditions for all brands supplying ICPs under SELS.

#### **Audit commentary**

The current terms and conditions for all brands supplying ICPs under SELS include assignment by the Electricity Authority in the event of retailer default.

#### **Audit outcome**

Compliant

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

### Code reference

Clause 10.32

### Code related audit information

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

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

### Audit observation

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

### Audit commentary

The new connection process contains a step for the Simply Energy customer care team to accept responsibility, and Simply Energy rarely accepts new connections for unmetered load.

Simply Energy obtains the customer and ICP information required to complete the new connection either directly from the customer, or from their white label customer who liaises with the end customer. Simply Energy is also the default retailer for The Embedded Network Company who manage multiple embedded networks. They are nominated for all ICPs created on embedded networks where The Embedded Network Company is the customer for the point of connection. These ICPs often switch out soon after electrical connection as the tenant in the property elects their preferred trader.

Once created by the distributor, the new ICP is added to a workflow, which raises a job for the new connection to be completed. The new connection job template states that certification is required and requests a load bank be taken if the site is not connected. Simply Energy completes MEP nominations when ICPs are moved to 1,12 “inactive - new connection in progress” status.

The workflow is monitored to ensure that the job is completed, and paperwork and meter certification is received. Salesforce, DataHub, the registry, and MADRAS (if NHH settled) are updated, and late paperwork and meter certifications are followed up.

*SELS* I checked five HHR new connections, 16 NHH new connections, and one unmetered new connection for SELS and found that responsibility had been accepted before initial electrical connection, except for 0000051418WE4CB. WEL Network provided an application to Simply Energy and created ICP 0000051418WE4CB on 5 October 2021 advising that the load for a WEL repeater station was historical, and they had recently discovered that there was no ICP or registry record.

The audit compliance report recorded three active ICPs where the metering category was null, zero or 9 and no unmetered load was recorded. All were timing differences and the MEP populated metering details after the report was run.

*SELX* No new connections were completed, and no active ICPs were supplied.

*SIMP* No new connections were completed, and no active ICPs were supplied.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.9 With: Clause 10.32  From: 05-Oct-21 To: 26-Jan-22	<b>SELS</b> Responsibility was not accepted before 0000051418WE4CB was connected on 5 October 2021.  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Strong  Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	Simply Energy's controls are strong, the issue occurred because WEL Networks had not advised of the historical connection. The impact is assessed to be low, and submission data has been provided since the connection date advised by WEL Networks.		
Actions taken to resolve the issue		Completion date	Remedial action status
Late update was required as unfortunately, due to human error this ICP was not actioned when we were first alerted to it. Our catch up meetings twice a week ensures that this does not reoccur		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have identified more resource is needed in this space and as a result, we are proactively training another member of the team to assist in this space which will ensure better data quality - Operations Team Lead is also acting as Quality Control		01/07/2023	

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

### Code reference

Clause 10.33(1)

### Code related audit information

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

- for a point of connection to the grid – the grid owner has approved the connection,
- for an NSP that is not a point of connection to the grid - the relevant distributor has approved the connection.
- for a point of connection that is an ICP, but is not as NSP:
- the reconciliation participant is recorded in the registry as the trader responsible for the ICP,
- if the ICP has metered load, one or more certified metering installations are in place,

- *if the ICP has not previously been electrically connected, the relevant distributor has given written approval of the temporary electrical connection.*

#### Audit observation

The new connection process was examined in detail.

#### Audit commentary

If a temporary electrical connection is required, Simply Energy will ensure that the ICP is claimed at 1,12 “inactive - new connection in progress” status so that they are recorded as responsible for the ICP in the registry.

No temporary electrical connections were identified, all meters were certified on or after the initial electrical connection date.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 10.33A(1)*

#### Code related audit information

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

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

#### Audit observation

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

#### Audit commentary

##### Active ICPs without metering

**SELS** The audit compliance report recorded three active ICPs where the metering category was null, zero or 9 and no unmetered load was recorded. All were timing differences and the MEP populated metering details after the report was run.

**SELX** No active ICPs were supplied.

**SIMP** No active ICPs were supplied.

## Connections

Simply Energy usually claims ICPs at 1,12 “inactive - new connection in progress” status which helps to ensure that the trader is recorded on the registry if an ICP is temporarily electrically connected. Ensuring that meter certification is completed is part of the Salesforce cases raised for each new connection.

When ICPs are reconnected, the meter certification expiry date is checked before the reconnection request is sent to the MEP. If certification is expired a note is added to the reconnection request.

Registry RSP alerts are monitored to identify any ICPs with expired meter certification. Any new ICPs appearing on the list are identified every two days and followed up with the MEP. In most cases the MEP advises Simply Energy that they are aware of the affected ICPs and working to gain certification.

*SELS* The audit compliance report recorded six ICPs which did not have meters certified within five business days of initial electrical connection. Four ICPs did not have genuine late meter certification; one was unmetered and three were certified on the initial electrical connection date but the MEP updated the certification details on the registry late. The other two ICPs were certified five to seven business days after initial electrical connection because the meter was installed before livening and the MEP returned to the site later to complete certification.

One ICP had expired meter certification at the time of reconnection (14 February 2022). A note was added to the reconnection request and the meter was replaced and certified on 3 March 2022.

*SELX* No new connections or reconnections were completed and no active ICPs were supplied.

*SIMP* No new connections or reconnections were completed and no active ICPs were supplied.

## Bridged meters

One meter was bridged during the audit period and was recertified on unbridging.

## Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.11 With: Clause 10.33A  From: 01-Apr-21 To: 03-Dec-21	<b>SELS</b> Two new connections were not certified within five business days of the initial electrical connection date.  One reconnection was not certified within five business days.  Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1



Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong as there are processes in place to monitor certification for existing ICPs and follow up missing or expired certification for ICPs which are connected or reconnected.</p> <p>The audit risk is low as only three ICPs were affected during the audit period.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We cannot correct historic timeliness of these updates		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>We have identified more resource is needed in this space and as a result, we are proactively training another member of the team to assist in this space which will ensure better data quality - Operations Team Lead is also acting as Quality Control</p> <p>We are also working with our system administrator to improve our current process in Salesforce to assist with timing and actions and to provide the Operations Team Leader visibility to assist and/or add resource where required</p>		<p>01/07/2023</p> <p>01/10/2023</p>	

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

### Code reference

Clause 11.16

### Code related audit information

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

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

### Audit observation

The process to ensure an arrangement is in place before trading commences on a network was examined. The registry lists were reviewed to identify any new networks that Simply Energy began trading on during the audit period.

### Audit commentary

Networks must be recorded in SalesForce before ICPs can be assigned to them. Previous audits confirmed that there were agreements or arrangements in place with all networks Simply Energy traded on prior to the audit period.

Simply Energy began trading on the SMRT network during the audit period, and an arrangement is 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 process to ensure an arrangement is in place with the MEP before an ICP can be created or switched in was checked. The registry lists were reviewed to identify any new MEPs that Simply Energy began trading on during the audit period.

#### Audit commentary

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

Previous audits confirmed that there were agreements or arrangements in place with all MEPs Simply Energy used prior to the audit period. Simply Energy did not begin using any new MEPs during the audit period.

## Audit outcome

Compliant

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

#### Code reference

Clause 10.33B

#### Code related audit information

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

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

#### Audit observation

The process for reconnecting ICPs in the process of switching in was examined. Traders are only able to update ICP status for event dates where they are responsible for the ICP on the registry.

#### Audit commentary

If an ICP was reconnected as part of the switching process and the switch was later withdrawn, Simply Energy would restore the disconnection and reimburse the losing trader for any direct costs incurred if requested. Simply Energy normally waits for ICPs to switch in before completing a reconnection.

*SELS* None of the ICPs which switched in during the audit period were reconnected as part of the switch in process.

*SELX* No reconnections were completed.

*SIMP* No reconnections were completed.

#### **Audit outcome**

Compliant

### 2.15. Electrical disconnection of ICPs (Clause 10.33B)

#### **Code reference**

*Clause 10.33B*

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

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

#### **Audit observation**

The disconnection process was examined. Traders are only able to update ICP status for event dates where they are responsible for the ICP on the registry.

#### **Audit commentary**

Simply Energy checks that they are listed as the current trader in the registry before initiating a disconnection.

#### **Audit outcome**

Compliant

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

#### **Code reference**

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

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

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

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

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

- *ensure personal are qualified to remove the seal and perform the permitted work and they replace the seal in accordance with the Code,*
- *replace the seal with its own seal,*

- *have a process for tracing the new seal to the personnel,*
- *update the registry (if the profile code has changed)*
- *notify the metering equipment provider.*

#### **Audit observation**

Policies and processes for removal and breakage of seals were reviewed. A sample of disconnections, reconnections, additions of export metering, and bridged meters were checked for compliance.

#### **Audit commentary**

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

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

Field services activities are managed using Salesforce cases. These cases are assigned to team members, and can easily be reassigned if they are absent. Next actions and next action dates are set for each case. Once Simply Energy receives work completion paperwork it is used to confirm the correct ICP attributes including status and profile, and update Salesforce, MADRAS, and the registry.

Most disconnections and reconnections are completed remotely, and any metering changes or addition of distributed generation is completed by the MEP. Wells completes any on-site disconnections and reconnections.

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

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.33C and 2A of Schedule 15.2*

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

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

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

*If the trader bridges a meter, the trader must:*

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

*The trader must determine meter readings as follows:*

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

#### **Audit observation**

The process for bridging meters was discussed.

#### **Audit commentary**

Simply Energy's policy is to never bridge meters.

ICP 0000012112WEA2A was remotely disconnected on 28 September 2019 and reconnected on 11 October 2019. The reconnection paperwork did not indicate that the meter was bridged for reconnection. The zero consumption caused by bridging was not identified through Simply Energy's zero consumption checks initially, and over time zero consumption was accepted as normal for the ICP.

The ICP switched from SELX to SELS on 1 April 2021, and the white label customer queried the ICP having zero consumption between readings on 18 May 2022. A site visit was arranged the same day which confirmed that the meter was bridged, and AMS unbridged the meter. Simply Energy calculated the unquantified consumption using an appropriate daily average consumption once the meter was eventually unbridged and identified a total consumption volume of 27,339 kWh across both meter registers. Simply Energy applied the full consumption volume across the consumption periods between April 2021 and May 2022 to ensure all volume was accounted for within the available revision window. The ICP switched from SELS to CTCS on 1 November 2022.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 11.30*

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

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

#### **Audit observation**

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

#### **Audit commentary**

All active ICPs are supplied by the SELS participant code.

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

#### **Audit outcome**

Compliant

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

### Code reference

Clause 11.30A

### Code related audit information

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

- on their website
- when responding to queries from consumers
- in directed outbound communications to consumers about electricity services and bills.

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

### Audit observation

The process to ensure that information on Utilities Disputes is provided to customers was discussed. I checked whether clear and prominent information on Utilities Disputes is displayed on the website, invoices, in response to customer queries, and in terms and conditions, for all brands supplying ICPs under SELS.

### Audit commentary

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

The following exceptions were identified:

- Compass Communications and Plains Power do not include information on Utilities Disputes in their voice recordings when calls are answered. Information on Utilities Disputes is provided verbally.
- Simply Energy includes information on Utilities Disputes in their voice recordings when calls are answered, but this is provided on the main message after customers are given number options to direct their call, so some customers may not listen for long enough to hear the message.

I repeat last year's recommendation:

Description	Recommendation	Audited party comment	Remedial action
Consistent information on Utilities Disputes for inbound calls	<p>Add Utilities Disputes information to recordings for inbound calls for Compass Communications and Plains Power to ensure this information is consistently provided for all inbound calls.</p> <p>Move the Utilities Disputes message to an earlier portion of the IVR messaging so that all callers hear the message.</p>	The Utilities Dispute message has been moved to the start of the recording for Simply Energy customer calls. Customer Service reps for Compass advise all customers of Utilities Disputes when answering calls.	Identified

### Audit outcome

Compliant

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

### Code reference

Clause 11.30B

### Code related audit information

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

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

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

### Audit observation

The process to ensure that information on Powerswitch is provided to customers with residential ANZSIC codes was discussed. I checked whether clear and prominent information on Powerswitch is displayed on the website, in response to customer queries, and in terms and conditions, for all brands supplying residential ICPs under SELS.

### Audit commentary

I confirmed that information on Powerswitch is provided for all brands supplying ICPs with residential ANZSIC codes under the SELS code.

### 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 Simply Energy. The process is detailed in **section 2.9**.

##### Audit outcome

Compliant

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

##### Code reference

Clause 11.7(2)

##### Code related audit information

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



### Audit observation

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

### Audit commentary

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

### Audit outcome

Compliant

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

### Code reference

Clause 10 Schedule 11.1

### Code related audit information

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

### Audit observation

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

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

### Audit commentary

#### Updates to active status

The timeliness of status updates to active (for reconnections) is set out on the table below. No SIMP or SELX ICPs were reconnected during the audit period.

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SELS	2020	1	75%	5.33
	Mar 2021	3	88.89%	4.85
	Dec 2021	16	61.90%	17.74
	<b>Oct 2022</b>	<b>4</b>	<b>88.24%</b>	<b>4.12</b>
SIMP	2015	13	92%	2.6
	2016	65	32%	30.27
	2017	29	59%	7
	2018	14	88%	4

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
	2019	7	68%	8
	2020	16	60%	14.75
	Mar 2021	-	100%	0.50
	Dec 2021	2	0%	16
	<b>Oct 2022</b>	-	-	-
SELX	2018	2	100%	4
	2019	14	88%	2
	2020	2	86.7%	12
	Mar 2021	2	50.00%	89.50
	Dec 2021	-	-	-
	<b>Oct 2022</b>	-	-	-

All four of SELS' late reconnections were processed 17-26 business days after the event date because of delays in confirming that the ICPs had been reconnected, withdrawals needing to be completed before the reconnection could be processed, or delays in processing the change once paperwork was received. The reconnections were processed accurately.

#### Updates to inactive status

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

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SELS	2019	-	-	-
	2020	1	0%	51
	Mar 2021	<b>9</b>	<b>75.00%</b>	<b>7.56</b>
	Dec 2021	21	66.67%	24.22
	<b>Oct 2022</b>	<b>10</b>	<b>90.29%</b>	<b>6.35</b>
SIMP	2019	67	52.7%	9.57
	2020	36	68.14%	29.84
	Mar 2021	46	48.31%	10.06
	Dec 2021	9	0%	240.336

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
	<b>Oct 2022</b>	<b>2</b>	<b>33.33%</b>	<b>25</b>
SELX	2019	21	16%	34
	2020	2	86.67%	12
	Mar 2021	<b>2</b>	<b>50.00%</b>	<b>77.5</b>
	Dec 2021	-	-	-
	<b>Oct 2022</b>	-	-	-

For SELX, three of the late updates were within 30 business days of the event date, seven were within 60 business days, and all were within 229 days. I checked all the late updates and found they were caused by:

- late information from other parties confirming the disconnection date,
- corrections where incorrect data was identified during data validation,
- delays in processing received paperwork, which largely occurred early in the audit period, and
- one instance where paperwork was accidentally moved to an archive inbox before being processed, when it is normally moved after processing; now only the team leader moves paperwork to the archive folder.

For SIMP, two ICPs moved from 1,4 “electrically disconnected vacant property” to 1,6 “electrically disconnected ready for decommissioning” 38 business days after the event date due to a delay in processing paperwork received from the distributor during a period of high workloads.

The disconnections were processed accurately.

### Trader updates

The timeliness of trader updates is set out on the table below. No trader updates were completed by SIMP or SELX during the audit period.

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SELS	2020	1	90.00%	2
	Mar 2021	<b>15</b>	<b>67.39%</b>	<b>6.30</b>
	Dec 2021	46	68.06%	19.91
	<b>Oct 2022</b>	<b>38</b>	<b>93.09%</b>	<b>4.06</b>
SIMP	2020	141	91.03%	2.47
	Mar 2021	18	72.73%	7.23
	Dec 2021	-	-	-
	<b>Oct 2022</b>	-	-	-

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SELX	2020	4	96.26%	2.28
	Mar 2021	1	83.33%	1.17
	Dec 2021	1	0%	24
	<b>Oct 2022</b>	-	-	-

For SELS, seven of the late updates were within ten business days of the event date, 29 were within 30 business days, and 36 were within 60 business days. The latest update was 123 business days after the event date. An extreme case sample of the five latest (or all late updates) for each update type were reviewed. I found the late updates were caused by:

- late information from other parties such as meter changes and AMI flags updated by MEPs, and delayed notification of new connections by networks,
- corrections following identification of ANZSIC code discrepancies,
- the MEP nomination step was missed when requesting a meter change, because the staff member did not notice that the MEP was changing as well as the meter; Simply Energy plans to develop a case checklist for metering changes which will stop workflows from progressing if an MEP nomination is required but has not been completed, and
- a profile change step was missed when processing a meter change, particularly where import export metering is installed for distributed generation ICPs; further training will be provided to staff to reduce recurrence of this issue.

The trader updates contained the correct attributes.

#### **ANZSIC code updates**

The code requires the trader to update the ANZSIC code within 20 business days of trading at the ICP commencing. No trader updates were completed by SIMP or SELX during the audit period. All of the late updates for SELS were caused by backdated switches, switch withdrawals or new connections.

Code	Review period end	Number of ANZSIC code updates made more than 20 business days after trading commenced
SELS	2020	1
	Mar 2021	10
	Dec 2021	20
	<b>Oct 2022</b>	<b>14</b>
SIMP	2020	14
	Mar 2021	57
	Dec 2021	-
	<b>Oct 2022</b>	-

Code	Review period end	Number of ANZSIC code updates made more than 20 business days after trading commenced
SELX	2020	2
	Mar 2021	18
	Dec 2021	-
	<b>Oct 2022</b>	-

### Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.3</p> <p>With: Clause 10 Schedule 11.1</p> <p>From: 01-Jan-22</p> <p>To: 06-Oct-22</p>	<p><b>SIMP</b></p> <ul style="list-style-type: none"> <li>Two late updates to inactive status.</li> </ul> <p><b>SELS</b></p> <ul style="list-style-type: none"> <li>Four late updates to active status for reconnections.</li> <li>Ten late updates to inactive status.</li> <li>38 late trader updates.</li> <li>14 late ANZSIC code updates.</li> </ul> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are rated as strong, due to the very high proportion of updates made on time. Almost all late updates caused by delays in Simply Energy processing the change occurred early in the period, and most of the late updates were caused by delays in receiving or confirming event attributes.</p> <p>The audit risk rating is assessed to be low as the overall volume of backdated events was small.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Late updates cannot be corrected. NB Meetings were held immediately after the Audit to ensure that Data Quality and timeliness was a daily priority. Process refreshers were also provided to all team members.		N/A	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
We have identified more resource is needed in this space and as a result, we are proactively training another member of the team to assist in this space which will ensure better data quality - Operations Team Lead is also acting as Quality Control.	01/07/2023	
We are also working with our system administrator to improve our current process in Salesforce to assist with timing and actions and to provide the Operations Team Leader visibility to assist and/or add resource where required.	01/10/2023	

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

#### Code reference

*Clause 11.18*

#### Code related audit information

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

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

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

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

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

#### Audit observation

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

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

#### Audit commentary

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

Simply Energy creates MEP nominations for all MEPs when the ICP moves to 1,12 “inactive - new connection in progress” status, or when a field services job is issued. MN responses received from the registry are manually reviewed and actioned, and Salesforce cases are raised to monitor meter and MEP changes in progress.

**SELS** The audit compliance report recorded three active ICPs where the metering category was null, zero or 9 and no unmetered load was recorded. All were timing differences and the MEP populated metering details after the report was run. No active metered ICPs had a blank MEP.

All of the 133 MEP nominations made during the audit period were accepted by the MEP. All MEP nominations for new connections were accepted within 14 business days.

**SIMP** SIMP has not supplied any active ICPs or issued any MEP nominations during the audit period.

**SELX** SELX has not supplied any active ICPs or issued any MEP nominations during the audit period.

### **ICP decommissioning**

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

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

**SELS** I checked a diverse sample of five ICPs decommissioned during the audit period. Final readings were obtained, and the MEP was notified.

**SIMP** Three ICPs were decommissioned during the audit period. All had inactive status prior to the start of the audit period.

**SELX** No ICPs were decommissioned during the audit period.

### **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 five business days of trading (clause 9(2)).

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

#### Audit observation

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

#### Audit commentary

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

#### Timeliness of status updates

The timeliness of status updates to active (for new connections) is set out in the table below. No new connections occurred for SIMP or SELX.

Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
SELS	2020	2	33.33%	16.67
	Mar 2021	27	65.38%	9.55
	Dec 2021	118	16.31%	26.93
	<b>Oct 2022</b>	25	65.28%	9.58
SIMP	2015	26	75%	6.9
	2016	22	41%	30.8
	2017	25	83%	5
	2018	21	86%	4
	2019	46	73%	5
	2020	90	74.06%	4.91
	Mar 2021	40	64.60%	18.43
	Dec 2021	10	0%	230.70
	<b>Oct 2022</b>	-	-	-
SELX	2017	-	100%	-
	2018	1	50%	9



Code	Review period end	ICPs notified greater than 5 days	Percentage on time	Average Business Days between Status Event and Status Input Dates
	2019	1	50%	7.5
	2020	5	54.55%	15.45
	Mar 2021	18	0.00%	40.50
	Dec 2021	-	-	-
	<b>Oct 2022</b>	-	-	-

The previous audit found that there were delays in processing status updates for new connections due to resource constraints. There has been a marked improvement in compliance during the audit period from 16.31% to 65.28% on time, and all late updates over 35 business days occurred in February 2022 or earlier. Timeliness increased later in the audit period.

I checked the 25 late updates recorded for SELS. Five of the late updates were within ten business days of the event date, 19 were within 20 business days of the event date and all were within 80 business days of the event date. I checked the ten latest updates and six other late updates under 15 business days after the event date, including all late updates for HHR and unmetered ICPs:

- ten were delayed due to late notification from The Embedded Network Company,
- three were accidentally claimed under an incorrect trader code and needed to be reversed and re-claimed using the correct code,
- two were late notifications of connection by the network or MEP, and
- one was a correction to the first active date found as part of Simply Energy’s validation process.

MEP nominations are normally made when new ICPs are claimed at 1,12 “inactive - new connection in progress” status. Where the update to 1,12 status is made after the ICP is initially electrically connected, the MEP nomination will also be late. 15 of the 25 ICPs with late updates were not claimed at 1,12 status prior to initial electrical connection. All of the affected ICPs were made “ready” by the network by the initial electrical connection date. I checked as sample of ten and found that there was a delay in claiming the ICPs and making an MEP nomination because of late notification that the new connection had progressed by the distributor.

#### **Accuracy of status updates**

The accuracy of new connection information was examined using the AC020 audit compliance report.

**SELS** There were no ICPs with initial electrical connection dates which had not been made “active”.

The AC020 report recorded 47 ICPs where there were differences between the earliest active status date and distributor’s initial electrical connection date (IECD) and/or meter certification date (MCD). I found that either Simply Energy’s date was correct, or there was a timing difference and the IECD and/or MCD were updated to match the active status date after the report was run.

The audit compliance report recorded three active ICPs where the metering category was null, zero or 9 and no unmetered load was recorded. All were timing differences and the MEP populated metering details after the report was run.

**SELX** SELX did not complete any new connections or supply any active ICPs.

*SIMP* SIMP did not complete any new connections or supply any active ICPs.

**ANZSIC code updates**

The code requires the trader to update the ANZSIC code within 20 business days of trading at the ICP commencing. As discussed in **section 3.3**, 14 late updates were identified for SELS. All of the late updates were caused by backdated switches, switch withdrawals, or new connections.

**Audit outcome**

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.5</p> <p>With: Clause 9 Schedule 11.1</p> <p>From: 17-Jan-22</p> <p>To: 13-Jul-22</p>	<p><b>SELS</b></p> <ul style="list-style-type: none"> <li>• 25 late status updates for new connections.</li> <li>• 15 late MEP nominations for new connections.</li> <li>• 14 late initial ANZSIC code updates.</li> </ul> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<p><b>Low</b></p>	<p>The controls are rated as moderate, the controls in place will mitigate risk to an acceptable level.</p> <p>The audit risk rating is low as the controls in place ensure that ICPs are made active as soon as possible, and discrepancy reporting ensures any mismatches are corrected as soon as possible. Revised submission data is provided through the wash up process.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Late updates cannot be corrected. We continue to review the ANZSIC codes of ICPs that we switch in from other traders to get them as accurate as possible, which includes periodic reviews of all ICPs. Sometimes this will mean we update an ANZSIC code weeks after switching an ICP where we believe the coding can be improved - as discussed with auditor we are prioritising accuracy over timeliness.</p>		<p>N/A</p>	<p>Identified</p>

Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We have identified more resource is needed in this space and as a result, we are proactively training another member of the team to assist in this space which will ensure better data quality - Operations Team Lead is also acting as Quality Control.</p> <p>Monthly reports are sent to Operations where the ANZSIC code requires further investigation for existing ICP's - Operations works closely with our customer care team to provide the correct codes and we update Registry as soon as we have an improved code confirmed.</p>	<p>01/07/2023</p> <p>Ongoing</p>	

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

#### Code reference

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

#### Code related audit information

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

#### Audit observation

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

#### Audit commentary

ANZSIC codes are validated on switch in. Account Managers advise the switching team if they believe the customer's existing ANZSIC code is incorrect and should be updated.

The Salesforce Dashboard reports ICPs which have T9 series ANZSIC codes and ICPs with landlord L671 codes, which are reviewed and updated monthly. The Head of Pricing and Risk creates a monthly report which compares the end consumer name and address to the ANZSIC code for reasonableness, and identifies any unusual codes for investigation and/or correction.

Simply Energy is considering adding more data fields to Emersion to improve validation of ANZSIC codes for white label customers.

**SELS** No active ICPs have blank or unknown ANZSIC codes, and no ICPs with metering category two or higher have residential ANZSIC codes.

I checked assigned ANZSIC codes against registry property information and Google Maps images for a sample of 30 ICPs assigned to the ten most frequently applied ANZSIC codes. Where the codes could not be validated further information on the customer industry was provided by Simply Energy. All of the codes were correctly assigned.

**SIMP** No active ICPs were supplied during the audit period.

**SELX** No active ICPs were supplied during the audit period.

#### Audit outcome

Compliant

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

#### Code reference

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

#### Code related audit information

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

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

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

#### Audit observation

The processes to manage unmetered load was examined. The audit compliance report and registry were examined to identify any ICPs where:

- unmetered load is identified by the distributor, but none is recorded by Simply Energy, and
- Simply Energy's daily unmetered kWh does not match with the distributor's unmetered load kWh within  $\pm 0.1$  kWh per day, where the distributor is using the Authority's recommended format for their unmetered load details.

#### Audit commentary

The Salesforce Dashboard reports any unmetered load on metered ICPs. These ICPs are reviewed monthly to ensure that all unmetered load is recorded and reconciled.

Each ICP with unmetered load has a dummy meter register to capture the volumes for submissions. Month end readings are calculated from the registry daily kWh values and are recorded for each meter register on business day one of the following month. The readings are calculated as the previous reading + daily unmetered kWh x active days between readings. Validation occurs to ensure that any new ICPs, changes to daily unmetered kWh, status changes, and switches out are accounted for when determining the unmetered readings. Unmetered load is calculated and recorded to three decimal places. The calculated readings are imported into Salesforce, and then transferred to DataHub, and then MADRAS.

**SELS** SELS supplies one active ICP with unmetered load connected, ICP 0000514131NR159. The unmetered flag is set to yes, and daily unmetered kWh recorded by SELS is consistent with the distributor's unmetered load details.

There are a further three inactive ICPs for mobile medical clinics which have unmetered load recorded. All have unmetered load details recorded by the distributor, but the details do not record wattages or on hours for the expected load.

Month end reading were not consistently applied resulting in some incorrect volumes being reported for these UML ICPs. Non-compliance is recorded in **sections 2.1, 12.2 and 12.7**.

The audit compliance report recorded three active ICPs where the metering category was null, zero or 9 and no unmetered load was recorded. All were timing differences and the MEP populated metering details after the report was run.

There are no active ICPs with missing trader daily unmetered kWh, incorrect unmetered flags, or unmetered builder's temporary supplies.

**SIMP** No active ICPs were supplied during the audit period.

**SELX** No active ICPs were supplied during the audit period.

## Audit outcome

Compliant

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

#### Code reference

Clause 17 Schedule 11.1

#### Code related audit information

The ICP status of “active” is 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 new connection processes were examined in detail as discussed in **sections 2.9** and **3.5**. The reconnection process was examined, and compliance was determined using the audit compliance report, event detail report and registry lists with history.

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

#### Audit commentary

Simply Energy changes the status of an ICP to “active” once confirmation has been received from a contractor. The status is then updated on the registry using the web interface. Reconnections are managed using Salesforce cases. These cases are assigned to team members, and can easily be reassigned if they are absent. Next actions and next action dates are set for each case.

Before being given an “active” status the trader is required to ensure that the ICP has only one customer, embedded generator, or direct purchaser; and that the electricity consumed is quantified by a metering installation(s) or other Authority approved method of calculation. Salesforce will not allow an ICP to become “active” without either a meter or a dummy meter (for unmetered load), but will allow more than one customer in certain circumstances.

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

#### SELS ICPs with more than one customer

SELS supplied three ICPs with more than one customer for part of the audit period, which all switched to CTCS from 1 December 2022. The affected ICPs have metering installations attached to airline gates at Auckland and Christchurch international airports. The airport provided gate usage dates and times which were matched to the meter data so that the appropriate customer can be billed.

New connections

The accuracy of new connection status updates was assessed in **section 3.5**.

The AC020 report recorded 47 ICPs where there were differences between the earliest active status date and distributor’s initial electrical connection date (IECD) and/or meter certification date (MCD). I found that either Simply Energy’s date was correct, or there was a timing difference and the IECD and/or MCD were updated to match the active status date after the report was run.

No SELS ICPs have been at 1,12 “inactive - new connection in progress” status for more than two years. There were no ICPs with initial electrical connection dates which had not been made active.

Reconnections

A sample of ten reconnection updates were confirmed to be correct.

*SIMP* ICPs with more than one customer

No ICPs have more than one customer.

New connections

ICP 0000002033TCCEC had been at 1,12 “inactive - new connection in progress” status since 24 September 2020, and was confirmed to no longer be required and was decommissioned during the audit.

Reconnections

No reconnections were made and no active ICPs were supplied during the audit period.

*SELX* ICPs with more than one customer

No ICPs have more than one customer.

New connections

No ICPs are at 1,12 “inactive - new connection in progress”.

Reconnections

No reconnections were made and no active ICPs were supplied during the audit period.

**Audit outcome**

Non-compliant

Non-compliance	Description
Audit Ref: 3.8 With: Clause 17 Schedule 11.1  From: 01-Jan-22 To: 30-Nov-22	<b>SELS</b> Three SELS ICPs had more than one active customer and switched out effective 1 December 2022. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are moderate, and a solution is being developed to allow one customer to be recorded for these types of ICPs. The issue has been cleared for Simply Energy because the ICPs have switched to CTCS.</p> <p>The impact is low because three ICPs are affected and the airport is treated as the overarching customer in each case, which allows Simply Energy to liaise with one party in the event of maintenance or an outage for the ICP.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Issue has been cleared.		1/12/2022	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
No further action required here.		N/A	

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

#### Code reference

Clause 19 Schedule 11.1

#### Code related audit information

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

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

#### Audit observation

The disconnection process was examined using the audit compliance report, event detail report and registry lists with history. The timeliness of data for disconnections is assessed in **section 3.3**, and a sample of updates were checked for accuracy.

#### Audit commentary

##### Management of inactive status

Simply Energy changes the status of an ICP to “inactive” once confirmation has been received from a contractor. The status is then updated on the registry using the web interface. Disconnections are managed using Salesforce cases. These cases are assigned to team members, and can easily be reassigned if they are absent. Next actions and next action dates are set for each case.

**SELS** Review of a sample of at least five (or all) inactive status updates per status reason code confirmed that the correct statuses and dates were applied for the records checked. No SELS ICPs have been at 1,12 “inactive new connection in progress” status for more than two years.

Five ICPs are at 1,7 “electrically disconnected remotely by AMI meter” status with the current AMI flag set to no. All five had their AMI flag set to yes at the time of disconnection, before the audit period began.

*SIMP* SIMP completed three updates from one inactive status to another “1,12 inactive new connection in progress” or 1,4 “inactive vacant” to 1,6 “inactive ready for decommissioning”. The updates were accurately processed.

*SELX* SELX did not complete any inactive status updates.

### ICPs with inactive consumption

Meters are no longer end dated in DataHub when ICPs are disconnected. Simply Energy requests that WELLS stop manually reading meters once they become disconnected, but do not routinely ask the MEPs to stop reading ICPs. I note that reads are often unable to be obtained by the MEPs where the meter has been physically disconnected at the fuse point. This inconsistent approach to meter reading of inactive ICPs means that some consumption occurring at inactive ICPs is not being detected or investigated. I recommend that Simply Energy standardises the process for meter reading of inactive ICPs across all inactive ICPs.

Description	Recommendation	Audited party comment	Remedial action
Meter reading attainment for inactive ICPs	Simply Energy to standardise the meter read attainment process for all inactive ICPs to ensure all inactive consumption can be detected and resolved within the available revision window.	A process change has been agreed whereby we will not instruct WELLS to stop reading ICPs that are made inactive, and we will instruct WELLS to read all inactive ICPs not already on a reading schedule. This will ensure inactive consumption can be identified and actioned quickly for our legacy, or non-communicating AMI ICPs. For TOU/AMI communicating ICPs, we assume that data will be provided by the MEPs where usage is detected, however we will validate this assumption with each MEP in time.	Identified

Simply Energy has implemented new inactive consumption report from October 2022. Currently the threshold applied within this report has been set to 10 kWh to try and eliminate potential false positives. However, the application of a threshold greater than 1 kWh means that some exceptions are not investigated and resolved. I recommend that Simply Energy review the threshold applied to the inactive consumption report and focus on resolving the largest discrepancies first.

Description	Recommendation	Audited party comment	Remedial action
Inactive Consumption threshold	Simply Energy review the current threshold of 10 kWh applied to the inactive consumption report to ensure all relevant exceptions are identified by this report and all genuine consumption is then included in the submission process. The largest discrepancies should be	The inactive consumption monitoring process now has a threshold of 0kWh which means all usage will be checked.	Identified



Description	Recommendation	Audited party comment	Remedial action
	prioritised for investigation and resolution.		

A list of nine ICPs with inactive consumption was provided by Simply Energy and this was reviewed and found that:

- two ICPs were converted to gateway (LE) ICPs for embedded networks; the consumption detected is not considered to be genuine,
- one ICP had consumption outside Simply Energy's period of supply and is not considered genuine,
- 0000163513CKD27 was a new connection where another meter for this development was incorrectly assigned to this ICP and consumption was recorded while this ICP status was 1,12; consumption was submitted against the correct ICP for the affected period,
- two ICPs (1001280350TC294, 1001280352TC211) where the disconnection reading was deleted in error resulting in consumption being incorrectly recorded during the inactive period; the missing disconnection reads have been reinserted, and revised submission information will be washed up,
- two ICPs (1001280400TC59E, 0000016950EAAE1) were reconnected by another trader the day before the switch event date; Simply Energy is working with the other traders to correct the switch transfer date to align with the reconnection date, and
- ICP 0000005028CB2A0 – (341 kWh) had genuine consumption detected and Simply Energy has now updated the status on the registry. Revised submission information will be washed up.

#### Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 3.9</p> <p>With: Clause 19 Schedule 11.1</p> <p>From: 17-Oct-22</p> <p>To: 15-Dec-22</p>	<p>Two ICPs (1001280350TC294, 1001280352TC211) where the disconnection reading was deleted in error resulting in a total of 24 kWh of consumption being incorrectly recorded during the inactive period.</p> <p>ICP 0000005028CB2A0 – (341 kWh) had genuine consumption detected but the registry status was inactive.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>
Audit risk rating	Rationale for audit risk rating
<b>Low</b>	<p>The controls have improved during the audit period with regular monitoring occurring to check status dates are applied correctly being reinstated. Controls are rated as moderate, as the report threshold means not all exceptions are identified and not all inactive ICPs are being read to enable inactive consumption to be detected.</p> <p>The number of ICPs affected and volume that was under reported was small, therefore the audit risk rating is low.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
Corrected and actioned. In addition, any reviewed inactive ICP's where consumption is detected are actioned on the day once Operations is notified	13/12/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We have identified more resource is needed in this space and as a result, we are proactively training another member of the team to assist in this space which will ensure better data quality - Operations Team Lead is also acting as Quality Control.</p> <p>A task has been added to the regular monthly compliance schedule to ensure all inactive ICPs are reviewed to ensure there is no consumption. ICPs inactive will remain on Meter Reader Schedules.</p>	<p>01/07/2023</p> <p>Ongoing</p>	

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

#### Code reference

Clause 15 Schedule 11.1

#### Code related audit information

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

#### Audit observation

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

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

#### Audit commentary

New connections in progress are monitored using Salesforce workflows, and cases remain open until the connection is complete.

The Salesforce Dashboard reports ICPs with 1,12 "inactive new connection in progress" status, including their initial electrical connection dates and MEP details if populated on the registry. This report is reviewed daily, and any ICPs with initial electrical connection dates or meter certification details are checked and updated to "active" status once the correct connection date is confirmed. The report is also used to track MEP nominations.

ICPs at "new" and "ready" status on the registry are checked against Salesforce weekly to make sure they have been added, and if no application has been received, they are followed up with the distributor.

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

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

*SELS* One ICP is at “ready” status, and has been at the status since 13 January 2022.

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

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

### **Audit outcome**

Compliant

## 4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

SIMP and SELX did not supply any active ICPs during the audit period. No ICPs switched in for either code, but two SELX ICPs switched out.

1,485 SELS ICPs switched out during the audit period, with the majority moving to the CTCS code which is also managed by Simply Energy. All switching activity was for NHH ICPs, there were no incoming or outgoing HH switches.

### 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 Simply Energy deem all conditions to be met. A sample of NTs were checked to confirm that these were notified to the registry within two business days, and that the correct switch type was selected.

#### Audit commentary

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

Customer, ICP, billing, pricing, and switch information, including whether the customer is transferring between retailers at an address or moving into the address is loaded into Emersion on application. The information is checked in Emersion to ensure that the correct trader code is selected and then "initiate switch" is selected to transfer the information to Salesforce (including the metering category, multiplier flag, unmetered flag, and submission type flag). Where large groups of ICPs are required to be switched at one time, Simply Energy loads the batch of ICPs directly into Salesforce and arranges for Emersion to load the ICPs over the next two to three days to prevent late initiation of NT files.

Once the data is transferred from Emersion to Salesforce it is validated to check that the switch date, switch type, metering category, trader code and profile are consistent, and an NT is generated if validation is passed. Switch type is selected based on the metering category and the proposed switch type set in Emersion. ICPs with a metering category of 3, 4 or 5 are set to HH, and ICPs with metering category of 1 or 2 are set to switch move if the customer is moving in, or TR if the customer is transferring between retailers at their existing address. Salesforce will automatically hold future dated NTs until they are within three days of the proposed switch event date, and exceptions are generated for unmetered load switches so that they can be checked and processed manually.

NT files generated in Salesforce are pushed to the registry using a SQL script each hour during business hours. Once the NT is generated the Salesforce workflow will be updated to “switch requested”. Switch gain exceptions are generated for review by the Operations Team where an NT failure is notified by the registry, or the transfer switch gain date is earlier than the NT sent date.

**SELS** 97 transfer switch NTs were issued. I checked the metering category for the 82 transfer switch ICPs where this information was available on the registry list with history or meter event details report, and found none had metering categories of three or above.

I checked a sample of five NTs and found the switch type was correct and the NT was sent within two business days of pre-conditions being cleared.

**SIMP** No transfer switch NT files were issued.

**SELX** No transfer switch NT files were issued.

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

### Audit observation

The event detail report and registry information were reviewed to:

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

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

## Audit commentary

### AN content

AN files are generated by Salesforce automatically once an NT is received, provided that the ICP has a switch loss in progress, the proposed switch date is in the future, and a valid response code can be determined by Salesforce. If any of these conditions are not met, an exception will be generated for resolution by the Operations Team.

The response codes are selected based on a hierarchy which achieves compliance. For transfer switches, the gaining trader's requested date is applied if it is within five business days of the NT receipt date, otherwise the NT receipt date + five business days is applied. This is expected to achieve compliance with the requirement to ensure that at least 50% of event dates are within five business days of the NT receipt date.

**SELS** 271 transfer AN files were issued. I compared the response codes applied to registry's status, unmetered load, and metering information and found that all the AN files had correct response codes applied. All 271 files had a proposed event date within five business days of the NT receipt date.

**SIMP** No transfer switch AN files were issued.

**SELX** No transfer switch AN files were issued.

### AN timeliness

Incoming NT files are retrieved from the registry and loaded into Salesforce every hour during business hours. Once an NT is received, an outgoing AN file will be generated in Salesforce and then pushed to the registry using a SQL script each hour during business hours.

Exceptions are generated and viewed in Salesforce where an outgoing AN file cannot be automatically created and sent. Users will check these exceptions daily and resolve any issues. The switch breach history report is monitored twice daily to identify AN files which are close to falling due.

The switch breach history report for SELS did not record any late AN files, and no transfer AN files were required for SIMP or SELX.

## Audit outcome

Compliant

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

#### Code reference

*Clause 5 Schedule 11.3*

#### Code related audit information

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

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

## Audit observation

The event detail report and registry information were reviewed to identify CS files issued by Simply Energy during the audit period. The accuracy of the content of CS files was confirmed by checking a sample of records. The content checked included:

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

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

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

## Audit commentary

### CS timeliness

The timeliness of CS files is monitored using the switch breach history report, which is checked twice daily, and the Salesforce dashboard. The switch breach history report for SELS did not record any CS breaches, and no transfer CS files were required for SIMP or SELX.

### CS content

Where more than 20 ICPs are switching out on a day, Simply Energy uses a bulk switch excel template to determine the last actual read date, average daily kWh, and switch event reading, from read, meter, and status information entered into the template from Salesforce. The template information is independently reviewed by another member of the switching team, and then uploaded into Salesforce. The CS file is then created from Salesforce using the ETL (extract, transform, load) process. The template had some issues which were corrected from 6 September 2022:

- multipliers greater than one were not being applied,
- account status was not considered when calculating the average daily kWh; now these ICPs are manually checked to ensure zero is estimated for disconnected ICPs, and the other trader is advised if they have requested a switch for a decommissioned ICP,
- the number of digits was not always correctly recorded, and
- estimate readings were not considered when calculating estimated switch event readings, which sometimes resulted in switch event readings much higher or lower than previously billed estimated reads.

Where there are less than 20 files to be generated the CS content is determined by manually reviewing information for each ICP in Salesforce and DataHub and making notes against the ICP on the switch breach history report. An excel template is used to calculate estimated switch event readings if there are no actual reading available, and the average daily kWh. The notes are reviewed by another member of the switching team and then entered into Salesforce once approved. The CS file is then created from Salesforce using the ETL process.

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

- no CS files with average daily kWh which was negative,
- three CS files with average daily kWh which was over 200 kWh:
  - one was correct,
  - one contained incorrect values generated before corrections were made to the bulk switch excel template on 6 September 2022, and

- one had its average daily kWh manually calculated incorrectly,
- ten CS files with zero average daily kWh; I checked a sample of five and confirmed they were correct.

I compared switch event read types to the last actual read date for the 253 transfer CS files issued, and found:

- no transfer CS files had last actual read dates on or after the CS event date,
- the transfer CS file for 0010423478EL5E7 26 July 2022 had a last actual read date the day before the event date and an estimated read type; the last actual read date reflected the last day of supply, not the date of the last actual reading date (18 July 2022),
- the transfer CS file for 0000857700TE7CF 14 April 2022 had a last actual read date more than one day before the switch event read and an actual event reading; the last actual read date was incorrectly recorded as 12 April 2022 but should have been 13 April 2022, and
- 30 transfer CS files where there are no CSMETERINSTALL, CSMETERCOMP or CSMETERCHANNEL rows; all of the affected ICPs were unmetered or had HHR metering installed.

I checked the content of a random sample of a further three transfer CS files and found the content was correct.

*SIMP* No transfer switch CS files were issued.

*SELX* No transfer switch CS files were issued.

### Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.3</p> <p>With: Clause 5 Schedule 11.3</p> <p>From: 14-Apr-22</p> <p>To: 26-Jul-22</p>	<p><b>SELS</b></p> <p>The CS files for 0010423478EL5E7 26 July 2022 and 0000857700TE7CF 14 April 2022 had incorrect last actual read dates recorded.</p> <p>The CS files for 0000335080MP1BE 26 May 2022 and 0004557794TCD57 31 May 2022 contained incorrect average daily kWh. The values were within <math>\pm 83</math> kWh of the expected value.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>
Audit risk rating	Rationale for audit risk rating
<b>Low</b>	<p>The controls are assessed to be strong because the template has been corrected, and no further issues were identified following this correction.</p> <p>The impact is assessed to be low based on the number and nature of the exceptions identified. All CS event readings checked were correct so there is no impact on submission.</p>



Actions taken to resolve the issue	Completion date	Remedial action status
The issues identified were not deemed material enough to require correcting - in the case of incorrect reads, these fall within the 200kwh limit set in the code.	1/11/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We immediately implemented our QA process on 01/11/2022, where a backup person checks that the data is correct then gives the final approval. This process will be automated in Phase 2 of the Switching Automation currently scheduled for Quarter 3 of 2023.	30/09/2023	

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

##### Code reference

Clause 6(1) and 6A Schedule 11.3

##### Code related audit information

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

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

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

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

##### Audit observation

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

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

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

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

### Audit commentary

#### RR

Read change requests are triggered by the read validation process, meter change process, or the losing trader requesting a change after the switch completes. Advanced meters which have switched in on an estimate reading have been checked against AMI data to determine whether a read change is required since July 2022, by reviewing a list on the Salesforce trader audit dashboard. RRs are generally initiated via email between the two parties, and the RR is sent as soon as possible once agreement is reached and Simply Energy has received the supporting readings required.

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

*SELS* SELS issued three RRs for transfer switches, which were accepted by the other trader. I found there was a genuine reason for the RR, it was supported by at least two validated readings, and the reads recorded DataHub and MADRAS reflected the outcome of the RR process. The switch breach history report did not record any transfer RR breaches.

*SIMP* No RR files were issued.

*SELX* No RR files were issued.

#### AC

Read change workflows are managed using the Salesforce dashboard, and the timeliness of AC files is also monitored using the switch breach report. Read changes are processed manually in Salesforce and then the reads are transferred to DataHub. Validated reads are transferred from DataHub to MADRAS for HHR settled ICPs.

*SELS* 70 AC files were issued for transfer switches. Five rejected the other trader's RR and 65 accepted it. All rejections were accepted on reissue. I checked a sample of five acceptances and five rejections and found the reads recorded DataHub and MADRAS reflected the outcome of the RR process, and there were valid reasons for RR rejections. The switch breach history report did not record any transfer AC breaches.

*SIMP* No AC files were issued and no RR files were received.

*SELX* No AC files were issued and no RR files were received.

#### Incoming CS files with estimated switch event readings

Incoming switch event readings are imported into Salesforce using the SQL (ETL) process and are transferred via SFTP to DataHub nightly. Once validated, the readings are transferred to MADRAS. I checked incoming CS files with estimated switch in readings to confirm whether the correct reading was applied in DataHub and MADRAS.

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

*SIMP* There were no switch gains.

*SELX* There were no switch gains.

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

#### Audit commentary

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

*SELS* No RRs were issued under Clause 6(2) and (3) of schedule 11.3.  
62 ACs were issued for RRs issued by other traders within five business days of switch completion where the other trader had indicated they would use HHR profile. 60 were accepted and two were validly rejected because the losing trader's RR contained incorrect readings. Simply Energy accepted both RRs once they were reissued with different readings.

*SIMP* No RR or AC files were issued.

*SELX* No RR or AC files were issued.

## Audit outcome

Compliant

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

#### Code reference

Clause 7 Schedule 11.3

#### Code related audit information

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

#### Audit observation

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

#### Audit commentary

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

#### Audit outcome

Compliant

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

#### Code reference

Clause 9 Schedule 11.3

#### Code related audit information

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

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

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

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

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

#### Audit observation

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

#### Audit commentary

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

Customer, ICP, billing, pricing, and switch information, including whether the customer is transferring between retailers at an address or moving into the address is loaded into Emersion on application. The information is checked in Emersion to ensure that the correct trader code is selected and then “initiate switch” is selected to transfer the information to Salesforce (including the metering category, multiplier flag, unmetered flag, and submission type flag). Where large groups of ICPs are required to be switched at one time, Simply Energy loads the batch of ICPs directly into Salesforce and arranges for Emersion to load the ICPs over the next two to three days to prevent late initiation of NT files.

Once the data is transferred from Emersion to Salesforce it is validated to check that the switch date, switch type, metering category, trader code and profile are consistent, and an NT is generated if validation

is passed. Switch type is selected based on the metering category and the proposed switch type set in Emersion. ICPs with a metering category of 3, 4 or 5 are set to HH, and ICPs with metering category of 1 or 2 are set to switch move if the customer is moving in, or TR if the customer is transferring between retailers at their existing address. Salesforce will automatically hold future dated NTs until they are within three days of the proposed switch event date, and exceptions are generated for unmetered load switches so that they can be checked and processed manually.

NT files generated in Salesforce are pushed to the registry using a SQL script each hour during business hours. Once the NT is generated the Salesforce workflow will be updated to “switch requested”. Switch gain exceptions are generated for review by the Operations Team where an NT failure is notified by the registry, or the transfer switch gain date is earlier than the NT sent date.

**SELS** 208 switch move NTs were issued. I checked the metering category for the 104 switch move ICPs where this information was available on the registry list with history and/or meter installation details report, and found none had metering categories of three or above.

I checked a sample of ten NTs and found the switch type was correct and the NT was sent within two business days of pre-conditions being cleared.

**SIMP** No switch move NT files were issued.

**SELX** No switch move NT files were issued.

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

##### Audit observation

The event detail report and registry information were reviewed to:

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

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

### Audit commentary

#### AN Content

AN files are generated by Salesforce automatically once an NT is received provided that the ICP has a switch loss in progress, the proposed switch date is in the future, and a valid response code can be determined by Salesforce. If any of these conditions are not met, an exception will be generated for resolution by the Operations Team.

The response codes are selected based on a hierarchy which achieves compliance. Proposed event dates are recorded as the gaining trader's proposed event date unless it is in the future, or more than 90 days in the past. NTs with event dates more than 90 days in the past or future event dates do not have an AN file created and are moved to a workflow for manual intervention by the Operations Team. This intervention may include negotiating a different date with the other trader, and/or issuing a withdrawal request.

*SELS* 1,258 switch move AN files were issued. I compared the codes applied to registry status, unmetered load, and metering information for the 1,201 ANs where this information was available on the registry list with history and found that all the AN files had correct response codes applied.

The event detail report was reviewed for all 1,258 switch move ANs to assess compliance with the setting of event dates requirements:

- all ANs had proposed event dates within ten business days of the NT receipt date, and
- no ANs had proposed event dates before the gaining trader's requested date, the gaining trader's requested date was applied in all cases.

*SIMP* No switch move AN files were issued.

*SELX* Two switch move AN files were issued for ICP 0080011475PCD85, which switched out to MEEN, and then underwent a withdrawal and switched out to TODD.

The PD (premises disconnected) response code was correctly applied for both ANs, and the proposed event dates were within ten business days of NT receipt and matched the gaining trader's proposed dates.

#### AN and CS timeliness

Incoming NT files are retrieved from the registry and loaded into Salesforce every hour during business hours. Once an NT is received, an outgoing AN file will be generated in Salesforce and then pushed to the registry using a SQL script each hour during business hours.

Exceptions are generated and viewed in Salesforce where an outgoing AN file cannot be automatically created and sent. Users will check these exceptions daily and resolve any issues.

AN and CS files are monitored using the switch breach history report twice daily, and the Salesforce dashboard.

*SELS* No AN or CS breaches were recorded on the switch breach history report.

*SIMP* No switch move AN or CS files were issued or required.

**SELX** Both switch move AN files and their associated switch move CS files were issued on time. No other AN or CS files were required.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10(2) Schedule 11.3*

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

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

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

#### **Audit observation**

The event detail report and registry information was reviewed to identify switch move AN files issued by Simply Energy during the audit period, and assess compliance with the requirement to meet the setting of event dates requirement.

#### **Audit commentary**

I checked all ANs issued during the audit period and found that the gaining trader's requested event date was applied. 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**

The event detail report and registry information were reviewed to identify CS files issued by Simply Energy during the audit period. The accuracy of the content of CS files was confirmed by checking a sample of records. The content checked included:

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

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

#### Audit commentary

As discussed in **section 4.3**, CS file content is determined from data held in Salesforce and DataHub. A bulk switch excel template is used to determine CS reads, read types, and average daily kWh where more than 20 ICPs are switching out. Where less than 20 ICPs are switching out, file content is noted on the switch breach history report and average daily kWh and estimated switch readings (if no actual readings are available) are calculated using an excel template. Once the CS file data is reviewed by another member of the switching team it is entered into Salesforce and then the CS file is created from Salesforce using the ETL (extract, transform, load) process.

The template had some issues which caused some inaccurate file content which were corrected from 6 September 2022.

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

- no CS files with average daily kWh which was negative,
- 186 CS files with zero average daily kWh; I checked a sample of five and confirmed they were correct, and
- 53 CS files with average daily kWh which was over 200 kWh of which an extreme case sample of all nine ICPs with average daily kWh over 1,000 were examined and found to all have been generated on the same day; the switch information was determined using the bulk switch excel template but instead of importing the data, it was manually keyed into Salesforce and the user typed a read value into the average daily kWh field - this was a training issue which has been resolved.

I compared switch event read types to the last actual read date for the 1,232 switch move CS files issued, and found:

- no CS files had last actual read dates after the CS event date,
- one switch move CS file had a last actual read date on the switch event date; the meter category 2 ICP was settled as HHR and readings were not provided by the MEP (when HHR settled ICPs without readings switch out, Simply Energy normally applies an estimated event reading of 0, average daily kWh of 0, and the last actual read date as the last day HHR data was received for),
- five switch move CS files had a last actual read date the day before the event date and an estimated read type; for four files, the last actual read date was incorrectly entered and reflected the last day of supply instead of the last actual read date (one was a HHR settled ICP without readings provided by the MEP and an estimated reading of zero was applied),
- the switch move CS file for 1001280409TCBCF 10 March 2022 had a last actual read date more than one day before the switch event read and an actual event reading; the switch event reading should have been recorded as (E) estimated but the switch event reading applied was reasonable based on the read history, and



- 32 switch move CS files where there were no CSMETERINSTALL, CSMETERCOMP or CSMETERCHANNEL rows; all of the affected ICPs were unmetered, or had HHR metering installed.

I checked the content of a random sample of a further three switch move CS files and found the content was correct.

**SIMP** No switch move CS files were issued.

**SELX** Two switch move CS files were issued, and their content was confirmed to be accurate.

### Audit outcome

Non-compliant

Non-compliance	Description	
<p>Audit Ref: 4.10 With: Clause 11 Schedule 11.3</p> <p>From: 01-Mar-21 To: 13-Jun-22</p>	<p><b>SELS</b></p> <p>Nine CS files contained incorrect average daily kWh values because readings were entered into the average daily kWh field in error.</p> <p>CS files for 0199407274LCODE 8 May 2022, 0000014335KP587 1 June 2022, 0000514131NR159 1 July 2022, and 0000003501TCF34 1 July 2022 had incorrect last actual read dates recorded. The last actual read date reflected the last day of supply, not the date of the last actual reading.</p> <p>The CS file for 0000046829WEFFB 1 May 2022 contained a last actual reading on the switch event date. The last actual reading is expected to be the last actual reading during SELS' period of supply.</p> <p>The CS file for 1001280409TCBCF 10 March 2022 contained an incorrect read type. Actual was recorded instead of estimate.</p> <p>Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<p><b>Low</b></p>	<p>The controls are assessed to be strong because the template has been corrected and user training has been conducted, and no further issues were identified following this.</p> <p>The impact is assessed to be low based on the number and nature of the exceptions identified. All CS event readings checked were correct, and the ICPs with incorrect average daily kWh had HHR or AMI metering installed making it likely that the other trader would receive actual readings promptly and not need to use the average daily kWh to generate forward estimates for reconciliation.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>These historic issues cannot be corrected</p>	<p>N/A</p>	<p>Identified</p>

Preventative actions taken to ensure no further issues will occur	Completion date	
We immediately implemented our QA process on 01/11/2022, where a backup person checks that the data is correct then gives the final approval. This process will be automated in Phase 2 of the Switching Automation currently scheduled for Quarter 3 of 2023	30/09/2023	

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

##### Code reference

Clause 12 Schedule 11.3

##### Code related audit information

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

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

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

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

##### Audit observation

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

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

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

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

### Audit commentary

#### RR

Read change requests are triggered by the read validation process, meter change process, or the losing trader requesting a change after the switch completes. Advanced meters which have switched in on an estimate reading have been checked against AMI data to determine whether a read change is required since July 2022, by reviewing a list on the Salesforce trader audit dashboard. RRs are generally initiated via email between the two parties, and the RR is sent as soon as possible once agreement is reached, and Simply Energy has received the supporting readings required.

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

*SELS* 12 RR files were issued for switch moves; two were rejected and ten were accepted. I checked a sample of five accepted RRs and the two rejected RRs to determine whether there was a genuine reason for the RRs, they were supported by two validated actual readings, and the reads recorded in DataHub and MADRAS reflected the outcome of the RR process. One exception was identified for 0000031580WE264 27 January 2022 which was supported by one validated actual reading and one photo reading from the customer. This was explained to the other trader in the supporting email for the file and they accepted the RR.

The switch breach history report recorded one switch move RR breach, which was raised two days after the second validated actual reading required to support the RR was received.

*SIMP* No RR files were issued.

*SELX* No RR files were issued.

#### AC

Read change workflows are managed using the Salesforce dashboard, and the timeliness of AC files is also monitored using the switch breach report. Read changes are processed manually in Salesforce and then the reads are transferred to DataHub. Validated reads are transferred from DataHub to MADRAS for HHR settled ICPs.

*SELS* 14 AC files were issued for switch moves. Two rejected the other trader's RR and 12 accepted it. All rejections were accepted on reissue with different readings. I checked a sample of five acceptances and both rejections and found the reads recorded DataHub and MADRAS reflected the outcome of the RR process, and there were valid reasons for RR rejections. The switch breach history report did not record any switch move AC breaches.

*SIMP* No AC files were issued and no RR files were received.

*SELX* No AC files were issued and no RR files were received.

#### Incoming CS files with estimated switch event readings

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

checked incoming CS files with estimated switch in readings to confirm whether the correct reading was applied in DataHub and MADRAS.

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

*SIMP* There were no switch gains.

*SELX* There were no switch gains.

### Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.11</p> <p>With: Clause 6(1) and 6A Schedule 11.3</p> <p>From: 27-Jan-22</p> <p>To: 05-Aug-22</p>	<p><b>SELS</b></p> <p>One RR breach.</p> <p>The RR for 0000031580WE264 27 January 2022 was supported by one validated actual reading and one photo reading from the customer instead of two validated actual readings.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<p><b>Low</b></p>	<p>The controls are rated as strong, the process ensures that RRs are issued as soon as possible after the supporting readings confirm they are required.</p> <p>The impact is low because one RR was issued 126 days late, and revised submission data was able to be provided through the revision process. The other trader was advised that the RR for 0000031580WE264 27 January 2022 was supported by one customer reading and one validated actual reading.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
These historic issues cannot be corrected		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>As recent as 24/02/2023, we implemented a change in Salesforce where we can request special reads from Wells for this purpose. Where we only have one actual read, we now request a special read to ensure we have 2 actual reads to request a read amendment. Typically, we will request read history from the alternative retailer if we only have one</p>		24/02/2023	

however, we now have the convenience of requesting special reads where applicable.		
This process will be automated in Phase 2 of the Switching Automation currently scheduled for Quarter 3 of 2023	30/09/2023	

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

##### Code reference

Clause 14 Schedule 11.3

##### Code related audit information

*The gaining trader switch process applies when a trader has an arrangement with a customer or embedded generator to trade electricity at an ICP at which the losing trader trades electricity with the customer or embedded generator, and one of the following applies at the ICP:*

- *the gaining trader will trade electricity through a half hour metering installation that is a category 3 or higher metering installation; or*
- *the gaining trader will trade electricity through a non-AMI half hour metering installation and the losing trader trades electricity through a non-AMI non half hour metering installation; or*
- *the gaining trader will trade electricity through a non-AMI non half hour metering installation and the losing trader trades electricity through a non-AMI half hour metering installation.*

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

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

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

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

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

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

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

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

##### Audit observation

The switch gain process was examined to determine when Simply Energy deem all conditions to be met. A typical sample of HH NTs were checked to confirm whether they were notified to the registry within three business days.

I reviewed the event detail report and registry lists with history to determine whether any HH NTs were issued during the audit period.

## Audit commentary

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

Customer, ICP, billing, pricing, and switch information, including whether the customer is transferring between retailers at an address or moving into the address is loaded into Emersion on application. The information is checked in Emersion to ensure that the correct trader code is selected and then "initiate switch" is selected to transfer the information to Salesforce (including the metering category, multiplier flag, unmetered flag, and submission type flag). Where large groups of ICPs are required to be switched at one time, Simply Energy loads the batch of ICPs directly into Salesforce and arranges for Emersion to load the ICPs over the next two to three days to prevent late initiation of NT files.

Once the data is transferred from Emersion to Salesforce it is validated to check that the switch date, switch type, metering category, trader code and profile are consistent, and an NT is generated if validation is passed. Switch type is selected based on the metering category and the proposed switch type set in Emersion. ICPs with a metering category of 3, 4 or 5 are set to HH, and ICPs with metering category of 1 or 2 are set to switch move if the customer is moving in, or TR if the customer is transferring between retailers at their existing address. Salesforce will automatically hold future dated NTs until they are within three days of the proposed switch event date, and exceptions are generated for unmetered load switches so that they can be checked and processed manually.

NT files generated in Salesforce are pushed to the registry using a SQL script each hour during business hours. Once the NT is generated the Salesforce workflow will be updated to "switch requested". Switch gain exceptions are generated for review by the Operations Team where an NT failure is notified by the registry, or the transfer switch gain date is earlier than the NT sent date.

*SELS* No HH NT files were issued.

I checked the metering category for the 82 transfer switch ICPs and 104 switch move ICPs where this information was available on the registry list with history and/or meter installation details report, and found none had metering categories of three or above.

*SIMP* No HH NT files were issued.

*SELX* No HH NT files were issued.

## Audit outcome

Compliant

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

#### Code reference

*Clause 15 Schedule 11.3*

#### Code related audit information

*Within 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

I reviewed the event detail report and registry lists with history to determine whether any HH ANs were issued during the audit period, and a sample were reviewed to determine whether the codes had been correctly applied.

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

### Audit commentary

Incoming NT files are retrieved from the registry and loaded into Salesforce every hour during business hours. Outgoing AN files will be generated in Salesforce and then pushed to the registry using a SQL script each hour during business hours. The response codes are selected based on a hierarchy which achieves compliance.

Exceptions are generated and viewed in Salesforce where an outgoing AN file cannot be automatically created and sent. Users check these exceptions daily and resolve any issues. The switch breach history report is monitored twice daily to identify AN files which are close to falling due.

*SELS* 49 AN files were issued for HH switches, and the correct response codes were applied. No HH AN breaches were recorded on the switch breach history report.

*SIMP* No HH AN files were issued or required.

*SELX* No HH AN files were issued or required.

### Audit outcome

Compliant

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

### Code reference

*Clause 16 Schedule 11.3*

### Code related audit information

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

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

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

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

### Audit observation

The HH switching process was examined. The event detail report and registry lists with history were examined to identify any HH CS files issued. The switch breach history report for the audit period was reviewed to identify late CS files.

## Audit commentary

Incoming AN files are retrieved from the registry and loaded into Salesforce every hour during business hours. Outgoing CS files are generated in Salesforce and then pushed to the registry using a SQL script each hour during business hours.

A view in Salesforce shows all ICPs with switches due to complete for the current day, so that the Operations Team can request metering pricing from the MEP and ensure that the switch completes.

*SELS* No HH CS files were issued or required.

*SIMP* No HH CS files were issued or required.

*SELX* No HH CS files were issued or required.

## Audit outcome

Compliant

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

#### Code reference

*Clauses 17 and 18 Schedule 11.3*

#### Code related audit information

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

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

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

#### Audit observation

The event detail report and registry lists with history were examined to:

- identify all switch withdrawal requests issued by Simply Energy, and check a sample for accuracy, and



- identify all switch withdrawal acknowledgements issued by Simply Energy, and check a sample of rejections.

The switch breach history reports were checked for any late switch withdrawal requests or acknowledgements.

#### Audit commentary

##### NW

NWs are created from Salesforce using the SQL (ETL) process, as soon as possible after Simply Energy has confirmed that a withdrawal is required. Confirmation is normally received via the operations email inbox, and outgoing NWs are monitored using Salesforce workflows to make sure a response is received and actioned.

*SELS* SELS issued 69 NW files; six were rejected and 63 were accepted. The content of 15 NW files was checked, including two or all for each withdrawal advisory code and four rejections. The withdrawal reason codes were correct apart from:

- ICP 0000001066RJ70F 17 June 2022 which was issued with DF (date failed) but the requested transfer date was not more than ten business days in the future; the date was incorrect, and the CE (customer error) code should have been applied, and
- ICP 1001280423TC40B 27 January 2022 which was issued with WS (wrong switch type) but should have been issued with CE (customer error).

The switch breach history recorded three NA breaches for a NWs issued more than two calendar months after the CS transfer date. The delays were caused by investigation to confirm that the withdrawal was required, and negotiations with the customer and other trader. One of the withdrawals was a double withdrawal.

*SIMP* No NW files were issued.

*SELX* No NW files were issued.

##### AW

AWs are created from Salesforce using the SQL (ETL) process. AWs are managed through Salesforce workflows and the switch breach report is also monitored twice daily.

*SELS* Ten of the 150 AW files issued rejected the other trader's NW, and were rejected for genuine reasons. No AW breaches were recorded on the switch breach history report.

*SIMP* No AW files were issued or expected.

*SELX* One AW file was issued, which accepted the other trader's NW. The file was issued on time and no other AW files were required.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.15 With: Clauses 17 and 18 Schedule 11.3  From: 23-Mar-22 To: 01-Sep-22	<b>SELS</b> ICP 0000001066RJ70F 17 June 2022 which was issued with DF (date failed) but the requested transfer date was not more than ten business days in the future. ICP 1001280423TC40B 27 January 2022 which was issued with WS (wrong switch type) but should have been issued with CE (customer error). Three NA breaches. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are strong, as processes are compliant and a very small number of exceptions occurred. The risk rating is low: <ul style="list-style-type: none"> <li>• the other traders were aware of the reasons for the withdrawal issues with incorrect advisory codes, because Simply Energy provided supporting information via email, and</li> <li>• the late NW files were issued 62-103 days late, and corrected data was provided for reconciliation through the revision process.</li> </ul>		
Actions taken to resolve the issue		Completion date	Remedial action status
These historic issues cannot be corrected		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We immediately implemented our QA process on 01/11/2022, where a backup person checks that the data is correct then gives the final approval. This process will be automated in Phase 2 of the Switching Automation currently scheduled for Quarter 3 of 2023.		30/09/2023	

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

##### Code reference

Clause 21 Schedule 11.3

##### Code related audit information

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

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

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

#### **Audit observation**

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

#### **Audit commentary**

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

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

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 11.15AA to 11.15AC*

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

*A losing retailer (including any party acting on behalf of the retailer) must not initiate contact to save or win back any customer who is switching away or has switched away for 180 days from the date of the switch.*

*The losing retailer may contact the customer for certain administrative reasons and may make a counteroffer only if the customer initiated contact with the losing retailer and invited the losing retailer to make a counteroffer.*

*The losing retailer must not use the customer contact details to enable any other retailer (other than the gaining retailer) to contact the customer.*

#### **Audit observation**

Win-back processes were discussed. The event detail report and registry lists with history were analysed to identify all withdrawn switches with a CX code applied within 180 days of switch completion where Simply Energy was the losing trader. All were checked to determine compliance.

#### **Audit commentary**

Simply Energy and their white label brands do not offer enticements for customers to remain with them after they receive an NT request from another trader.

When Simply Energy receives a switch request for an ICP supplied by a white label brand, the Simply Energy Operations contacts the team at the white label for authority to release the switch. The white label team contacts the customer via email to confirm they wish to switch, and once confirmation is received they advise Simply Energy who release the switch.

The previous audit made a recommendation that calls should be recorded to provide evidence that enticements are not offered where a CX withdrawal is issued following a telephone interaction with the customer. This recommendation has not been adopted and Simply Energy's white label brands are not recording customer calls.

*SELS* Two NWs were issued with a CX withdrawal reason code where SELS was the losing trader. In both cases the withdrawals were initiated by the customer and no enticements were offered. Correspondence with the customers was via email.

*SIMP* No NWs were issued.

*SELX* No NWs were issued.

#### **Audit outcome**

Compliant

## 5. MAINTENANCE OF UNMETERED LOAD

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

#### Code reference

Clause 11.14

#### Code related audit information

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

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

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

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

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

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

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

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

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

#### Audit observation

The processes to identify and monitor shared unmetered load were discussed. The registry lists and AC020 report were reviewed to identify all ICPs with shared unmetered load and assess compliance.

#### Audit commentary

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

No ICPs with shared unmetered load were supplied during the audit period by Simply Energy.

#### Audit outcome

Compliant

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

### Code reference

*Clause 10.14 (2)(b)*

### Code related audit information

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

### Audit observation

The registry lists and AC020 report were reviewed to identify all ICPs with unmetered load over 3,000 kWh per annum and assess compliance.

### Audit commentary

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

No ICPs with unmetered load over 3,000 kWh were supplied during the audit period by Simply Energy.

### Audit outcome

Compliant

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

### Code reference

*Clause 10.14 (5)*

### Code related audit information

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

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

### Audit observation

The registry lists and AC020 report were reviewed to identify all ICPs with unmetered load over 6,000 kWh per annum and assess compliance.

### Audit commentary

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

No ICPs with unmetered load over 3,000 kWh were supplied during the audit period by Simply Energy.

### 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

The registry lists and AC020 report were reviewed to identify all DUML ICPs.

##### Audit commentary

Simply Energy does not supply any distributed unmetered load.

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

##### Audit outcome

Compliant

## 6. GATHERING RAW METER DATA

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

#### Code reference

Clause 10.13, Clause 10.24 and Clause 15.13

#### Code related audit information

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

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

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

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

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

#### Audit observation

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

#### Audit commentary

##### **Metering installations installed**

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

**SELS** The audit compliance report recorded three active ICPs where the metering category was null, zero or 9 and no unmetered load was recorded. All were timing differences and the MEP populated metering details after the report was run.

**SELX** No new connections were completed and no active ICPs were supplied.

**SIMP** No new connections were completed and no active ICPs were supplied.

##### **Generation**

As discussed in **section 2.1**, distributed generation ICPs are checked monthly by reviewing registry information to identify ICPs with generation recorded by the distributor and check whether the ICP has compliant I flow metering and correct profiles recorded. Findings are verified against meter reading information where I flow metering is installed.

The previous audit recorded that profiles defaulted to RPS for all NHH ICPs requiring profiles to be corrected to RPS PV1 or EG1 on switch in. I confirmed that MI and TR NT files are now issued with the correct generation profiles where they are required.



**SELS** The registry list recorded 67 active ICPs with generation capacity recorded by the distributor. All had settled I flow registers and profiles compatible with the generation fuel type. The AC020 report did not identify any ICPs which had generation recorded by the distributor and an I flow register, without a distributed generation profile recorded.

**SELX** No active ICPs were supplied by SIMP during the audit period.

**SIMP** No active ICPs were supplied by SIMP during the audit period.

**Bridged meters**

Bridging of meters is against Simply Energy’s policies.

ICP 0000012112WEA2A was remotely disconnected on 28 September 2019 and reconnected on 11 October 2019. The reconnection paperwork did not indicate that the meter was bridged for reconnection. The zero consumption caused by bridging was not identified through Simply Energy’s zero consumption checks initially, and over time zero consumption was accepted as normal for the ICP.

The ICP switched from SELX to SELS on 1 April 2021, and the white label customer queried the ICP having zero consumption between readings on 18 May 2022. A site visit was arranged the same day which confirmed that the meter was bridged, and AMS unbridged the meter. Simply Energy calculated the unquantified consumption using an appropriate daily average consumption once the meter was eventually unbridged and identified a total consumption volume of 27,339 kWh across both meter registers. Simply Energy applied its consumption volume across the consumption periods between April 2021 and May 2022 to ensure all volume was accounted for within the available revision window. The ICP switched from SELS to CTCS on 1 November 2022.

**Audit outcome**

Non-compliant

Non-compliance	Description
Audit Ref: 6.1 With: Clause 10.13  From: 1-Apr-21 To: 18-May-22	Energy is not metered and quantified according to the code where meters are bridged.  Potential impact: Medium Actual impact: Medium Audit history: None Controls: Strong Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
<b>Medium</b>	The controls are strong because Simply Energy does not normally allow meters to be bridged.  The impact is medium due to the extent of the unquantified consumption volume that occurred since the meter bridging event in October 2019 that needed to then be apportioned into the available revision window.

Actions taken to resolve the issue	Completion date	Remedial action status
Simply Energy normally does not accept bridging of meters. This was unfortunately a historic issue that was not detected at the time of reconnection.	03/03/2023	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We have processes in place to correctly reconcile bridged meters as long as they occur within the 14 month washup. We also intend to put in place a process to identify Meters with 0 consumption and have this confirmed by the customer. We will start with meters with 0 consumption in the current month, but > 0 consumption in previous months, then extend to encompass all ICPs over time.	30/06/2023	

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

### Code reference

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

### Code related audit information

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

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

*The participant responsible for the metering installation must:*

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

### Audit observation

The NSP table was reviewed to confirm whether SIMP, SELS, or SELX are responsible for any GIPs.

### Audit commentary

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

### Audit outcome

Not applicable

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

#### Code reference

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

#### Code related audit information

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

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

#### Audit observation

The AC020 reports and registry lists were reviewed to confirm the profiles used.

All active ICPs with profiles requiring control device certification were checked to determine whether AMI or HHR metering was installed, or the control device was appropriately certified.

#### Audit commentary

*SIMP* No active ICPs have been supplied during the audit period.

*SELS* SELS uses the Authority profiles HHR, DFP, RPS, UML and PV1. None of the profiles require a certified control device.

*SELX* No active ICPs have been supplied during the audit period.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 10.43(2) and (3)*

#### Code related audit information

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

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

#### Audit observation

Processes relating to defective metering were examined.

#### Audit commentary

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

No defective meters were identified during the audit period. I reviewed Simply Energy's validation processes in **sections 9.5** and **9.6**, and found they are sufficient to detect potential stopped and faulty meters. Corrections for defective meters are discussed in **section 2.1**.

## Audit outcome

Compliant

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

#### Code reference

Clause 2 Schedule 15.2

#### Code related audit information

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

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

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

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

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

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

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

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

#### Audit observation

The data collection and clock synchronisation processes were examined.

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

#### Audit commentary

##### HHR

Agents monitor clock synchronisation. This is covered as part of their agent audits and compliance is recorded. EMS and Simply Energy review the clock synchronisation events for the meters they complete HHR submission for and take corrective action as required. No clock synchronisation events requiring corrective action were identified during the audit period.

## AMI

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

Simply Energy does not independently review the available time difference reports to verify that all clock synchronisation events that may have had an impact on the accuracy of the submission data have been escalated by the AMI MEP to Simply Energy. Simply Energy have been waiting for further development of their data warehouse prior to creating an automated process to load this information and provide exception reporting to enable users to investigate time corrections outside the code defined tolerances. This data warehouse data structure development is now complete, and I recommend that Simply Energy progresses the creation of a process to load these reports into the data warehouse and develop reporting to enable independent monitoring to occur.

Recommendation	Description	Audited party comment	Remedial action
Create and implement a process to monitor AMI MEP time difference reporting and corrections	Simply Energy to develop a process to load the AMI MEP time difference reports into the data warehouse and develop reporting to enable independent monitoring to occur.	New Reporting in our Data Warehouse will address this issue. This is likely to be developed in the second quarter of 2023.	Investigating

### Audit outcome

Compliant

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

### Code reference

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

### Code related audit information

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

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

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

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

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

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

### Audit observation

The data collection process was examined.

Processes to provide meter condition information were reviewed as part of Wells' agent audit. Simply Energy's processes to manage meter condition information were reviewed, including viewing a sample of meter condition events.

Processes for customer and photo reads were reviewed.

### Audit commentary

#### Derivation of volume and labelling of readings

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

#### Wells readings

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

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

#### Customer and photo readings

If Wells obtains a customer reading, a no read is recorded, and the customer reading is provided as a note in the reading file. No examples of customer readings were provided during the Wells agent audit.

Customers may provide customer and photo readings directly to Simply Energy. Customer supplied readings are entered into DataHub as estimated readings as the validation logic cannot delineate whether the previous readings are actual reads. Customer readings are excluded from the reading file sent to MADRAS and therefore excluded from reconciliation.

### 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

NHH readings apply from 0000hrs on the day after the last meter interrogation up to and including 2400hrs on the day of the meter interrogation except in the case of a switch event meter reading which applies to the end of the day prior to the event date for the losing trader and the start of the event date for the gaining trader as required by this clause.

All AMI systems have a clock synchronisation function, which ensures correct timestamping. Manual readings taken by Wells are applied correctly.

The content of CS and RR files was examined in **sections 4.3, 4.4, 4.10 and 4.11**. This found some examples of reads being incorrectly labelled as estimates when they were actuals and vice versa which is recorded as non-compliance in **section 9.1**. The switch event reads themselves reflected the actual reading or best estimate reading for the last day of supply.

I walked through the process for NHH to HHR meter changes in relation to this clause, by checking a sample of five submission type upgrades from NHH to HHR for SELS. No HHR to NHH submission type downgrades were identified during the audit period.

Upgrades and downgrades normally only occur for category 1 and 2 HHR meters, and the changes are applied effective from 12am on the first day of the month. The movement between NHH and HHR aligns with the actual volume data. In the event that an ICP's metering is upgraded from NHH category 1 or 2 to HHR category 3 or higher; or downgraded from HHR category 3 or higher to NHH category 1 or 2, the change of submission type occurs when the meter is changed. I reviewed five upgrades and confirmed compliance.

### 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 examined, including review of reports used in the process and individual unread ICPs.

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

### Audit commentary

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

### ICPs read manually

Simply Energy monitors the non AMI read attainment monthly, using the Wells provided reporting on unread ICPs including the no read code, no read reason and last actual read date. Simply Energy adds customer account and contact information to the report and reviews the ICPs focussing on those which have never been read and the oldest last read dates.

The support team and/or business specialists contact the customer to attempt to resolve the issues preventing readings from being obtained. Communication is usually by email in the first instance, around the four month mark of no reads being obtained, but the method of communication is at the staff member's discretion. Because many customers are account managed, contacting one customer may cover a large number of unread ICPs. Communications are expected to be customised based on the no read reason provided by the meter reader, but I found where customers were contacted about groups of ICPs a generic message asking for location information was sometimes provided when some of the customer's ICPs were unread for other reasons such as a locked gate, or access being obstructed.

### AMI ICPs read by MEPs

SalesForce's Read KPI report shows NHH settled meters which have not been read for more than 40 days including AMI and manually read meters. The report is reviewed approximately weekly, and service orders are raised to attempt to resolve communication issues for AMI meters. If the issue cannot be resolved promptly the ICP will be moved to a Wells reading route.

SalesForce's HHR recon no reads report shows ICPs with HHR profile where the AMI flag has been changed to no. The ICPs are investigated weekly and moved to NHH profile and a manual reading route if necessary.

<b>Recommendation</b>	<b>Description</b>	<b>Audited party comment</b>	<b>Remedial action</b>
Communication with customers on the reasons ICPs are unread	Ensure that the reasons each ICP is unread is provided to the customer so that issues can be appropriately resolved.	Historically we were getting generic reasons for no reads that were not accurate. We changed meter provider in July 2022 and now receive monthly no read reports which are provided to our Solutions Team for communication with customers.	Identified
Develop clear guidance to ensure the best endeavours requirements for read attainment are met	Currently communication methods and content are determined by the staff member. I recommend providing guidance to ensure that the requirement to make at least three attempts to contact the customer using two different communication methods are met where the issue cannot be resolved promptly.	Where we have a no read issue, the team will first send an email. If an email has already been sent then they will call the customer to resolve the no read or access issue and if unable to make contact, will leave a phone message and follow that up with a second email.	Identified



Recommendation	Description	Audited party comment	Remedial action
Engage with embedded network owners to improve read attainment in these commercial premises	Where an active vacant ICP is part of an embedded network, engage with the embedded network owner to resolve the access issue as this will also improve the network reporting volume accuracy to the benefit of the EN owner.	Where possible we will work with the Embedded Network owner, otherwise we will work with our customer to gain a reading.	Identified

#### Read attainment during the period of supply

SELS provided a list of 42 ICPs unread during the period of supply where the period of supply ended between 1 January 2022 and 31 August 2022. 10 ICPs had either actual gain, removal and/or loss reads or were found to have obtained a read during the period of supply and were compliant.

The remaining 32 ICPs were reviewed in detail:

- two were due to relatively short periods of supply (between 27 and 37 days) where Simply Energy's "no read" processes were not triggered,
- for 14 ICPs an email has been sent to the customer requesting access without a response and no further follow up has occurred; the best endeavours requirement was not met, and
- for the remaining 16 ICPs no action was taken to investigate and resolve the issue preventing reads from being obtained during the period of supply; the best endeavours requirement was not met.

These are recorded as non-compliant below

#### **Audit outcome**

Non-compliant

Non-compliance	Description
Audit Ref: 6.8 With: Clause 7(1) and (2) Schedule 15.2  From: 01-Jan-22 To: 31-Jul-22	For 32 ICPs unread during the period of supply, the best endeavours requirements were not met, and exceptional circumstances did not exist.  Potential impact: Low  Actual impact: Low  Audit history: Multiple times  Controls: Moderate  Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
<b>Low</b>	The controls are rated as moderate. There is a process in place, but compliance is not consistently achieved if the period of supply is short.  The impact on settlement from an estimate for a short period is minor, therefore the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
<p>Historical issue where no process was in place. We have since created a process (started in Feb 22) where any unread meter &gt;3 months is sent to our Support team for follow up actions. This involves them contacting the customer via email on the first attempt and a phone call if a 2nd attempt is required to gain and update access details to assist the meter readers in successfully obtaining an accurate meter read.</p>	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Monthly reports are received from Wells and actioned by the support team using this process. We also have reports in Salesforce that highlight unread meters which we use. We also can now raise a "Special meter read" to Wells to action outside the normal read cycles. This will speed up the process of us being able to send a meter read back to a site to gain an actual read when we receive access information from a customer.</p>	Ongoing	

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

##### Code reference

Clause 8(1) and (2) Schedule 15.2

##### Code related audit information

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

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

##### Audit observation

The meter reading process was examined.

No active ICPs were supplied by SIMP or SELX during the audit period, and no meter reading frequency reports were required to be supplied.

I reviewed the meter reading frequency reports for SELS for March 2022 to July 2022 to confirm the reports met the requirements of clauses 8 and 9 of schedule 15.2 and submissions were made on time.

All ICPs not read in the 12 months ending July 2022 were reviewed to determine whether reasonable endeavours were used to attain reads, and if exceptional circumstances existed.

##### Audit commentary

As discussed in **section 6.8**, there are processes in place to monitor read attainment, and attempt to resolve issues preventing read attainment.

Copies of the meter reading frequency reports to the Electricity Authority for March 2022 to July 2022 were provided, and the reports were sent within 20 business days after the end of the month however

the report prior to April 2022 was found to use flawed logic and has subsequently been replaced with a new report using Power BI which now meets the reporting requirements.

Meter read attainment for SELS is summarised in the table below:

Month	Total NSPs where ICPs were supplied > 12 months	NSPs <100% read	ICPs unread for 12 months	Overall percentage read
Mar-22	Report appears corrupted	Report appears corrupted	Report appears corrupted	Report appears corrupted
Apr-22	141	75	202	70.34%
May-22	142	74	195	71.26%
Jun-22	92	46	139	69.79%
Jul-22	84	40	146	70.62%

I checked the ICP unread in the year ended July 2022 where less than 90% read attainment was achieved at the NSP. Of the eight NSPs where the read attainment reported was less the 90%:

- one was a vacant ICP where the customer had provided a photo read to confirm the move out read and the ICP was subsequently disconnected; the latest actual read date for this ICP is 10 November 2022,
- one was a non-communicating AMI meter where the comms issue has now been resolved; as a comms fault was being actively investigated the best endeavours requirement was met,
- one ICP was a win-back (customer advised that the site had switched out in error) however once the switch withdrawal was completed the ICP was not then reinstated onto the meter reading cycle so remained unread until the ICP was later decommissioned, and
- five where Simply Energy could not identify the affected ICPs where the previous reporting logic is believed to have provided some incorrect statistics during the transition between the old and new reports.

#### Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 6.9</p> <p>With: Clause 8(1) and (2) Schedule 15.2</p> <p>From: 01-Jan-22</p> <p>To: 31-Jul-22</p>	<p>The meter read frequency report was not accurate prior to April 2022.</p> <p>For two ICPs unread in the 12 months ending 31 July 2022, exceptional circumstances did not exist, and the best endeavours requirement was not met.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate. There is a process in place, but compliance is not consistently achieved.</p> <p>The impact on settlement and participants is expected to be minor therefore, the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The Meter Read Frequency report has been updated and is now reporting accurately.</p> <p>Historical issue where no process was in place. We have since created a process (started in Feb 22) where any unread meter &gt;3 months is sent and actioned by our Support team. This involves them contacting the customer via email on the first attempt and a phone call if a 2nd attempt is required to gain and update access details to assist the meter readers in successfully obtaining an accurate meter read. As the new process came in place Feb 22 some of these ICPs only had 1 attempt via email to gain access.</p>		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Monthly reports are received from Wells and actioned by the support team using this process. We also have reports in Salesforce that highlight unread meters which we use. We also now have the ability to raise a "Special meter read" to Wells to action out side the normal read cycles. This will speed up the process of us being able to send a meter read back to a site to gain an actual read when we receive access information from a customer.</p>		Ongoing	

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

##### Code reference

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

##### Code related audit information

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

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

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

### Audit observation

The meter reading process was examined.

No active ICPs were supplied by SIMP or SELX during the audit period, and no meter reading frequency reports were required to be supplied.

I reviewed the meter reading frequency reports for SELS for March 2022 to July 2022. All ICPs not read in the four months ending July 2022 were reviewed to determine whether reasonable endeavours were used to attain reads, and if exceptional circumstances existed.

### Audit commentary

As discussed in **section 6.8**, there are processes in place to monitor read attainment, and attempt to resolve issues preventing read attainment.

Copies of the meter reading frequency reports to the Electricity Authority for March 2022 to July 2022 were provided, and the reports were sent within 20 business days after the end of the month however the report prior to April 2022 was found to use flawed logic and has subsequently been replaced with a new report using Power BI which now meets the reporting requirements.

Meter read attainment for SELS is summarised in the table below:

Month	Total NSPs where ICPs were supplied > 4 months	NSPs <90% read	Total ICPs unread for 4 months	Overall percentage read
Mar-22	Report appears corrupted	Report appears corrupted	Report appears corrupted	Report appears corrupted
Apr-22	141	48	104	81.84%
May-22	142	59	123	76.35%
Jun-22	92	68	32	77.00%
Jul-22	84	24	57	82.43%

I checked the NSPs where the read attainment in the four months ended July 2022 was less than 90%. Of the 24 NSPs identified, all the NSPs were where the ICP population was less than 15 ICPs and 22 were where the ICP population was less than 10 ICPs meaning the inability to read one ICP results in a read attainment of less than 90%. The review of the affected NSPs found that exceptional circumstances did not exist in all instances.

### Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.10</p> <p>With: Clause 9(1) and (2) Schedule 15.2</p> <p>From: 01-Jan-22</p> <p>To: 31-Jul-22</p>	<p>The meter read frequency report was not accurate prior to April 2022.</p> <p>90% read attainment not achieved for 24 NSPs in July 2022 and exceptional circumstances did not exist, and the best endeavours requirement was not met.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<p><b>Low</b></p>	<p>The controls are rated as moderate. There is a process in place, but compliance is not consistently achieved.</p> <p>The impact on settlement and participants is expected to be minor therefore, the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The Meter Read Frequency report has been updated and is now reporting accurately.</p> <p>Historical issue where no process was in place. We have since created a process (started in Feb 22) where any unread meter &gt;3 months is sent and actioned by our Support team. This involves them contacting the customer via email on the first attempt and a phone call if a 2nd attempt is required to gain and update access details to assist the meter readers in successfully obtaining an accurate meter read. As the new process came in place Feb 22 some of these ICPs only had 1 attempt via email to gain access.</p>		<p>Ongoing</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Monthly reports are received from Wells and actioned by the support team using this process. We also have reports in Salesforce that highlight unread meters which we use. We also now have the ability to raise a "Special meter read" to Wells to action out side the normal read cycles. This will speed up the process of us being able to send a meter read back to a site to gain an actual read when we receive access information from a customer.</p>		<p>Ongoing</p>	

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

### Code reference

Clause 10 Schedule 15.2

### Code related audit information

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

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

### Audit observation

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

### Audit commentary

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

### Audit outcome

Compliant

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

### Code reference

Clause 11(1) Schedule 15.2

### Code related audit information

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

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

### Audit observation

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

### Audit commentary

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

### Audit outcome

Compliant

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

### Code reference

Clause 11(2) Schedule 15.2

### Code related audit information

The following information is collected during each interrogation:

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

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

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

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

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

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

### Audit observation

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

### Audit commentary

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

EMS' processes have been compliant for all download types since September 2020. A non-compliance is recorded in their agent report for not obtaining a meter event log for one ICP for two months prior to this audit period, which was recorded as non-compliant in Simply Energy's previous audit report.

### Audit outcome

Compliant

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

### Code reference

Clause 11(3) Schedule 15.2

### Code related audit information

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

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

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

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

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

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

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



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

**Audit observation**

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

**Audit commentary**

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

**Audit outcome**

Compliant

## 7. STORING RAW METER DATA

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

#### Code reference

*Clause 13 Schedule 15.2*

#### Code related audit information

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

#### Audit observation

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

#### Audit commentary

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

#### Audit outcome

Compliant

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

#### Code reference

*Clause 18 Schedule 15.2*

#### Code related audit information

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

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

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

#### Audit observation

Processes to archive and store raw meter data were reviewed during the agent and MEP audits. I checked that meter readings cannot be modified without an audit trail and viewed archived meter reading data.

#### Audit commentary

The agents and MEPs are compliant with these clauses.

When this data reaches Simply Energy's systems, the level of security is also robust and unauthorised personnel cannot access raw meter data. I checked that data is retained by Simply Energy for at least 48 months, by viewing raw meter data from June 2019.

Compliance with clause 18(3) of schedule 15.2 was examined, which requires that "...meter readings cannot be modified without an audit trail being created." Readings cannot be modified without an audit trail being created.

#### Audit outcome

Compliant

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

#### Code reference

Clause 21(5) Schedule 15.2

#### Code related audit information

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

#### Audit observation

Collection of non-metering information was examined.

#### Audit commentary

Simply Energy does not deal with any non-metering information for SELS but has processes in place for the other participant codes it acts as an agent for.

EMS will retain the data logger files, and compliance is recorded in their agent audit report. Simply Energy will retain DUML information provided by database owners indefinitely but has no current DUML databases.

#### Audit outcome

Compliant

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

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

#### Code reference

Clause 19(1) Schedule 15.2

#### Code related audit information

*If a reconciliation participant detects errors while validating non-half hour meter readings, the reconciliation participant must:*

*19(1)(a) - confirm the original meter reading by carrying out another meter reading,*

*19(1)(b) - replace the original meter reading the second meter reading (even if the second meter reading is at a different date)*

*19(1A) if a reconciliation participant detects errors while validating non half hour meter readings, but the reconciliation participant cannot confirm the original meter reading or replace it with a meter reading from another interrogation, the reconciliation participant must:*

- *substitute the original meter reading with an estimated reading that is marked as an estimate; and*
- *subsequently replace the estimated reading in accordance with clause 4(2).*

#### Audit observation

Processes for the correction of NHH meter readings were reviewed. Corrections to volumes where meter readings match the value recorded by the meter, such as where a multiplier is incorrect, a meter is defective or bridged, or inactive consumption is identified were reviewed in **section 2.1**.

#### Audit commentary

Where errors are detected during validation of non-half hour meter readings, a check reading is performed, or AMI data is checked. If an original meter reading cannot be confirmed it is invalidated and an estimated reading is applied for billing. Estimated readings are ignored by the historic estimate calculation process; if no validated actual readings are available, forward estimates will be created.

If a reading is invalidated before being sent to MADRAS, the read will not be sent. If the reading is invalidated after being sent to MADRAS it will be updated using the read replacement process discussed in **section 12.3**.

The meter reading history for ICP 0007108589RNEAF was compared between DataHub and MADRAS as the related NSP was showing as 100% forward estimate volumes in the AV-080 file. Both gain and loss readings were present in DataHub however the opening read (switch gain read) was missing from MADRAS. The cause of this missing opening read was due to human error where all readings were deleted from MADRAS, as part of a read import error correction, as part of creation of the switch loss estimate reading for a date prior to the last actual read. Where a read or an estimate is required to be inserted for a date prior to the last reading within MADRAS the read history is first deleted and then the revised read history is reloaded into MADRAS. When the meter readings were collated in the manual file for upload back into MADRAS the opening reading was not included due to human error. Simply Energy have now applied an additional check to capture these errors to enable corrections to be applied in a timely manner.

Simply Energy reviewed all manually created reading files for upload into MADRAS and identified another seven ICPs where this issue has occurred, and for six of the ICPs the error occurred outside the available 14-month revision window. The impact to settlement is described in **section 12.7**.

If transposed meters are identified, they will be corrected by moving the readings to the correct registers or using the read renegotiation process if switch reads are affected. No examples of transposed meter readings have occurred during the audit period.

### Audit outcome

Non-compliant

Non-compliance	Description	
Audit Ref: 8.1 With: Clause 19(1) Schedule 15.2  From: 01-Jan-22 To: 16-Dec-22	The meter reading history for ICP 0007108589RNEAF was deleted from MADRAS and no replacement read or estimate read was applied resulting in default consumption being applied for the affected period. Six other ICPs were also affected.  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Moderate  Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as moderate because the process to upload readings into MADRAS is robust and automated. However, where users attempt to correct the meter reading history by deleting the records in MADRAS prior to reimporting a revised set of meter reads, there is a risk of errors occurring.  The number of affected ICPs is small therefore the impact on settlement and participants is expected to be minor therefore, the audit risk rating is low.	
Actions taken to resolve the issue	Completion date	Remedial action status
All ICPs affected by this issue have been identified and resolved	15/12/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We have now applied an additional check to capture these errors to enable corrections to be applied in a timely manner	15/12/2022	

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

### Code reference

Clause 19(2) Schedule 15.2

### Code related audit information

*If a reconciliation participant detects errors while validating half hour meter readings, the reconciliation participant must correct the meter readings as follows:*

*19(2)(a) - if the relevant metering installation has a check meter or data storage device, substitute the original meter reading with data from the check meter or data storage device; or*

19(2)(b) - if the relevant metering installation does not have a check meter or data storage device, substitute the original meter reading with data from another period provided:

- (i) The total of all substituted intervals matches the total consumption recorded on a meter, if available; and
- (ii) The reconciliation participant considers the pattern of consumption to be materially similar to the period in error.

#### **Audit observation**

AMI HHR corrections for SELS are completed by Simply Energy TOU HHR Corrections for SELS are completed by EMS and correction processes were reviewed. HHR estimates, including replacement of estimated data, are discussed in **section 9.4**.

#### **Audit commentary**

EMS collects and validates TOU HHR data and creates any permanent estimates; and supplies the validated HHR data including estimates and corrections to Simply Energy in EIEP3 format. This data is used to create HHR submissions. Simply Energy creates permanent estimates for AMI HHR data and uploads these into AXOS.

The correction process is unchanged since the last audit. No HHR corrections were completed during the audit period.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 19(3) Schedule 15.2*

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

*A reconciliation participant may use error compensation and loss compensation as part of the process of determining accurate data. Whichever methodology is used, the reconciliation participant must document the compensation process and comply with audit trail requirements set out in the Code.*

#### **Audit observation**

Error and loss compensation arrangements were discussed.

#### **Audit commentary**

Simply Energy and EMS confirmed that no error or loss compensation arrangements are in place.

#### **Audit outcome**

Compliant

## 8.4. Correction of HHR and NHH raw meter data (Clause 19(4) and (5) Schedule 15.2)

### Code reference

*Clause 19(4) and (5) Schedule 15.2*

### Code related audit information

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

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

*19(5)(a)- the date of the correction or alteration*

*19(5)(b)- the time of the correction or alteration*

*19(5)(c)- the operator identifier for the person within the reconciliation participant who made the correction or alteration,*

*19(5)(d)- the half-hour metering data or the non-half hour metering data corrected or altered, and the total difference in volume of such corrected or altered data,*

*19(5)(e)- the technique used to arrive at the corrected data,*

*19(5)(f)- the reason for the correction or alteration.*

### Audit observation

Corrections are discussed in **sections 2.1, 8.1, and 8.2**, which confirmed that raw meter data is not overwritten as part of the correction process. Audit trails are discussed in **section 2.4**.

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

### Audit commentary

Compliance with this clause has been demonstrated by Simply Energy's MEPs and agents.

Compliant journals for NHH and HHR corrections are created manually in an online log detailing the reason for the estimation and the estimation methodology applied as required by this clause.

Corrections to meter reading data are processed in DataHub, and each user has an individual operator identifier which is recorded in the audit trail.

### Audit outcome

Compliant

## 9. ESTIMATING AND VALIDATING VOLUME INFORMATION

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

#### Code reference

Clause 3(3) Schedule 15.2

#### Code related audit information

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

#### Audit observation

A sample of reads and volumes were traced from the source files to Simply Energy's systems in **section 2.3**.

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

Correct identification of estimated reads, and review of the estimation process was completed in **sections 8.1, 8.2 and 9.4**.

#### Audit commentary

All estimated readings, permanent estimates and actual readings are clearly identified as required by this clause. Validated actual and switch event reads are transferred to MADRAS for use in the historic estimate calculations. All of these readings transferred to MADRAS are recorded as A (actual) in the files produced from DataHub. This means that permanent estimate switch reads are transferred as actuals, but the correct read type can be confirmed in DataHub as required by the Code. There is no impact on submission, because the switch estimates are treated as validated by the historic estimate process. NHH readings reviewed during the audit were correctly classified apart from one switch move CS file which contained an incorrect switch event read type.

Code	ICP	Switch Event date	Correct read type	CS applied read type
SELS	1001280409TCBCF	10 March 2022	E	A

#### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.1 With: Clause 3(3) Schedule 15.2  From: 15-Mar-22 To: 15-Mar-22	1001280409TCBCF had an actual CS event reading recorded as estimated in its 10 March 2022 CS file.  Potential impact: Low  Actual impact: Low  Audit history: Multiple times  Controls: Strong  Breach risk rating: 1



Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because almost all reads checked had the correct read type recorded. The impact is low because all switch event reads are correctly treated as permanent by the historic estimate calculation process, so there is no impact on submission volumes .		
Actions taken to resolve the issue		Completion date	Remedial action status
This historic issue cannot be corrected		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We immediately implemented our QA process on 01/11/2022, where a backup person checks that the data is correct then gives the final approval. This process will be automated in Phase 2 of the Switching Automation currently scheduled for Quarter 3 of 2023.		30/09/2023	

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

### Code reference

Clause 3(4) Schedule 15.2

### Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

### Audit observation

A sample of submission data was reviewed in **sections 11** and **12**, to confirm that volume was based on readings as required.

HHR data is collected by MEPs and agents. Compliance was assessed as part of their MEP and agent audits.

### Audit commentary

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

### Audit outcome

Compliant

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

### Code reference

Clause 3(5) Schedule 15.2

### Code related audit information

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

### Audit observation

A sample of submission data was reviewed in **sections 11 and 12**, to confirm that volume was based on readings as required.

NHH and HHR data is collected by MEPs and agents. Compliance was assessed as part of their MEP and agent audits.

### Audit commentary

The MEPs retain the raw, unrounded data. Compliance with this clause has been demonstrated by AMS, EDM I and MEPs as part of their own audits.

AMI and HHR interval data is not rounded or truncated on import. The number of decimal places recorded in DataHub matched the source files for the sample of data checked. EMS provides data to Simply Energy in the EIEP3 format, which rounds to two decimal places. The EIEP3 format may round the trading period data to two decimal places if the meter does not have a multiplier and the volume for that hour has a non-zero value in the third decimal place. Simply Energy is working with EMS to implement a file that will provide the data to three decimal places.

NHH readings are imported into DataHub with decimal places included, and MADRAS now accepts readings with decimal places.

Manually entered readings including those received from customers can be entered with decimal places.

### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 9.3 With: Clause 3(5) of schedule 15.2  From: 01-Jan-22 To: 16-Dec-22	EMS EIEP3 file format may round the trading period data to two decimal places if the meter does not have a multiplier and the volume for that hour has a non-zero value in the third decimal place.  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Moderate  Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
<b>Low</b>	For HHR data, the controls are rated as moderate because data includes all decimal places provided for most ICPs. The impact is assessed to be low for the EIEP3 format, because a small number of ICPs are expected to be affected and the issue only affects the third decimal place under certain circumstances.

Actions taken to resolve the issue	Completion date	Remedial action status
EMS have now updated their systems to also report to 3dp and have provided files to us in March 2023.	13/02/2023	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
No further action required here.	N/A	

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

##### Code reference

Clause 15 Schedule 15.2

##### Code related audit information

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

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

##### Audit observation

HHR estimates for SELS are prepared by Simply Energy (TOU temporary estimates and AMI ) and EMS (TOU permanent estimates). The estimation processes were reviewed.

##### Audit commentary

EMS collects and validates HHR data and creates any permanent estimates required; and supplies the validated HHR data including estimates and corrections to Simply Energy in EIEP3 format. This data is used to create HHR submissions.

I reviewed the estimates for ICP 0000161126CK8D1 for June 2022 against the received actual data when this revised information was available. The estimation was a good assessment of volume against the actual data subsequently received.

Temporary estimates are created by DataHub, and a job is run to create temporary estimates for each ICP with missing data, unless other data such as check metering is available to confirm the correct values. The estimation methodology sets out how equivalent days are determined, and accounts for working days, non-working days, daylight savings beginning and ending, and public holidays for days that are estimated. When considering the week of actual data that the estimates are calculated from, the process does not consider whether that week contains public holidays or is indicative of typical consumption, and this can impact on the accuracy of estimates.

Where there is insufficient history to determine an equivalent day (e.g., for a new ICP switching in) an estimate must be manually created and then imported into DataHub in EIEP3 format. Use of a default value is recommended, to ensure that estimates are completed on time where there may be large numbers of new ICPs requiring estimates.

Recommendation	Description	Audited party comment	Remedial action
Default HHR estimates where insufficient history is available	Develop a default estimate shape and mechanism to automatically perform estimates in DataHub where insufficient HHR data history available for an ICP.	This requires a software change and we are currently liaising with our software provider on how this can be achieved. Prior to any changes made a Material Change Audit will be conducted.	Investigating

When trading period data has been estimated and actual data is received later, the actual data is imported and validated against the estimates. HHR replacement data can now be loaded without a register reading. Where an MEP has provided a part day of data, they may later provide a replacement file which contains nulls for the trading periods already provided and HHR volumes for the part of the day that was originally missing. I found that where this occurs, DataHub imports the whole replacement file, which replaces the actual data originally provided with the null values. DataHub then creates estimates for the missing periods. This is recorded as non-compliance in **section 12.7**. When data is replaced, compliant audit trails are created within DataHub's job log.

Recommendation	Description	Audited party comment	Remedial action
Replacement of actual data with actual data	If partial replacement data is provided, ensure that only the periods with valid replacement data are updated in DataHub.	If the ICP has been with us then Datahub does produce an Estimate based on history for TOU or Profile Shape for AMI. This issue only arises when an ICP is brand new, and no history exists. In these situations, we currently source estimated data from the Offer process.	Identified

Where AMI data is not flagged as validated or is flagged as failed validation by a MEP then the HHR values are uploaded into DataHub as unvalidated data. When DataHub goes to produce a HHR submission all MEP data not flagged as being validated is ignored and no investigations are undertaken by Simply Energy to verify whether the interval data is corrupt and requires these periods to be estimated. DataHub then performs estimations for these perceived missing periods resulting in some volumes being allocated to incorrect trading periods using the customers historic consumption profile. The replacement of actual interval data with estimated data without investigating and confirming whether the interval data is corrupt is not considered to be accurate in accordance with Clause 15.2. Non-compliance is recorded in **sections 2.1** and **12.7**.

Volumes are identified as F (final actual), E (estimated) or D (deleted) in DataHub at trading period level. Permanent estimates are created in DataHub by importing a new file with the permanent estimate data marked as F (final). Permanent estimates can be identified at trading period level using the permanent estimate log, which is updated manually when permanent estimates are created as described in **section 8.4**. Temporary estimates are marked as E (estimated) at trading period level.

I reviewed a sample of ten HHR estimates and confirmed that the estimates were reasonable and consistent with the ICPs' consumption patterns and the volume calculated between midnight reads either side of the estimated period, and reasonable endeavours were used.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 9.4  With: Clause 3(5) of schedule 15.2        From: 01-Jan-22 To: 16-Dec-22	Estimations are performed even though actual data is received where: <ul style="list-style-type: none"> <li>• an AMI MEP has flagged the interval data as either having failed sum check validation or there were insufficient midnight reads available to perform this validation, and</li> <li>• a partial replacement file has been provided by the AMI MEP that includes null values for previously provided actual data; the received null values then replace the previously supplied actual data which in turn triggers an estimation to be performed.</li> </ul> Potential impact: Low  Actual impact: Low  Audit history: twice  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as moderate and will mitigate risk but there is room for improvement.  The audit risk rating is rated as low as the current replacement of actual data with estimates is limited to one AMI MEP and has a small impact on submission accuracy.		
Actions taken to resolve the issue		Completion date	Remedial action status
Our Data Service Provider is currently developing a fix for this issue.		Ongoing	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
Pending successful development and a Material Change Audit this issue will be resolved.		30/06/2023	

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

**Code reference**

Clause 16 Schedule 15.2

**Code related audit information**

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

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

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

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

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

#### **Audit observation**

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

#### **Audit commentary**

Data validation for NHH metering information occurs at multiple levels.

##### **Meter reader validation**

As discussed in **section 6.6**, Wells validate readings and check meter condition when readings are obtained.

For AMI meters, the MEPs have access to meter event and clock synchronisation information that may identify issues with meter accuracy. The process to receive and review this information is discussed in **sections 6.5** and **9.6**.

##### **Read import and billing validation**

Simply Energy's NHH validation process is compliant. The import process checks:

- the reading relates to a valid ICP meter and register, and
- the content of each field is valid and not corrupted, including dates and times.

The meter reading validations check:

- the reading date falls between the data stream's opening and closing date,
- the reading is consistent with the number of dials recorded,
- whether the reading is higher than previous reads, which identifies negative consumption,
- whether the meter has rolled over, and
- consumption between reads against the estimated forward daily kWh to identify high or low, or zero consumption.

Any ICPs which fail the validation are individually reviewed. The user can manually force a read to pass validation so that it is published and available for reconciliation and billing or leave the read as unvalidated.

Simply Energy has a process to review the meter condition codes captured by Wells as part of the meter reading process however information is not consistently reviewed.

The issue identified in the 2020 audit, where the actual data is lower than the estimated data, was not being validated and was not replacing the estimates has been resolved and I found no incidents of this occurring.

For all codes, a billing volume check is completed prior to each day's billing run for end of month billing. The report is used to identify the following exceptions:

- ICPs which are missing removal reads,
- ICPs with large consumption differences, negative consumption, or missing reads over the last three months, and
- new ICPs with only a switch in read, which are checked to confirm that their estimated consumption is reasonable based on information obtained on switch in.

NHH reads sent to EMS for reconciliation are also validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Simply Energy also validates EMS' records against their own. These validation checks are discussed in **section 12.3**.

There is no specific monitoring of persistent of zero consumption at a meter or ICP level, and Simply Energy intends to implement this once further development of the data warehouse is complete.

Recommendation	Description	Audited party comment	Remedial action
Zero consumption reporting	Establish a validation process for meters with zero consumption.	We intend to put in place a process to identify Meters with 0 consumption and have this confirmed by the customer. We will start with meters with 0 consumption in the current month, but > 0 consumption in previous months, then extend to encompass all ICPs over time.	Investigating

### Consumption on inactive ICPs

The data stream is no longer end dated in DataHub so the reads will be imported regardless of the ICPs status. Simply Energy requests that Wells stop manually reading meters once they become disconnected, but do not routinely ask the AMI MEPs to stop reading ICPs. I note that reads are often unable to be obtained by the MEPs where the meter has been physically disconnected at the fuse point. This inconsistent approach to meter reading of inactive ICPs means that some consumption occurring at inactive ICPs is not being detected or investigated. I have recommended that Simply Energy standardises the process for meter reading of inactive ICPs across all inactive ICPs in **section 3.9**.

Simply Energy has implemented new inactive consumption report from October 2022. Currently the threshold applied within this report has been set to 10 kWh to try and eliminate potential false positives. However, the application of a threshold greater than 1 kWh means that some exceptions are not investigated and resolved. I have recommended that Simply Energy review the threshold applied to the inactive consumption report in **section 3.9**.

### Audit outcome

Compliant

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

### Code reference

*Clause 17 Schedule 15.2*

### Code related audit information

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

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

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

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

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

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

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

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

#### **Audit observation**

HHR data validation is completed by Simply Energy for SELS, using volumes which have initially been validated by EMS. I walked through the processes, including checking a sample of data validations and meter event logs.

AMI data validation is completed by Simply Energy for SELS. I walked through the processes, including checking a sample of data validations and meter event logs. Process documentation was reviewed.

No active ICPs were supplied by SIMP or SELS during the audit period.

#### **Audit commentary**

Electronic data used to determine volume information is provided by MEPs and agents. This function was examined as part of the MEP and agent audits.

#### **AMI**

For HHR AMI ICPs Simply Energy carries out the same billing validation as used for NHH ICPs. This includes high and low consumption to achieve compliance with 17(4)(d). Reporting is in place for missing data. Files with incorrect dates or times will be identified at the time of loading and two identical files cannot be loaded.

Meter event log information is received via SFTP but is not reviewed as required by the Code. Reporting will be developed to review meter events as part of Simply Energy's further development of their data warehouse. In the meantime, any meter events requiring action emailed to the operations team by MEPs are reviewed and actioned.

#### **HHR**

SELS supplies some meter category 1, 2, 3, 4 and 5 ICPs which are billed and reconciled as HHR. The EMS HHR validation process is compliant for SELS. Once the data is received by Simply Energy the following validations occur:

- automated validation of new trading period data against existing trading period data for the same period,
- reporting on ICPs with missing trading period data, which is followed up with the agents and MEPs; Simply Energy considers changing the submission type to NHH for HHR ICPs with metering category 1 or 2 and persistent missing data issues, and missing data is estimated as described in **section 9.4**,
- the ANH data stream is used to complete a sum check if midnight readings are available; any differences greater than  $\pm 1$  kWh fail validation and are investigated (in some cases, the sum check may fail because a switch read has failed validation e.g., because it is higher than a subsequent AMI read and this can take time to resolve),
- comparison to expected flow patterns is checked by comparing billed and submitted data, differences between revisions, and monthly consumption before submission using a Power Query; the data is aggregated by participant code,
- comparison of ICP and flow direction level submission data to the previous submission(s) for the month for revisions, and previous month for revisions; any combinations with differences of more than  $\pm 80\%$  or  $\pm 50,000$  kWh are checked unless the ANZSIC code indicates that they are an irrigation ICP, and



- unexpected zeros are checked by filtering the ICP, flow direction and trading period data, and then checking to determine whether the zeros are consistent with the consumption history for the ICP.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 9.6 With: Clause 17 Schedule 15.2 From: 01-Jan-22 To: 16-Dec-22	AMI event logs are not routinely reviewed. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor as where an AMI MEP identifies and alerts Simply Energy of an issue impacting the integrity of the meter via email these events are investigated and action taken where required; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
This is to be addressed in a report from our new Data Warehouse.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
New Reporting in our Data Warehouse will address this issue		30/06/2023	

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

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

#### Code reference

Clause 13.136

#### Code related audit information

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

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

#### Audit observation

The NSP table on the registry was reviewed.

#### Audit commentary

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

#### Audit outcome

Not applicable

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

#### Code reference

Clause 13.137

#### Code related audit information

*Each generator must provide the relevant grid owner half-hour metering information for:*

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

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

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

#### Audit observation

The NSP table on the registry was reviewed.

#### Audit commentary

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

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 13.138*

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

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

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

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

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

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

#### **Audit observation**

The NSP table on the registry was reviewed.

#### **Audit commentary**

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

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 13.140*

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

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

#### **Audit observation**

The NSP table on the registry was reviewed.

#### **Audit commentary**

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

#### **Audit outcome**

Not applicable

## 11. PROVISION OF SUBMISSION INFORMATION FOR RECONCILIATION

### 11.1. Buying and selling notifications (Clause 15.3)

#### Code reference

Clause 15.3

#### Code related audit information

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

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

#### Audit observation

Processes to create buying and selling notifications were discussed.

I checked whether any breach allegations had been made in relation to buying and selling notifications.

#### Audit commentary

Simply Energy do not routinely create trading notifications. They are normally created where EMS advises they are required because file has failed the reconciliation manager's file checker process.

Notifications are only created where Simply Energy begins or ceases trading for all ICPs on an NSP, not where they begin or cease trading using a profile other than HHR, RPS, UML, EG1, or PV1 at an NSP. This is because there is no facility to enter a profile into a trading notification on the reconciliation manager portal.

There have not been any breach allegations in relation to this clause during the audit period.

#### Audit outcome

Compliant

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

#### Code reference

Clause 15.6

#### Code related audit information

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

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

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

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

### Audit observation

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

SELS NHH AV110 submissions are completed by EMS. HHR AV110 submissions for SELS are completed by SELS.

I reviewed GR100 report variances for 20 months for SELS.

### Audit commentary

#### ICP days calculation

There is validation in place to ensure MADRAS has correct start and end dates to calculate NHH ICP days as discussed in **section 12.3**.

I checked the calculation of ICP days for 50 NSPs with HHR ICP days and 50 NSPs with NHH ICP days for August 2022.

- There were two NHH ICP days differences which were due to a backdated switches and four related to embedded network residual load ICPs which are excluded from the AV110 report but included in the GR100 report.
- There was one HHR ICP days difference relating to ICP 0000047002TCBE4 where the data validation process had rejected some interval values due the switch loss read, entered into the system and provided in the CS file to zero decimal places. However this was lower than the recorded midnight reads recorded to three decimal places for the last day of the consumption period. The sum check validation detected negative consumption between the recorded end of days reads so rejected the interval values.
- This rejected interval data was not replaced with an initial estimate resulting in one day not being included in the HHR submission and one day less being recorded in the ICPDAYS report.

I walked through the process for NHH to HHR meter changes in relation to this clause, by checking all downgrades and a sample of five upgrades for SELS and the ICP days were correct.

#### ICP days comparison

The tables below show the difference between the AV110 ICP days submissions and the RM return file (GR100) for all available revisions for 20 months for SELS for both NHH and HHR submission types. Negative percentage figures indicate that the Simply Energy AV110 ICP days figures are higher than those contained on the registry, and positive figures indicate that the registry's figures are higher than those contained in the AV110.

#### HHR

Month	R0	R1	R3	R7	R14
Jan 2021	-	-	-	-	0.00%
Feb 2021	-	-	-	-	0.00%
Mar 2021	-	-	-	-	0.00%
Apr 2021	-	-	-	-	0.00%

Month	R0	R1	R3	R7	R14
May 2021	-	-	-	-	0.00%
Jun 2021	-	-	-	0.00%	0.00%
Jul 2021	-	-	-	0.00%	-
Aug 2021	-	-	-	0.00%	-
Sep 2021	-	-	-	0.00%	-
Oct 2021	-	-	0.00%	0.00%	-
Nov 2021	-	-	0.00%	0.00%	-
Dec 2021	-	0.07%	0.00%	0.00%	-
Jan 2022	-	0.00%	0.00%	0.00%	-
Feb 2022	-	0.00%	0.00%	0.00%	-
Mar 2022	-	0.00%	0.00%	-	-
Apr 2022	-	-0.13%	0.00%	-	-
May 2022	-	0.00%	0.00%	-	-
Jun 2022	-	0.24%	0.00%	-	-
Jul 2022	-	0.00%	-	-	-
Aug 2022	-	0.00%	-	-	-

**NHH**

Month	R0	R1	R3	R7	R14
Jan 2021	-	-	-	-	0.00%
Feb 2021	-	-	-	-	-0.17%

Month	R0	R1	R3	R7	R14
Mar 2021	-	-	-	-	-0.10%
Apr 2021	-	-	-	-	0.44%
May 2021	-	-	-	-	0.41%
Jun 2021	-	-	-	0.31%	0.31%
Jul 2021	-	-	-	0.26%	-
Aug 2021	-	-	-	0.39%	-
Sep 2021	-	-	-	0.50%	-
Oct 2021	-	-	0.34%	0.43%	-
Nov 2021	-	-	0.35%	0.44%	-
Dec 2021	-	0.32%	0.37%	0.46%	-
Jan 2022	-	0.44%	0.00%	0.48%	-
Feb 2022	-	0.50%	0.49%	0.50%	-
Mar 2022	-	0.60%	0.49%	-	-
Apr 2022	-	0.49%	0.58%	-	-
May 2022	-	-1.12%	0.41%	-	-
Jun 2022	-	0.43%	0.38%	-	-
Jul 2022	-	0.55%	-	-	-
Aug 2022	-	0.62%	-	-	-

I checked the seven NHH differences remaining for five consumption periods at revision seven. Four related to embedded network residual load ICPs which are excluded from the AV110 report but included in the GR100 report. Three related to backdated decommissioning of ICPs where the volume was corrected for the AV-080 NHHVOLS submission for the 14 month revision but MADRAS continued to report zero volume and the respective ICPDAYS.

#### Audit outcome

Compliant

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

#### Code reference

Clause 15.7

#### Code related audit information

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

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

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

#### Audit observation

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

GR130 reports were reviewed to confirm whether the relationship between billed and submitted data appears reasonable.

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

#### Audit commentary

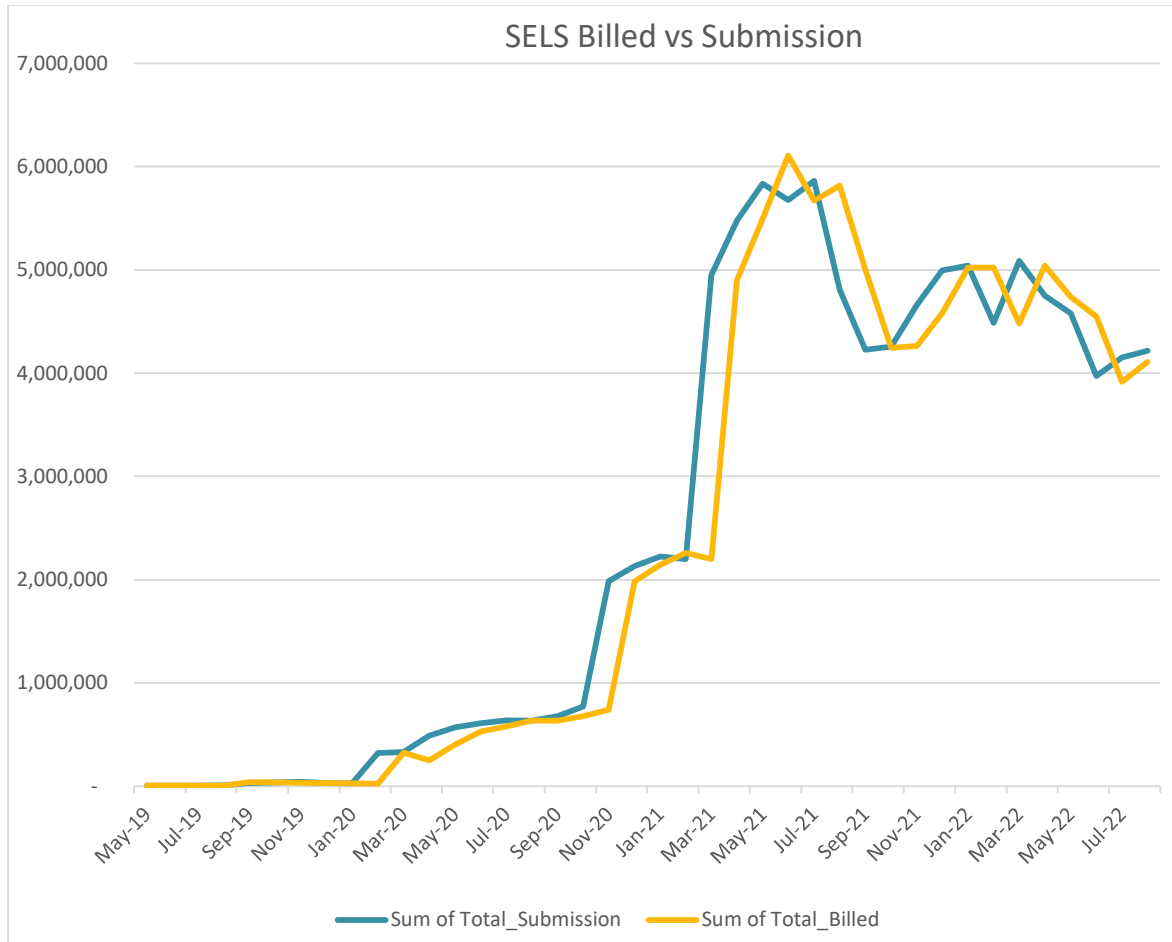
SELS

The accuracy of the electricity supplied information was checked by examining five NSPs with a small volume and against the invoices for the September 2022 AV120 submission.

The chart below shows a comparison between submissions and electricity supplied information. There is a -0.5% difference (submitted lower than billed) for the year ended August 2022 and a 0.1% difference (submitted higher than billed) for the two years ended May 2022. The lower submitted volumes compared to billed for the 12 months ending August 2022 can be attributed to volumes for residual load ICPs. Residual load ICP volumes are not included in Simply Energy's submission data and are calculated by the Reconciliation Manager however the billed volumes for residual load ICPs are included in Simply Energy's AV120 files creating this distortion in this comparison.

Compliance is recorded.





### Audit outcome

Compliant

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

#### Code reference

Clause 15.8

#### Code related audit information

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

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

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

### Audit observation

I confirmed that the process for the calculation and aggregation of HHR data is correct, by matching HHR aggregates information with the HHR volumes data for a sample of submissions. Aggregates data was also matched to the raw meter reading data for a sample of ICPs.

I checked the GR090 ICP missing files for the audit period and checked a sample of missing ICPs as described in the commentary.

### Audit commentary

HHR volumes and aggregates were matched for five submissions, and the values matched to two decimal places. I traced a sample of HHR data from HERM files to DataHub, and then through to the HHR aggregates and volumes submissions. Compliance is confirmed.

The GR090 ICP missing reports for June 2021 to August 2022 were examined. An extreme case sample of five ICPs missing for more than two submissions and found the differences were caused by:

- ICP 0003730353WFA9E was a backdated switch,
- ICP's 0002290007DF353 and 0002290002DFE1C were changes to submission type (HHR to NHH) and profile code that were backdated to when the interval data had stopped being delivered,
- ICP 0003146255BU6E0 (relating to a large embedded generation connection) had load shifted to another NSP within the same balancing area for reconciliation purposes (as the recorded NSP was undergoing maintenance so the spot price went to \$0). Simply Energy undertakes this process to shift the submission volumes to another NSP within the same balancing area to ensure this generation is correctly valued in the settlement process, and
- ICP 0000656009TCD16 is related to a back-up generation supply that is powered up intermittently but when the connection is not powered up the meter is not able to communicate therefore there is no data available to download or submit; when this occurs, no submission is performed for this ICP though submission volumes would be zero due to the customer initiated disconnection (as the power supply is managed by the customer there are no updates to the registry status, and the issue is now resolved with the customer to ensure the power supply to the meter remains on).

### Audit outcome

Compliant

## 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

Simply Energy's AMI and HHR data is received adjusted for daylight savings and is correctly handled by DataHub. I checked a sample of four adjustments to and from daylight savings and confirmed that they were processed correctly.

#### Audit commentary

Simply Energy uses the "trading period run on" technique. The files for the start and end of daylight savings were correct.

#### Audit outcome

Compliant

### 12.2. Creation of submission information (Clause 15.4)

#### Code reference

Clause 15.4

#### Code related audit information

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

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

#### Audit observation

Processes to ensure that HHR, NHH and generation submissions are accurate were reviewed. A list of breaches was obtained from the Electricity Authority.

#### Audit commentary

##### **NHH**

EMS prepares AV080 submissions as Simply Energy's agent. The submission data excludes unmetered volumes for three SB (embedded network residual load) ICPs as agreed with the Reconciliation Manager. Volumes for these ICPs are calculated by the Reconciliation Manager and included in the GR040 (balanced HHR and NHH data report).

No active ICPs were supplied by SIMP or SELX during the audit period. Submission data and processes were checked for SELS including:

- Inactive consumption, which is only reported if the ICP is returned to active status; three ICPs with inactive consumption were identified during the audit period.
  - Two ICPs (1001280350TC294, 1001280352TC211) where the disconnection reading was deleted in error resulting in consumption being incorrectly recorded during the inactive period. The missing disconnection reads has been reinserted, and revised submission information will be washed up.
  - ICP 0000005028CB2A0 – (341 kWh) had genuine consumption detected but the registry status was inactive and the consumption was omitted from submissions. The status has now been corrected and revised submission information will be washed up.
- Vacant consumption, which is recorded against the building owner or landlord customer account, and reported in the same way as for any active ICP. Two ICPs with vacant consumption were reviewed.
  - ICP 1001280426TC944 was an inactive vacant ICP where the AMI reads indicated that the ICP was reconnected by others prior to the switch date. Simply Energy has liaised with the other trader and the switch date has been adjusted to reflect the reconnection date.
  - ICP 1001280400TC59E was also an inactive vacant ICP that switched away however there was an issue with the bulk switch out process where the transfer reading was incorrectly estimated with usage. This error was not discovered in time to request a read change with the other trader within the four-month window for RR requests. The volume impact of this incorrect estimate was 11 kWh and this volume has not been accounted for in the reconciliation process due to the small amount of volume involved.
- Distributed generation which is recorded with flow direction I and PV1 profile confirmed that all were submitted correctly.
- Zero lines are added to all AV080 submissions where these are required to align submission data with trading notifications and also to remove previously submitted data where an ICP switch loss has been backdated.

MADRAS does not have the capability to deal with unmetered load, therefore “dummy” meters have been created and Simply Energy manually creates start and end meter readings and sends them to EMS; these readings are reviewed monthly to ensure that any changes made are updated and sent through to EMS. I reviewed submission information for four ICPs with standard unmetered load present for May 2022 (no ICPs with shared unmetered load are supplied) and identified that the submitted volumes for three ICPs (0000051418WE4CB, 0000328398MP8C5, 0000638910MPOA3) were not correct as the end of month dummy meter readings were not calculated using the registry daily unmetered kWh values resulting in a MADRAS estimation being applied. These three ICPs have now switched away to CTCS and only one current unmetered ICP is supplied by SELS at the time of the audit.

- Where an ICP is only with SELS for one day MADRAS cannot recognise both start and stop readings for the same day. MADRAS can only process one reading per day therefore cannot calculate a one-day period of supply historic estimate volumes.
- Some readings in MADRAS have been deleted and not replaced in error as part of a read import error corrections. Investigations identified eight occurrences, seven of which were for periods outside the 14-month wash up window.

I rechecked exceptions identified during the previous audit:

Code	ICP	Previous audit issue	Current audit findings
SIMP	0000003106TCEFF	Has a status date of 3 September 2020 but should have 1 September 2020. This has switched to SELS from 26 May 2021.	Attempts to reverse blocking registry events and correct the status event date have been unsuccessful
SIMP	0000034114EA3CE	Has a status date of 30 June 2020 but should have 29 June 2020. This has switched to SELS from 1 January 2021.	Corrected
SIMP	0044124262PCA14	Contained a last actual read of 15,852 but should have been 15,838, resulting in 14 kWh being pushed to the gaining trader and reconciled for the wrong period.	Not corrected
SIMP	1000006431BP643	Contained a last actual read of 43,493 but should have been 43,428, resulting in 65 kWh being pushed to the gaining trader and reconciled for the wrong period.	Not corrected
SELS	0000514131NR159	The unmetered load for ICP 0000514131NR159 was not identified and therefore a forward estimate of 20 units per day was applied. This was corrected in December 2021 to reflect the daily unmetered kWh volume and corrections will flow through the revision process from the gain date of 1 April 2021	Corrected
SELS	0000163525CKB50	ICP 0000163525CKB50 had the incorrect first active date of 28 October 2021 but was electrically connected on 9 October 2021.	Corrected
SELS	0000024997EA2A8	Unmetered load submission did not occur for February 2021.	Corrected
SELS	0000014504EACAF	HHR estimate was not reasonable and not consistent with the ICPs consumption patterns for ICP 0000014504EACAF due to human error resulting in 8,879 kWh of over submission	Corrected

**HHR**

EMS prepared the HHR submissions for SIMP and SELX and compliance was assessed as part of their agent audit. No active ICPs were supplied by SIMP or SELX during the audit period.

Simply Energy prepares HHR submissions for SELS and HHR submissions were reviewed in **section 11.4**. A review of the GR-090 ICP missing report identified that ICP 0003146255BU6E0 (relating to a large embedded generation connection) had the load shifted to another NSP for reconciliation purposes as the recorded NSP was undergoing maintenance, so the spot price went to \$0.

Simply Energy undertakes this process to shift the submission volumes to another NSP within the same balancing area to ensure this generation is correctly valued in the settlement process.

There was one HHR ICP (ICP 0000047002TCBE4) where the data validation process had rejected some interval values due the switch loss read, entered into the system and provided in the CS file to zero decimal places. However, this was lower than the recorded midnight reads recorded to three decimal places for the last day of the consumption period. The sum check validation detected negative consumption between the recorded end of day reads so rejected the interval values. This rejected interval data was not replaced with an initial estimate resulting in one day not being included in the HHR submission and one day less being recorded in the ICPDAYs report.

Data is validated prior to submission as discussed in **section 12.3**. No corrections occurred during the audit period.

**Audit outcome**

Non-compliant

Non-compliance	Description
<p>Audit Ref: 12.2 With: Clause 15.4</p> <p>From: 01-Jan-22 To: 16-Dec-22</p>	<p>One ICP (1001280400TC59E) did not have consumption (11 kWh) during a vacant inactive period reported.</p> <p>Three ICPs (0000051418WE4CB, 0000328398MP8C5, 0000638910MP0A3) had incorrect unmetered load information resulting in an under submission of 136 kWh for May 2022.</p> <p>Three ICPs (1001280350TC294, 1001280352TC211, 0000005028CB2A0) had consumption recorded during inactive periods that was initially included in submission.</p> <p>Some corrections identified in the previous audit not corrected and are now outside the revision cycle.</p> <p>Some readings in MADRAS have been deleted and not replaced prior to the 14-month revision.</p> <p>Historic Estimates not calculated for ICPs with only one day period of supply.</p> <p>HHR data not submitted for one day for ICP 0000047002TCBE4.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2</p>

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate overall. Improvements are required to some of the controls.</p> <p>The impact is low based on the volume difference identified.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
All noted issues in this last Audit have been identified and resolved including as an example 0000047002TCBE4 volume issue was corrected in the 7-month revision submitted in March 2023.		31/03/2023	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Going forward in each audit a Log is created to identify any issues raised in the audit and resolved within specific times so that this issue of non-compliance is not repeated.		28/02/2023	

### 12.3. Allocation of submission information (Clause 15.5)

#### Code reference

Clause 15.5

#### Code related audit information

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

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

#### Audit observation

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

Processes to ensure that HHR and NHH submissions are accurate were reviewed. A sample of GR170 and AV080 files were compared, to confirm zeroing occurs.

#### Audit commentary

##### Simply Energy data checks

Checks to confirm that Simply Energy's data is complete and accurate are discussed in **section 2.1**.

##### Simply Energy to EMS consistency checks

Validated reads are sent to EMS at two to three times a week. In May 2022, Simply Energy discovered two issues with the "PushActual" file which provides validated readings to MADRAS.

- **Reads 30 days prior to file generation were deleted.**

The “PushActual” file would clear reads with read dates within the last 30 days, and re-send validated reads with read dates within the last 29 days. This permanently deleted any reads with a read date 30 days earlier in MADRAS.

By the end of May 2022, Simply Energy had resolved this issue by changing the existing system parameter for sending reads from 29 days to 30 days. This change was tested before going live, and was not a major change therefore a material change audit was not required.

- **Reads were sent based on the read date not the read edit date.**

The “PushActual” file would only select reads if the read date was within the last 30 days, regardless of when the read was entered. Any reads which were entered or updated more than 30 days after the read date would be excluded. Backdated reads may be entered where backdated switches, new connections, or withdrawals occur, when meter accuracy issues are discovered late, or metering paperwork is late.

Simply Energy intends to ensure that all validated readings are sent to DataHub regardless of the read date by adding a DataHub system parameter to store the last date and time that a “PushActual” file was created and updating the “PushActual” file logic to include all readings entered, invalidated, or deleted since the last date and time that a “PushActual” file was created.

Non-compliance is recorded in **sections 2.1** and **12.7** for ICPs affected by this issue.

Data consistency checks between EMS’ MADRAS records, and Simply Energy’s SalesForce and registry list file records are completed prior to business days 3, 4, 12 and 13 and also frequently leading up to the end of the month.

- NHH reads sent to EMS for reconciliation are validated by EMS, and exceptions are sent to Simply Energy for investigation and resolution. Reads rarely fail this validation.
- EMS provides a file with ICP and meter details including start and end dates every two to three months, which is reconciled to a date ranged registry list file and any differences are investigated and resolved. This check is being carried out consistently and regularly.
- The GR100 ICP comparison reports received from the reconciliation manager are reviewed, to determine the reasons for any differences and whether data needs to be updated on the registry or in SalesForce, DataHub and/or MADRAS. The review prioritises the latest revisions available.
- The MADRAS Dashboard in SalesForce identifies ICPs that require action or need to be checked, including:
  - all accepted RRs which are checked to ensure that EMS and DataHub have the correct reads recorded,
  - ICPs with an unexpected profile for the NSP or configuration,
  - ICPs that are end dated but still have SIMP, SELS or SELX recorded as the retailer,
  - ICPs where the start read is inconsistent with the start date,
  - start and end dates are aligned in MADRAS and DataHub,
  - start and end reads are present and consistent with expected values, including CS and accepted RR reads which have received an AMI reading on the same day,
  - ICPs supplied by an alternate reader with no MADRAS end date,
  - missing workflows, where status changes have occurred, and the data has not yet been sent to MADRAS (this includes ICPs that are end dated but do not have a final reading), and
  - profile GXP checks, which detect unexpected use of the GXP profile.



### Review of submission data created by EMS

EMS provides all submission data to Simply Energy for review prior to submission to the reconciliation manager. I walked through the process to review submission data using the Power BI Query Validation tool. The tool compares the total submission volume (HHR volumes + NHH volumes + DFP volumes from the GR040) against the billed data and previous submissions for reasonableness.

Simply Energy also validates the ICP and flow direction level NHH submission information calculated by MADRAS prior to submission using their NHH volume check spreadsheet. This compares ICP and flow direction level submission data to the previous submission(s) for the month for revisions, and previous month for initial submissions. Any combinations with differences of more than  $\pm 80\%$  or  $\pm 50,000$  kWhs are checked, unless the ANZSIC code indicates that they are an irrigation ICP. Differences are also checked at balancing area level, and large differences are investigated if there is time prior to submission. The reconciliation manager is also notified of any material changes.

Simply Energy tracks any investigations and corrections in a sharepoint file.

### Review of submission data created by Simply Energy

Simply Energy creates HHR submission data for SELS, and the validation process is discussed in **section 9.6**. Simply Energy has created a Power BI Query Validation tool for SELS, which compares volumes for each submission against previous submissions and AV120 information.

### Aggregation of submission data

The GR100 ICP comparison reports are reviewed, to confirm whether any aggregation lines require zero values to be inserted. Requests for zero lines to be inserted are provided to EMS.

Aggregation of the AV090 and AV140 was checked in **section 11.4**.

Aggregation of the AV080 was checked for five combinations of NSP, reconciliation type and flow direction for April 2021 revision three and found to be accurate.

### 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 registry list and NSP table were reviewed.

### Audit commentary

SIMP, SELS, and SELX are not grid owners; compliance was not assessed.

### Audit outcome

Not applicable

## 12.5. Provision of NSP submission information (Clause 15.10)

### Code reference

Clause 15.10

### Code related audit information

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

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

### Audit observation

The registry list and NSP table were reviewed.

### Audit commentary

SIMP, SELS, and SELX are not grid connected or embedded network owners; compliance was not assessed.

### Audit outcome

Not applicable

## 12.6. Grid connected generation (Clause 15.11)

### Code reference

Clause 15.11

### Code related audit information

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

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

### Audit observation

The registry list and NSP table were reviewed.

### Audit commentary

SIMP, SELS, and SELX are not a grid connected generators; compliance was not assessed.

### Audit outcome

Not applicable

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

### Code reference

Clause 15.12

### Code related audit information

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

### Audit observation

Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late. Corrections were reviewed in **sections 2.1, 8.1** and **8.2**.

### Audit commentary

There have been no breach allegations relevant to the scope of this audit during the audit period.

### NHH submission accuracy issues

Where the respective profile shape values have not been published by the reconciliation manager, historic estimate is calculated based on the readings and apportioned between the months based on a daily average according to the forward standard estimate process. This consumption is labelled as forward estimate in the submission files.

NHH submissions are completed by EMS. Where inputs into the historic estimate process are incorrect, inaccurate submission data can be created although the process is compliant. I saw some examples of this:

Issue	Issue description
One day period of supply	Where an ICP is only with SELS for one day MADRAS cannot recognise both start and stop readings for the same day. MADRAS can only process one reading per day therefore cannot calculate a one-day period of supply historic estimate volumes instead applies one day of default estimate consumption. Simply Energy have raised an IT ticket to investigate how to address this issue within MADRAS.
Unmetered load errors	<p>Simply Energy records unmetered load by manually calculating and entering meter readings against an unmetered load register. The readings are calculated as previous reading + (daily unmetered kWh x number of days between reading dates). Where a correction is required, the reads are invalidated and recalculated and then resent to EMS using the read replacement process discussed in <b>section 12.3</b>.</p> <p>I reviewed submission information for all four ICPs with standard unmetered load present for May 2022 (no ICPs with shared unmetered load are supplied) and identified that the submitted volumes for three ICPs were not correct as the end of month dummy meter readings were not calculated using the registry daily unmetered kWh values resulting in a MADRAS estimation being applied.</p> <p>This resulted in MADRAS applying some incorrect estimated volumes as a result.</p> <ul style="list-style-type: none"><li>• ICP 0000051418WE4CB 29.51 kWh reported in May 2022 – correct volume is 148.8 kwh</li><li>• ICP 0000328398MP8C5 72.81 kWh reported in May 2022 – correct volume is 65.47 kwh</li><li>• ICP 0000638910MPOA3 102.43 kWh reported in May 2022 – correct volume is 126.48 kwh</li></ul>

	<p>These three ICPs have now switched away to CTCS and only one current unmetered ICP is supplied by SELS at the time of the audit.</p> <p>I rechecked the last audit's unmetered corrections and confirmed all have been corrected.</p>
MADRAS reads	<p>In May 2022, Simply Energy discovered two issues with the "PushActual" file which provides validated readings to MADRAS which are described in <b>section 2.3</b>.</p> <p>ICP 0007145841RNFE9 was reviewed in <b>section 12.11</b> for a change of Network/GXP/Connection (POC) scenario. While consumption is calculated for separate GXPs, there is a total 34.39 kWh (3.5% difference) unaccounted for due to not all reads being sent to MADRAS. Because MADRAS operate independently to AXOS which validates all meter readings there is a risk of misalignment between these two systems without Simply Energy being aware that critical boundary reads are not present in MADRAS. The issue of reads missing from MADRAS is discussed further in <b>sections 2.3</b> and <b>12.8</b>.</p> <p>ICP 0230000022PN295 had not been read since February 2021 and switched away on an estimate read. MADRAS did not treat the switch loss estimate as a permanent estimate read for the calculation of historic estimate volumes.</p>
Correction of NHH meter readings	<p>The meter reading history for ICP 0007108589RNEAF was compared between DataHub and MADRAS as the related NSP was showing as 100% forward estimate volumes in the AV-080 file. Both gain and loss readings were present in DataHub however the opening read (switch gain read) was missing from MADRAS. The cause of this missing opening read was due to human error where all readings were deleted from MADRAS, as part of a read import error correction, as part of creation of the switch loss estimate reading for a date prior to the last actual read. Where a read or an estimate is required to be inserted for a date prior to the last reading within MADRAS the read history is first deleted and then the revised read history is reloaded into MADRAS. When the meter readings were collated in the manual file for upload back into MADRAS the opening reading was not included due to human error. Simply Energy have now applied an additional check to capture these errors to enable corrections to be applied in a timely manner.</p> <p>Simply Energy reviewed all manually created reading files for upload into MADRAS and identified seven ICPs where this issue has occurred and were for six of the ICPs the error occurred for some periods outside the available 14-month revision window and MADRAS does not have a mechanism to apply any volume correction across any remaining available revisions.</p> <p>Simply Energy have now applied an additional check to capture these errors to enable corrections to be applied in a timely manner.</p> <p>This is recorded as non-compliance below and in <b>section 8.1</b></p>
Not all validated reads released to MADRAS	<p>Some reads are not correctly released in AXOS resulting in the reads not being transferred to MADRAS.</p> <p>ICP (0002290002DFE1C) had four meters on site and was replaced by a single meter in December 2021. Not all meter readings for this meter change were released to MADRAS resulting in forward estimate volumes being calculated.</p> <p>ICP (0007108589RNEAF) had a read in April 2021 that was not correctly released therefore it was not provided to MADRAS to use in the historic estimate calculation.</p>
Application of seasonal shapes	<p>As detailed in <b>section 12.8</b>, for ICP (1001280328TC5DD) the seasonal shape values published for June 2021 were all zero values which MADRAS treats as nulls therefore MADRAS flags the volumes calculated between the actual reads as FE.</p>

#### HHR submission accuracy issues

Where inputs into the HHR submission process are incorrect, inaccurate submission data can be created although the process is compliant. I found examples of this across four different scenarios:

HHR actual data replaced by estimates	<p>Where an MEP has provided a part day of data, they may later provide a replacement file which contains nulls for the trading periods already provided and HHR volumes for the part of the day that was originally missing. Where this occurs, DataHub imports the whole replacement file, which replaces the actual data originally provided with the null values. DataHub then creates estimates for the missing periods.</p> <p>This is detailed in <b>section 9.4.</b></p>
Unvalidated HHR data not reviewed and replaced by estimates	<p>Where AMI data is not flagged as validated or is flagged as failed validation by a MEP then the HHR values are uploaded into DataHub as unvalidated data. When DataHub goes to produce a HHR submission all MEP data not flagged as being validated is ignored and no investigations are undertaken by Simply Energy to verify whether the interval data is corrupt and requires these periods to be estimated. DataHub then performs estimations for these perceived missing periods resulting in some volumes being allocated to incorrect trading periods using the customers historic consumption profile. The replacement of actual interval data with estimated data without investigating and confirming whether the interval data is corrupt is not considered to be accurate in accordance with Clause 15.2.</p> <p>This is detailed in <b>section 9.4.</b></p>
HHR data rounded to two decimal places	<p>EMS EIEP3 file format may round the trading period data to two decimal places if the meter does not have a multiplier and the volume for that hour has a non-zero value in the third decimal place.</p> <p>This is detailed in <b>section 9.3.</b></p>
HHR Data missing from submission	<p>There was one HHR ICP days difference identified relating to ICP 0000047002TCBE4 where the data validation process had rejected some interval values due the switch loss read entered into the system and provided in the CS file to zero decimal places was lower than the recorded midnight reads recorded to three decimal places for the last day of the consumption period. This rejected interval data was not replaced with an initial estimate resulting in one day not being included in the HHR submission and one day less being recorded in the ICPDAYs report.</p> <p>This is detailed in <b>section 11.2</b></p>

#### Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 12.7 With: Clause 15.12</p>	<p>Some submission data was inaccurate and was not corrected at the next available opportunity.</p> <p>Actual HHR data being replaced by estimates where flagged as unvalidated by the MEP.</p> <p>Actual HHR data being replaced by estimates where partial replacement file if provided that includes null values for data already sent.</p> <p>One day of actual HHR data for ICP 0000047002TCBE4 missing from submission due to a failed validation and was not replaced by an estimation.</p> <p>EMS EIEP3 file format may round the trading period data to two decimal places if the meter does not have a multiplier and the volume for that hour has a non-zero value in the third decimal place.</p> <p>Potential impact: Medium</p>

From: 01-Jan-22 To: 16-Dec-22	Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Low</b>	Controls are rated as moderate as the controls have been improved during the audit period but there is still room for improvement. The impact is assessed to be low as the impact on submission accuracy is small.		
<b>Actions taken to resolve the issue</b>	<b>Completion date</b>	<b>Remedial action status</b>	
All these issues are noted above and have pending actions or have been completed. Refer to sections 9.1, 9.3, 12.2.	Ongoing	Identified	
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>		
All of these issues are noted above and have pending actions or have been completed. Refer to sections 9.1, 9.3, 12.2.	Ongoing		

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

### Code reference

Clause 4 Schedule 15.2

### Code related audit information

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

*The relevant reconciliation participant must, at the earliest opportunity, and no later than the month 14 revision cycle, replace volume information created using estimated readings with volume information created using validated meter readings.*

*If, despite having used reasonable endeavours for at least 12 months, a reconciliation participant has been unable to obtain a validated meter reading, the reconciliation participant must replace volume information created using an estimated reading with volume information created using a permanent estimate in place of a validated meter reading.*

### Audit observation

A sample of NHH volumes 14-month revisions were reviewed to identify any forward estimate still existing.

### Audit commentary

ICPs with forward estimate remaining at revision seven or 14 are identified through the NHH submission validation process discussed in **section 12.3**. Simply Energy checks the ICPs, and where reads are available (or can be calculated for unmetered load) they are sent to MADRAS for reconciliation. Simply Energy has found most ICPs which do not have 100% historic estimate do not have actual reads available.

Simply Energy has a process for creating permanent estimates as part of their correction processes but does not routinely enter permanent estimates where reads cannot be obtained. They intend to develop a process to enter permanent estimates for unread ICPs.

Some forward estimate remains because historic estimate is incorrectly labelled as forward estimate where seasonal adjusted shape values (SASV) published by the reconciliation manager are not available for part or all of a read-to-read period or the seasonal shape values provided for the read to read period are all zero values in which case MADRAS treats zero values as nulls. The incorrect labelling of historic estimate as forward estimate is recorded as non-compliance in **sections 12.7 and 12.10**.

14-month revisions were reviewed for April to Jun 2021, and I found the following forward estimate volumes remained:

Month	Forward estimate at R14
Apr-21	30,990.08
May-21	22,696.70
Jun-21	21,239.36
Grand Total	<b>74,926.14</b>

I checked a sample of eight records where the AV080 aggregation lines had forward estimate volumes remaining for the 14-month washups for April, May, and June 2021.

- Where an ICP is only with SELS for one day MADRAS cannot recognise both start and stop readings for the same day. MADRAS can only process one reading per day therefore cannot calculate a one-day period of supply historic estimate volumes. Simply Energy have raised an IT ticket to investigate how to address this issue within MADRAS.
- For ICP 0300000051DFE85 no readings have been obtained since the meter was changed in January 2021 due to access issues (key required) therefore there are insufficient reads within MADRAS to be able to calculate historic estimate volumes.
- ICP 0230000022PN295 had not been read since February 2021 and switched away on an estimate read. MADRAS did not treat the switch loss estimate as a permanent estimate read for the calculation of historic estimate volumes.
- ICP 0007108589RNEAF had a read in April 2021 that was not correctly released therefore it was not provided to MADRAS to use in the historic estimate calculation.
- For one ICP (1001280328TC5DD), the seasonal shape values published for June 2021 were all zero values which MADRAS treats a nulls therefore MADRAS flags the volumes calculated between the actual reads as FE.
- For ICP 0001422927UN2FB the received meter reads are lower than the switch gain read and MADRAS is waiting for the reads to catch up to the start reading before being able to calculate historic estimate volumes. No RR was sent in this scenario as the first reading from the field was outside the 4 month window for submitting a read request.
- ICP 0002290002DFE1C had four meters on site and was replaced by a single meter in December 2021. Not all meter readings for this meter change were released to MADRAS resulting in forward estimate volumes being calculated.
- ICP 0007108589RNEAF had the readings in MADRAS deleted and not replaced in error as part of a read import error to apply the switch loss read into MADRAS. Further investigations identified another seven occurrences, six of which were for periods outside the 14-month wash up window.

The incorrect submission data for ICPs 0007108589RNEAF, 0002290002DFE1C, and the seven occurrences where reads were deleted in MADRAS and not replaced are recorded as non-compliance in **section 12.7**. The existence of forward estimate at revision 14 is recorded as non-compliance below.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.8 With: Clause 4 Schedule 15.2 From: 01-Jan-22 To: 16-Dec-22	Some estimates are not replaced at R14. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are considered weak as there are processes to attain readings, but there is no process to enter permanent estimates where reading cannot be obtained.  The impact is assessed to low due to the impact on submission accuracy.		
Actions taken to resolve the issue		Completion date	Remedial action status
We are unable to correct previous FE reporting in the R14 files		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
All revisions are now monitored for Historic Estimate percentages. R14 submissions for the past two washup periods is now sitting at 100% HE. By the time SELS runs through all months left the HE for all months will be at 100%.		31/01/2024	

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

### Code reference

Clause 2 Schedule 15.3

### Code related audit information

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

- *half hour volume information for the total metered quantity of electricity for each ICP notified in accordance with clause 11.7(2) for which there is a category 3 or higher metering installation (clause 2(1)(a)) for each ICP about which information is provided under clause 11.7(2) for which there is a category 1 or category 2 metering installation (clause 2(1)(b)):*



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

#### Audit observation

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

Aggregation and content of reconciliation submissions was reviewed, and the registry lists were reviewed.

#### Audit commentary

Compliance with this clause was assessed:

- all active ICPs with meter category 3 or higher have submission type HHR,
- unmetered load submissions were checked in **section 12.2**,
- profiles requiring certification of control devices were checked in **section 6.3**,
- no loss or compensation arrangements are required, and
- aggregation of the AV080, AV110, AV090 and AV140 submissions are covered in **sections 13.2, 11.2, and 11.4** respectively.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 3 Schedule 15.3*

#### Code related audit information

*For each ICP that has a non-half hour metering installation, volume information derived from validated meter readings, estimated readings, or permanent estimates must be allocated to consumption periods using the techniques described in clauses 4 to 7 to create historical estimates and forward estimates.*

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

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

#### Audit observation

A sample of AV080 submissions were reviewed, to confirm that historic estimates are included and identified.

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

#### Audit commentary

In some cases, historic estimate is incorrectly labelled as forward estimate. Where SASV profiles published by the reconciliation manager are not available for part or all of a read-to-read period, historic consumption is labelled as FSE (forward standard estimate) even though it is based on actual readings. For some profiles, shape values are never published, including SBL and SFI.

Submission information was reviewed for nine submissions confirmed that forward and historic estimates are included and identified as such.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.10 With: Clause 3 Schedule 15.3  From: 01-Jan-22 To: 16-Dec-22	Where SASV profiles are not available, consumption based on validated readings is labelled as forward estimate.  Potential impact: Low  Actual impact: Low  Audit history: Multiple times  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate because historic and forward estimate is correctly identified most of the time.  There is a low impact on settlement because shape files are used for most scenarios.		
Actions taken to resolve the issue		Completion date	Remedial action status
We are unable to correct previous FE reporting		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
End of month reads are now uploaded for UML ICPs. 100% HE is achieved on these.		31/01/2023	

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

#### Code reference

*Clauses 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 historical estimates of volume information for each ICP when the relevant seasonal adjustment shape is available, and the reconciliation participant is not using an approved profile in accordance with clause 4A.

If the Authority has approved a profile for the purpose of apportioning volume information (in kWh) to part or full consumption periods, a reconciliation participant may use the profile despite the relevant seasonal adjustment shape being available; and if it uses the profile, must otherwise prepare the historical estimate in accordance with the methodology in clause 4.

If a seasonal adjustment shape is not available, and the **reconciliation participant** is not using an approved **profile** under clause 4A, 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<sub>Px</sub> 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<sub>Px</sub>.

#### Audit observation

Simply Energy provided examples of historic estimate calculations, which were reviewed. The check of calculations included confirming that readings and Seasonal Adjusted Shape Values (SASV) were applied correctly.

#### Audit commentary

Historic estimate is prepared by EMS using the MADRAS system. The table below shows that all scenarios which had occurred are compliant. Customer supplied readings are entered into DataHub as estimated readings as the validation logic cannot delineate whether the previous readings are actual reads. Customer readings are excluded from the reading file sent to MADRAS and therefore excluded from reconciliation.

Simply Energy downloads seasonal adjusted shape values (SASV) from the RM portal after each allocation and provides them to EMS via SFTP. EMS collects the files and loads them into MADRAS. I saw evidence of the data transfer and confirmed that the correct SASV were applied as part of the historic estimate calculation review. The issue relating to MADRAS treating zero value SASV records as nulls therefore flagging read to read volumes as forward estimate is discussed in **section 12.8**.

I reviewed examples of historic estimations being calculated for both X and I flows and confirmed that the process is consistent across each flow direction and the GR-030's NSP profile shape is used to calculate historic estimate volumes for PV1 and EG1 profile codes. This is acceptable because the NSP profile represents the residual load after HHR volumes, engineered profile volumes, and approved statistically sampled profile volumes have been deducted. The NSP shape includes volumes for meters with standard profiles including RPS, PV1, and EG1.

Test	Scenario	Test expectation	Result
a	ICP becomes Active part way through a month	Consumption is only calculated for the Active portion of the month.	Compliant
b	ICP becomes Inactive part way through a month.	Consumption is only calculated for the Active portion of the month.	Compliant
c	ICP become Inactive then Active again within a month.	Consumption is only calculated for the Active portion of the month.	Compliant

Test	Scenario	Test expectation	Result
d	ICP switches in part way through a month on an estimated switch reading	Consumption is calculated to include the 1st day of responsibility.	Compliant
e	ICP switches out part way through a month on an estimated switch reading	Consumption is calculated to include the last day of responsibility.	Compliant
f	ICP switches out then back in within a month	Consumption is calculated for each day of responsibility.	No examples available
g	Continuous ICP with a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
h	Continuous ICP without a read during the month	Consumption is calculated assuming the readings are valid until the end of the day	Compliant
i	Rollover Reads	Consumption is calculated correctly in the instance of meter rollovers.	Compliant
j	Unmetered load for a full month	Consumption is calculating based on daily unmetered kWh for full month.	Compliant
k	Unmetered load for a part month	Consumption is calculating based on daily unmetered kWh for active days of the month.	Compliant
l	Network/GXP/Connection (POC) alters partway through a month.	Consumption is separated and calculated for the separate portions of where it is to be reconciled to.	Compliant
m	ICP with a customer read during the month	Customer reads are not used to calculate historic estimate unless they are validated.	Compliant - Simply Energy currently does not use customer reads of any kind for submission calculations.
n	ICP with a photo read during the month	Photo reads are not used to calculate historic estimate unless they are validated.	Compliant - Simply Energy currently does not use photo reads of any kind for submission calculations
o	ICP has a meter with a multiplier greater than 1	The multiplier is applied correctly	Compliant

Where inputs into the historic estimate process are incorrect, incorrect historic estimates can be created although the process is compliant. This is recorded as non-compliance in **section 12.7**.

For example, one scenario (L - Network/GXP/Connection (POC) alters partway through a month) did not calculate correctly for the selected ICP (0007145841RNFE9) as while consumption is calculated for separate GXPs, there is a total 34.39 kWh (3.5% difference) unaccounted for due to not all reads being sent to MADRAS. Because MADRAS operates independently to AXOS which validates all meter readings there is a risk of misalignment between these two systems without Simply Energy being aware that critical boundary reads are not present in MADRAS. The issue of reads missing from MADRAS is discussed further in **section 12.8**.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 6 Schedule 15.3*

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

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

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

#### **Audit observation**

The process to create forward estimates was reviewed. Forward estimates were checked for accuracy by analysing the GR170 variances over the audit period.

#### **Audit commentary**

EMS's forward standard estimate process is based on a "straight line" methodology, and where no historical information is available a "forward default" estimate of 20 kWh per day is used. The process for forward standard estimate calculation was checked and confirmed as accurate where meter reading history was used.

The 20 kWh per day value is set at participant code level in MADRAS and cannot be modified for individual ICPs or other grouping attributes. Simply Energy investigated whether this could be changed following the 2018 audit and decided not to make any changes.

The accuracy of the initial submission, in comparison to each subsequent revision is required to be within  $\pm 15\%$ . The target was met for most balancing areas and the differences between revisions at aggregate level were small.

No active ICPs were supplied by SIMP or SELX during the audit period and no submission revisions were undertaken therefore no assessment of submission accuracy was conducted.

SELS

Count of balancing areas differences over 15%.

Month	Over ±15%				Over ±15% and ±100,000 kWh				Total Balancing Areas
	Revision 1	Revision 3	Revision 7	Revision 14	Revision 1	Revision 3	Revision 7	Revision 14	
Jan 2021	-	1	1	1	-	-	-	-	10
Feb 2021	3	3	3	4	-	-	-	-	10
Mar 2021	2	2	3	6	-	-	-	-	11
Apr 2021	3	8	9	7	-	-	-	-	22
May 2021	9	13	20	24	-	-	-	-	74
Jun 2021	11	20	26	34	-	-	-	-	77
Jul 2021	7	18	25	27	-	-	-	-	80
Aug 2021	9	17	19	19	-	-	-	-	80
Sep 2021	13	18	22	21	-	-	-	-	93
Oct 2021	15	29	34	26	-	-	-	-	113
Nov 2021	9	17	24		-	-	-		116

Month	Over ±15%				Over ±15% and ±100,000 kWh				Total Balancing Areas
	Revision 1	Revision 3	Revision 7	Revision 14	Revision 1	Revision 3	Revision 7	Revision 14	
Dec 2021	3	19	25		-	-	-		116
Jan 2022	9	22	25		-	-	-		119
Feb 2022	11	26	35		-	-	-		118
Mar 2022	9	17	30		-	-	-		112

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

Month	Over ±15%				Volume impact Over ±15%			
	Revision 1	Revision 3	Revision 7	Revision 14	Revision 1	Revision 3	Revision 7	Revision 14
Jul-20	-3.07%	-4.21%	-3.62%	-3.85%	-	-	-	-
Aug-20	-3.04%	-2.18%	-1.44%	-2.41%	-	-	-	-
Sep-20	-3.56%	-2.87%	2.30%	1.88%	-	-	-	-
Oct-20	-9.94%	-13.18%	-22.61%	-12.70%	-	-	37,855.14	-
Nov-20	-0.66%	0.08%	1.19%	1.43%	-	-	-	-

Month	Over ±15%				Volume impact Over ±15%			
	Revision 1	Revision 3	Revision 7	Revision 14	Revision 1	Revision 3	Revision 7	Revision 14
Dec-20	0.52%	2.46%	0.94%	2.44%	-	-	-	-
Jan-21	-1.28%	-8.57%	-12.59%	-8.99%	-	-	-	-
Feb-21	-0.97%	-5.12%	-3.14%	-1.94%	-	-	-	-
Mar-21	-3.33%	-3.06%	-4.15%	-2.17%	-	-	-	-
Apr-21	-4.40%	-0.06%	1.95%	2.56%	-	-	-	-
May-21	0.38%	0.67%	0.17%		-	-	-	
Jun-21	-1.25%	3.33%	3.35%		-	-	-	
Jul-21	-0.74%	-2.62%	-2.54%		-	-	-	
Aug-21	0.09%	0.88%	2.98%		-	-	-	
Sep-21	0.66%	0.78%	6.08%		-	-	-	
Oct-21	-0.86%	1.66%	6.00%		-	-	-	
Nov-21	-1.36%	-3.63%	-1.78%		-	-	-	
Dec-21	0.51%	3.09%			-	-		



Month	Over ±15%				Volume impact Over ±15%			
	Revision 1	Revision 3	Revision 7	Revision 14	Revision 1	Revision 3	Revision 7	Revision 14
Jan-22	-1.39%	-4.20%			-	-		
Feb-22	5.61%	5.55%			-	-		
Mar-22	0.03%	-1.04%			-	-		

I checked a sample of 12 differences over ± 15% for submission months July 2021 to February 2022 and found they were caused by forward estimate being different to actual data especially for NSPs with a small population of ICPs connected and where the “forward default” estimate of 20 kWh was not reflective of the business load connected, and also NSPs where ICPs had backdated switching activity both gains and losses to Simply Energy.

## Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 12.12</p> <p>With: Clause 6 Schedule 15.3</p> <p>From: 01-Jan-22</p> <p>To: 16-Dec-22</p>	<p>Some balancing area differences between revisions were over the <math>\pm</math> 15% threshold because of inaccurate forward estimates.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are rated as strong, as Simply Energy has appropriate forward estimate processes in place.</p> <p>The audit risk rating is low because revised submission data will be washed up.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We are unable to correct previous FE reporting		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>A process was implemented in March 2023 to monitor any ICPs not read at 12 months in addition to normal No Read Event Reporting. The ICPs involved are then escalated to Solutions to individually investigate to see if an actual reading can be obtained.</p> <p>In addition to the stronger control related to gaining meter readings detailed in this audit report, a further submission process enhancement is planned to be implemented by the end of this financial year to enable automated creation of permanent estimates at R14 where no actual reading can be obtained.</p>		30/06/2023	

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

#### Code reference

Clause 7 Schedule 15.3

#### Code related audit information

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

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

#### **Audit observation**

The event detail reports were examined to identify all ICPs which had a profile change during the report period. A sample of ICPs with profile changes were reviewed to confirm that there was an actual or permanent estimate reading on the day of the profile change.

#### **Audit commentary**

Profile changes are conducted using a meter reading or a permanent estimate on the day of the profile change. A sample of nine ICPs with profile changes was checked to confirm the process.

#### **Audit outcome**

Compliant

## 13. SUBMISSION FORMAT AND TIMING

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

#### Code reference

*Clause 8 Schedule 15.3*

#### Code related audit information

*For each category 3 of higher metering installation, a reconciliation participant must provide half hour submission information to the reconciliation manager.*

*For each category 1 or category 2 metering installation, a reconciliation participant must provide to the reconciliation manager:*

- *Half hour submission information; or*
- *Non half hour submission information; or*
- *A combination of half hour submission information and non-half hour submission information*

*However, a reconciliation participant may instead use a profile if:*

- *The reconciliation participant is using a profile approved in accordance with clause Schedule 15.5; and*
- *The approved profile allows the reconciliation participant to provide half hour submission information from a non-half hour metering installation; and*
- *The reconciliation participant provides submission information that complies with the requirements set out in the approved profile.*

*Half hour submission information provided to the reconciliation manager must be aggregated to the following levels:*

- *NSP code*
- *reconciliation type*
- *profile*
- *loss category code*
- *flow direction*
- *dedicated NSP*
- *trading period*

*The non-half hour submission information that a reconciliation participant submits must be aggregated to the following levels:*

- *NSP code*
- *reconciliation type*
- *profile*
- *loss category code*
- *flow direction*
- *dedicated NSP*
- *consumption period or day*

#### Audit observation

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

Aggregation of NHH volumes is discussed in **section 12.3**, aggregation of HHR volumes is discussed in **section 11.4** and NSP volumes are discussed in **section 12.6**.

### Audit commentary

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

- NSP code,
- reconciliation type,
- profile,
- loss category code,
- flow direction,
- dedicated NSP, and
- trading period for half hour metered ICPs and consumption period or day for all other ICPs.

ICP 0003146255BU6E0 relates to a large embedded generation connection. The load is manually shifted to another NSP for reconciliation purposes when the recorded NSP undergoes maintenance resulting in the spot price dropping to \$0 for this affected period. Simply Energy undertakes this process to shift the submission volumes to another NSP within the same balancing area to ensure this generation is correctly valued in the settlement process. This adjustment occurs infrequently and only for the period the spot price drops to zero.

### Audit outcome

Compliant

## 13.2. Reporting resolution (Clause 9 Schedule 15.3)

### Code reference

*Clause 9 Schedule 15.3*

### Code related audit information

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

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

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

### Audit observation

I reviewed the rounding of data on the AV080, AV090 and AV140 and reports as part of the aggregation checks.

### Audit commentary

Review of AV080, AV090 and AV140 reports identified that submission information is rounded to no more than two decimal places.

When the AV-090 (HHRVOLS- Aggregated submission volumes) and AV-140 (HHRAGGS – ICP level submission volumes) were compared for the respective month and revision the aggregated volumes were an exact match. **Section 13.1** discussed the process to aggregate the volume information to produce the submission information and compliance was confirmed.

Investigation for the submission information processes within AXOS identified that the system aggregates and rounds the HHR volume information at ICP level to produce the submission information for the AV-140 (HHRAGGS) file prior to aggregation to produce the AV-090 submission information and the AV-090 HHRVOLS submission data file.

Simply Energy is one of a number of traders that creates the AV-140 submission information and file prior to the aggregation of this information to create AV-090 submission information and file.

The point at which volume information can be rounded in the AV-090/AV140 process requires some additional clarity. This is recorded as an issue for the authority to provide clarification regarding at what step in the creation of HHR submission information process can the rounding of volume information occur.

Issue	Section	Clause	Description
Clarification at which point can HHR volume information be rounded when creating submission information.	13.2	9 Schedule 15.3	AV-090 (HHRVOLS – aggregated submission information) and AV-140 (HHRAGGS – ICP submission information) are sourced from the same volume information. Where a trader creates the ICP level submission information to create the AV-140 (HHRAGGS) file prior to aggregation to create the AV-090 (HHRVOLS) file, clarification is required to confirm that this approach is compliant with clause 8 & 9 of schedule 15.3

#### Audit outcome

Compliant

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

#### Code reference

*Clause 10 Schedule 15.3*

#### Code related audit information

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

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

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

#### Audit observation

The timeliness of submissions of historic estimate was reviewed in **section 12.2**. I reviewed a sample of AV080 reports for each code to confirm that historic estimate requirements were met.

#### Audit commentary

The revision files were examined and showed that the targets were not met for some NSPs. I reviewed a sample of NSPs where the read attainment requirements were not met. The historic estimate attainment requirements were not met because meter reads were not obtained for some ICPs, and some historic estimate was incorrectly labelled as forward estimate as described in **section 12.10**.

*SELS*

Quantity of NSPs where revision targets were met:

Month	Revision 3 80% Met	Revision 7 90% Met	Revision 14 100% Met	Total
Apr-21	-	-	139	176
May-21	-	-	145	172
Jun-21	-	-	149	173
Nov-21	-	140	-	166
Dec-21	-	136	-	157
Jan-22	-	131	-	150
Mar-22	129	-	-	149
Apr-22	131	-	-	149
May-22	129	-	-	144

The table below shows the percentage HE at a summary level:

Month	Revision 3 80% Target	Revision 7 90% Target	Revision 14 100% Target
Apr-21	-	-	97.92%
May-21	-	-	98.67%
Jun-21	-	-	98.77%
Nov-21	-	95.79%	-
Dec-21	-	94.81%	-
Jan-22	-	95.55%	-
Mar-22	91.89%	-	-
Apr-22	92.91%	-	-
May-22	93.63%	-	-

## Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 13.3</p> <p>With: Clause 10 of schedule 15.3</p> <p>From: 01-Jan-22</p> <p>To: 16-Dec-22</p>	<p>Historic estimate targets were not met for all months and revisions.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<p><b>Low</b></p>	<p>The controls are considered moderate because:</p> <ul style="list-style-type: none"> <li>• meter reading read attainment is high, and</li> <li>• most of the forward estimate checked was historic estimate, which was mislabelled as forward estimate because shape files were unavailable for the ICP's profile.</li> </ul> <p>The impact of the non-compliance is dependent on the accuracy of the estimates applied. There are sound estimation processes, therefore I have recorded the audit risk rating as low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We are unable to correct previous submissions		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
All revisions are now monitored for Historic Estimate percentages. R14 submissions for the past two washup periods is now sitting at 100% HE. By the time SELS runs through all months left the HE for all months will be at 100%.		31/01/2024	



## CONCLUSION

Overall performance has improved, and this is evident in the audit risk rating score which has reduced over the last three audits from 122 to 69 and now to 48. This indicates that the next audit be in six months. Taking into account that all active ICPs remaining with SELS are expected to switch to CTCS and plans are in place to resolve the non-compliances, I recommend that the next audit is completed in 12 months if any active ICPs remain under Simply Energy codes.

## PARTICIPANT RESPONSE

Simply Energy have reviewed this report and their comments are contained within its body.