

ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT



For

SMART NET LTD (SMRT)

NZBN: 9429041781517

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EXECUTIVE SUMMARY

This Electricity Industry Participation Code Reconciliation Participant audit was performed at the request of **Smart Net Ltd (SMRT)**, to support application for renewal of certification in accordance with clauses 5 and 7 of Schedule 15.1. The audit was conducted in accordance with the Guideline for Reconciliation Participant Audits V7.2.

SMRT is an embedded network operator and is therefore required to be a certified reconciliation participant in accordance with clause 15.38 of part 15. In this report I have only recorded those matters where issues were discovered, or where specific analysis was undertaken.

SMRT's compliance is reliant on the compliance of Meridian Energy Limited (MERI) and subsequently EMS. Although MERI is the primary agent to SMRT, EMS conducts all the relevant activities.

The EMS audit report records compliance in relation to the activities performed on behalf of SMRT. I confirmed the following as part of SMRT's audit:

- there have been no changes to the EMS systems or processes affecting SMRT since the EMS September 2022 audit,
- no defective meters have been identified during the audit period,
- no estimation or correction of volume data has occurred during the audit period, and
- no clock synchronisation errors outside the allowable tolerances have occurred during the audit period.

This audit found three non-compliances and no recommendations were made. The future risk rating of six indicates that the next audit be completed in 18 months. I have considered this in conjunction with SMRT's response and recommend that the next audit be in 24 months.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Provision of information	2.2	15.35	Failure to submit data to the reconciliation manager NSP OWS0011-SMRT by business day four.	Strong	Medium	2	Identified
Arrangements for metering equipment provision	2.13	10.36	No MEP recorded for NSP OWS0011.	Moderate	Low	2	Identified
Provision of NSP submission information	12.5	15.10	Failure to submit data to the reconciliation manager NSP OWS0011-SMRT by business day four.	Strong	Medium	2	Identified
Future Risk Rating						6	

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
		Nil	

ISSUES

Subject	Section	Description	Issue
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

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

Audit commentary

Not applicable

1.2. Structure of Organisation

Not applicable

1.3. Persons involved in this audit.

Auditor:

Name	Company	Role
Steve Woods	Veritek Limited	Lead Auditor
Claire Stanley	Veritek Limited	Supporting Auditor

Personnel assisting in this audit were:

Name	Title	Company
Nick Oldham	General Manager	Smart Power Limited T/A Energy Select
Sunny Feng	Data Analyst	EMS

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

An agent was identified, and their agent audit report evaluated as part of this audit.

Audit commentary

EMS perform all SMRT's responsibilities.

1.5. Hardware and Software

Hardware and software are discussed in the EMS audit report.

1.6. Breaches or Breach Allegations

SMRT has had one breach allegations relevant to the scope of this audit recorded by the Electricity Authority during the audit period:

Ref	Breach Description	Clause	Outcome
2206SMNL1	Data for NSP OWS0011-SMRT was not submitted by 4pm on 7 June 2022.	Part 15 clause 15.4 (1)	early closure

1.7. NSP Data

The network supply points table as of January 2023 was examined:

NSP POC	Description	Parent POC	Parent Netwk	Balancing Area	Network Type	Start Date	MEP
BJL0011	129 BEACHLANDS RD AUCKLAND	TAK0331	VECT	BJL0011SMRTE	E	11/07/2016	AMCI
CMW0011	190 Walters Rd Takanini	TAK0331	VECT	CMW0011SMRTE	E	20/11/2017	AMCI
ECR0011	2181 East Coast Road Silverdale	ALB1101	UNET	ECR0011SMRTE	E	1/05/2018	AMCI
ETC0011	Spark Central 72-80 Boulcott	CPK0331	CKHK	ETC0011SMRTE	E	1/11/2022	FCLM

NSP POC	Description	Parent POC	Parent Netwk	Balancing Area	Network Type	Start Date	MEP
EVA0011	ESDP Sovereign House	WIL0331	CKHK	EVA0011SMRTE	E	1/11/2018	AMCI
HCN0011	124 HOBSONVILLE ROAD	HEN0331	UNET	HCN0011SMRTE	E	1/08/2015	AMCI
HPL0011	St Aubyn St East Hastings	WTU0331	HAWK	HPL0011SMRTE	E	1/12/2017	AMCI
KUA0011	70 Kuaka Drive Takanini Auckland	TAK0331	VECT	KUA0011SMRTE	E	20/09/2019	AMCI
LVF0011	cnr Leven St &Forth St Invercargill	INV0331	ELIN	LVF0011SMRTE	E	18/09/2019	FCLM
MHL0011	MUSEUM HOTEL	CPK0331	CKHK	MHL0011SMRTE	E	1/12/2015	AMCI
ORA0011	105 ORAHA ROAD KUMEU	HEN0331	UNET	ORA0011SMRTE	E	1/04/2017	AMCI
TCQ0011	20 Customhouse Quay Wgtn	WIL0331	CKHK	TCQ0011SMRTE	E	24/072017	AMCI
TFQ0011	100 TAUPO QUAY WANGANUI	WGN0331	POCO	TFQ0011SMRTE	E	1/11/2022	AMCI
TKV0011	30 Walters Rd Takanini Auckland	TAK0331	VECT	TKV0011SMRTE	E	1/10/2019	FCLM
TKV0012	30 Walters Rd Takanini Auckland	TAK0331	VECT	TKV0012SMRTE	E	21/02/2020	FCLM
DST0011	Outlet City 24 Main Road Tawa	TKR0331	CKHK	DST0011SMRTE	E	01/11/2022	AMCI

The following NSP's were added during the audit period:

NSP POC	Description	Parent POC	Parent Netwk	Balancing Area	Network Type	Start Date	MEP
AKK0011	57 Hall Road Kerikeri	KOE1101	TOPE	AKK0011SMRTE	E	1/08/2021	AMCI
CNL0011	SAS House 89 The Terrace WLG	CPK0331	CKHK	CNL0011SMRTE	E	1/08/2022	AMCI
EMA0011	ESD Rock Shop Manners St Wgtn	CPK0111	CKHK	EMA0011SMRTE	E	1/12/2022	AMCI
EMV0011	Mayfair Retirement Village	ALB0331	UNET	EMV0011SMRTE	E	1/10/2021	AMCI
EPC0011	Peninsula Club R/V Whangaparaoa	SVL0331	UNET	EPC0011SMRTE	E	1/10/2021	AMCI
OWS0011	1 Whitmore Street Pipitea Wgtn	WIL0331	CKHK	OWS0011SMRTE	E	28/05/2022	
THP0011	HOPETOUN RESIDENCES	ROS1101	VECT	THP0011SMRTE	E	1/10/2021	AMCI

The following NSP's were end dated during the audit period:

NSP POC	Description	Parent POC	Parent Netwk	Balancing Area	Network Type	Start Date	MEP
FTS0011	141 MANNERS ST WGTN	CPK0111	CKHK	FTS0011SMRTE	E	1/10/2016	AMCI
NFC0011	95 CUSTOMHOUSE QUAY WGTN	WIL0331	CKHK	NFC0011SMRTE	E	1/02/2016	AMCI
OPS0011	259 MANGERE STATION AUCKLAND	MNG1101	VECT	OPS0011SMRTE	E	1/10/2016	AMCI
OTF0011	110 Featherston St Wellington	WIL0331	CKHK	OTF0011SMRTE	E	1/06/2018	AMCI

1.8. Authorisation letter

Authorisation was provided by SMRT.

1.9. Scope of Audit

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

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

SMRT is an embedded network operator and is therefore required to be a certified reconciliation participant in accordance with clause 15.38 of part 15.

The scope of the audit is shown in the table below:

Tasks Requiring Certification Under Clause 15.38(1) of Part 15	Agents Involved in Performance of Tasks
(b) Gathering and storing raw meter data	Meridian Energy Limited and EMS
(c)(i) Creation and management of HHR volume information	
(e) Provision of submission information for reconciliation.	

SMRT's compliance is reliant on the compliance of Meridian Energy Limited and subsequently EMS. Although Meridian Energy Limited is the primary agent to SMRT, EMS conducts all the relevant activities.

1.10. Summary of previous audit

SMRT provided a copy of the audit report from their previous audit, conducted in April 2021 by Rebecca Elliot of Veritek Limited. The report recorded compliance with the code.

Subject	Section	Clause	Non-Compliance	Status
			Nil	

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 10.6, 11.2, 15.2

Code related audit information

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

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

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

Audit observation

The process to find and correct incorrect information was reviewed.

Audit commentary

I did not identify any incorrect or misleading information. Compliance is recorded in the EMS audit report in relation to this clause. EMS confirmed there have been no changes to their processes since the September 2022 audit.

Instances of incorrect or missing information are investigated and corrected as they arise.

Audit outcome

Compliant

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.

Data was not submitted for NSP OWS0011-SMRT by 4pm on the 7th June 2022. This was investigated by SMRT and Meridian, and it found that it was a result of SMRT not providing clear instruction for a new NSP and also processing issues at Meridian. A new process has been agreed between Meridian and SMRT, a network transfer sheet will be provided by SMRT to Meridian for new NSP's in future.

The breach was closed with a status of “early closure”. This is recorded as non-compliant.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.2 With: 15.35 From: 01-Jun-22 To: 30-Jun-22	Failure to submit data to the reconciliation manager NSP OWS0011-SMRT by business day four. Potential impact: High Actual impact: Medium Audit history: None Controls: Strong Breach risk rating:2		
Audit risk rating	Rationale for audit risk rating		
Medium	The controls are recorded as strong as the process controls have been strengthened since this incident to prevent this occurring again in the future. The impact on settlement and participants was significant enough to raise a breach; therefore, the audit risk rating is medium.		
Actions taken to resolve the issue		Completion date	Remedial action status
Data was submitted around 5pm on the due date.		7/6/22	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Although this event was unusual due to changes of staff, a more robust process has been put in place, as covered by the self-breach.		ongoing	

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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

Audit outcome

Compliant

2.4. Audit trails (Clause 21 Schedule 15.2)

Code reference

Clause 21 Schedule 15.2

Code related audit information

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

The audit trail must include details of information:

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

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

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

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

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

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

Audit observation

This is discussed in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit.

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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 discussed SMRT's policy in relation to allowing access to metering and if any requests had been received during the audit period.

Audit commentary

Arrangements for access to metering are completed as necessary. There have been no cases where access 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

Metering is located at the point of connection.

Audit commentary

Metering is located at the point of connection.

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 sub-clause (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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 10.33(1)

Code related audit information

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

RP Audit Report v13

Clause 10.33A(1)

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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 network supply points table as of January 2023 was examined, and the NSP details are recorded in **section 1.7**.

Audit commentary

The embedded networks SMRT is responsible for have an MEP recorded, except for NSP OWS0011.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.13 With: 10.36 From: 28-May-22 To: 31-Dec-22	MEP not recorded for NSP OWS0011. Potential impact: High Actual impact: Medium Audit history: None Controls: Moderate Breach risk rating:2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. There is no impact on settlement or participants, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Details were updated on the day we received them; a delay in receiving paperwork along with delays in liveness meant that we didn't have a certification date to enter and hence no MEP was entered.		9/3/2023	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Obtaining paperwork is an ongoing issue. We currently request repeatedly until we get it.		Ongoing	

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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 1 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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

3. MAINTAINING REGISTRY INFORMATION

This audit report is for NSP gate volumes only. No ICPs are traded therefore this section has been deleted.

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

This audit report is for NSP gate volumes only. No ICPs are traded therefore this section has been deleted.

5. MAINTENANCE OF UNMETERED LOAD

This audit report is for NSP gate volumes only. No ICPs are traded therefore this section has been deleted.

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

This is covered in the EMS audit report.

Audit commentary

EMS confirmed that there have been no changes to their data collection processes since their September 2022 audit. EMS support compliance by advising of any potential data accuracy issues identified during data validation.

EMS confirmed that no defective meters have been identified for SMRT during the audit period.

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

This is covered in the EMS audit reports.

Audit commentary

EMS confirmed that there have been no changes to their data collection processes since their September 2022 audit. There have been no clock synchronisation errors outside permissible limits during the audit period.

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

This is covered in the EMS audit report.

Audit commentary

EMS confirmed that there have been no changes to their data collection processes since their September 2022 audit. Compliance is recorded in the EMS audit report.

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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS 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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

Audit outcome

Compliant

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

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

Audit observation

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

Audit outcome

Compliant

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

Code reference

Clause 18 Schedule 15.2

Code related audit information

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

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

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

Audit observation

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

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

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

If 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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed that there have been no changes to their processes for correction since their September 2022 audit, and that no corrections have been required for SMRT 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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

8.4. Correction of HHR and NHH raw meter data (Clause 19(4) and (5) Schedule 15.2)

Code reference

Clause 19(4) and (5) Schedule 15.2

Code related audit information

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

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

19(5)(a)- the date of the correction or alteration

19(5)(b)- the time of the correction or alteration

19(5)(c)- the operator identifier for the person within the reconciliation participant who made the correction or alteration

19(5)(d)- the half-hour metering data or the non-half hour metering data corrected or altered, and the total difference in volume of such corrected or altered data

*19(5)(e)- the technique used to arrive at the corrected data,
19(5)(f)- the reason for the correction or alteration.*

Audit observation

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed that there have been no changes to their processes for correction since their September 2022 audit, and that no corrections have been required for SMRT during the audit period.

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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

Audit outcome

Compliant

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

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

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

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

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

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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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

Audit outcome

Compliant

9.4. Half hour estimates (Clause 15 Schedule 15.2)

Code reference

Clause 15 Schedule 15.2

Code related audit information

If a reconciliation participant is unable to interrogate an electronically interrogated metering installation before the deadline for providing submission information, the submission to the reconciliation manager must be the reconciliation participant's best estimate of the quantity of electricity that was purchased or sold in each trading period during any applicable consumption period for that metering installation.

The reconciliation participant must use reasonable endeavours to ensure that estimated submission information is within the percentage specified by the Authority.

Audit observation

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed that there have been no changes to their processes for estimation since their September 2022 audit, and that no estimates have been required for SMRT during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 15.2

Code related audit information

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

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

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

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 17 Schedule 15.2

Code related audit information

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

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

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

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

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

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

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

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

17(4)(g) – a review of the relevant metering data where there is an event that could have affected the integrity of the metering data

If there is an event that could affect the integrity of the metering data (including events reported by MEPs but excluding where the MEP is responsible for investigating and remediating the event) the reconciliation must investigate and remediate any events.

If the event may affect the integrity or operation of the metering installation the reconciliation participant must notify the metering equipment provider.

Audit observation

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

Audit outcome

Compliant

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

Not applicable

Audit commentary

Not applicable

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

Not applicable

Audit commentary

Not applicable

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

Not applicable

Audit commentary

Not applicable

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

Not applicable

Audit commentary

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

12. SUBMISSION COMPUTATION

12.1. Daylight saving adjustment (Clause 15.36)

Code reference

Clause 15.36

Code related audit information

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

Audit observation

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

Audit outcome

Compliant

12.2. Creation of submission information (Clause 15.4)

Code reference

Clause 15.4

Code related audit information

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

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

Audit observation

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

Audit outcome

Compliant

12.3. Allocation of submission information (Clause 15.5)

Code reference

Clause 15.5

Code related audit information

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

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

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

There was a breach allegation made in relation to data that was not submitted for NSP OWS0011-SMRT by 4pm on June 7th, 2022. This was investigated and the breach was closed as early closure. There have been no further occurrences since. This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 12.5 With: 15.10 From: 01-Jun-22 To: 30-Jun-22	Failure to submit data to the reconciliation manager NSP OWS0011-SMRT by business day four. Potential impact: High Actual impact: Medium Audit history: None Controls: Strong Breach risk rating:2		
Audit risk rating	Rationale for audit risk rating		
Medium	The controls are recorded as strong as the process controls have been strengthened since this incident to prevent this occurring again in the future. The impact on settlement and participants was significant enough to raise a breach; therefore, the audit risk rating is medium.		
Actions taken to resolve the issue		Completion date	Remedial action status
Data was submitted around 5pm on the due date		7/6/22	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Although this event was unusual due to changes of staff, a more robust process has been put in place, as covered by the self-breach.		ongoing	

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

Not applicable

Audit commentary

Not applicable

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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

Audit outcome

Compliant

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

Code reference

Clause 4 Schedule 15.2

Code related audit information

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

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

This is covered in the EMS audit report.

Audit commentary

As discussed in **section 9.4**, compliance is recorded in the EMS audit report.

EMS confirmed that there have been no changes to their processes for estimation since their September 2022 audit, and that no estimates have been required for SMRT during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 2 Schedule 15.3

Code related audit information

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

- *half hour volume information for 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 on 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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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_{px} must be prorated as determined by the reconciliation participant using its own methodology or on a flat shape basis using the relevant number of days that are within the consumption period and within the period covered by kWh_{px}.

Audit observation

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

13. SUBMISSION FORMAT AND TIMING

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

Code reference

Clause 8 Schedule 15.3

Code related audit information

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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

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

This is covered in the EMS audit report.

Audit commentary

Compliance is recorded in the EMS audit report.

EMS confirmed there have been no changes to their processes since their September 2022 audit.

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

Not applicable

Audit commentary

Not applicable

Audit outcome

Not applicable

CONCLUSION

SMRT is an embedded network operator and is therefore required to be a certified reconciliation participant in accordance with clause 15.38 of part 15. In this report I have only recorded those matters where issues were discovered, or where specific analysis was undertaken.

SMRT's compliance is reliant on the compliance of Meridian Energy Limited (MERI) and subsequently EMS. Although MERI is the primary agent to SMRT, EMS conducts all the relevant activities.

The EMS audit report records compliance in relation to the activities performed on behalf of SMRT. I confirmed the following as part of SMRT's audit:

- there have been no changes to the EMS systems or processes affecting SMRT since the EMS September 2022 audit,
- no defective meters have been identified during the audit period,
- no estimation or correction of volume data has occurred during the audit period, and
- no clock synchronisation errors outside the allowable tolerances have occurred during the audit period.

This audit found three non-compliances and no recommendations were made. The future risk rating of six indicates that the next audit be completed in 18 months. I have considered this in conjunction with SMRT's response and recommend that the next audit be in 24 months.

PARTICIPANT RESPONSE

SMRT has reviewed this report and their comments are contained within the report.