



**Submission on the Gas Industry  
Company's guideline note for rules 65 to 75  
and 80: the commissioning and carrying  
out of performance audits and event audits**

From

**Contact Energy Limited**

## Introduction

Contact welcomes the opportunity to provide feedback on this guideline note. Comments on the note follow.

For any questions related to this submission, please contact:

Matt Chivers  
Energy Reconciliation Manager  
Contact Energy Limited  
L 1 Harbour City Tower  
29 Brandon Street  
PO Box 10742  
Wellington

Email: [matt.chivers@contactenergy.co.nz](mailto:matt.chivers@contactenergy.co.nz)

Phone: (04) 462 1234

Contact Energy Limited ("Contact") generally supports the approach taken in the draft guideline note on performance and event audits. The comments below relate to the issue of the timing of performance audits.

In paragraph 4.3 Contact proposes that if the auditor finds material or intentional non compliance then the GIC should instruct that another audit is performed in 3 months time to ensure issues have been adequately resolved. If no material issues are found then two years is an appropriate period between audits. Also the auditor could be required to identify in the audit what if any actions should have a deadline for fixes and/or reporting progress to the auditor and GIC. Then if the GIC determines there has been inadequate progress it can initiate a further full or partial audit at any time.

Contact considers the baseline audits of all Retailers (as specified in paragraph 4.4) should be completed earlier than 30 June 2011, and suggests 31 December 2010 be set as the deadline. The event audits found quite a number of issues and inconsistencies that need to be addressed. The performance audits provide an effective mechanism for highlighting individual participant performance issues such that attention to these will result in a higher level of compliance and consistency across the industry. If some audits are not undertaken until mid 2011 it will mean that by the time any issues are highlighted it will be around 3 years since the rules become effective – hardly a baseline audit.

Meter owner audits should also be completed by 31 Dec 2010 as results from the Contact audit indicate data issues with meter owner information that feeds into allocation – meter owners should have the same timelines as retailers.

Provision should be made that any new Retailer or Meter Owner participant must have an initial baseline audit within 6 months of becoming a participant, similar to the equivalent electricity audits.

Also when a participant makes a material change to its systems or processes (eg implementation of a new billing system) then Contact suggests that there should a performance audit performed within 3 months of go live to ensure compliance is maintained.