Gas Registry and Switching Performance Audit Final Report

For

Contact Energy Limited

Prepared by: Tara Gannon

Date of Audit: September – December 2023

Date Audit Report Complete: 15 January 2024

Executive Summary

This Performance Audit was conducted at the request of the Gas Industry Company (GIC) in accordance with Rule 88 of the 2015 Amendment Version of the Gas (Switching Arrangements) Rules 2008.

The purpose of this audit is to assess the systems, processes and performance of Contact Energy Limited (Contact) in terms of compliance with these rules.

The audit was conducted in accordance with terms of reference prepared by GIC.

Due to the number of ICPs supplied and level of activity, it is difficult for Contact to ensure that all data is on time and accurate over the 3-year audit period. Over time, Contact has been improving its processes for data accuracy and timeliness, but there is room for further improvement. I noted more exceptions occurred in the earlier part of the audit period, and the more recent events and information had higher levels of compliance.

The summary of report findings in the table below shows that Contact's control environment is effective for nine of the areas evaluated, acceptable for two areas, and processes for the uplift of ready ICPs, maintenance of registry information and resolving discrepancies need improvement. This is primarily due to:

- registry updates not consistently occurring within two business days of Contact entering into a gas supply agreement for new ICPs,
- the registry not being updated as soon as practicable for a high proportion of the possible late status and trader updates sampled during the audit, and
- not consistently meeting the best endeavours requirement to identify and resolve data discrepancies.

Contact was aware of most of these issues prior to the audit, and has been proactively working on process improvements, including some which were implemented during the audit.

Contact is developing an electricity and gas exception management tool, which will review and compare SAP master data, SAP settlement data, and registry list master data to identify discrepancies between SAP and the registry, and inconsistencies where data is expected to be consistent. This reporting is currently under development and testing.

No significant data accuracy or timeliness issues were identified for switching and controls were found to be acceptable or effective.

I have made eight recommendations to improve future compliance, mostly focussed on validation and correction of SAP and registry data. The recommendations are listed in **section 11**, and the relevant report sections.

Six of the 14 areas evaluated were found to be compliant, and eight areas had some non-compliance. Ten breach allegations are made in relation to some:

- late registry updates and switching files,
- delays in identifying and resolving data discrepancies, and
- incorrect switching file content.

Summary of Report Findings

Issue	Section	Control Rating (Refer to Appendix 1 for definitions)	Compliance Rating	Comments
Participant registration information	2	Effective	Compliant	Registration information is accurate.
Obligation to act reasonably	3	Effective	Compliant	No examples of Contact acting unreasonably were found.
Obligation to use registry software competently	4	Effective	Compliant	No examples of Contact using registry software incompetently were found.
ICP identifier on invoice	5	Effective	Compliant	The ICP identifier is shown on Contact's invoices.
Uplift of READY ICP	6	Needs improvement	Not compliant	Registry not populated within two business days of Contact entering into a contract to supply gas to a consumer for 22 of 30 new connections checked.
Maintenance of ICP information in registry	7	Needs improvement	Not compliant	ICP status was not updated on the registry as soon as practicable for 56 of the 100 late updates checked. The registry was not updated as soon as practicable for 12 of the 25 late retailer updates checked.
Resolving discrepancies	8	Needs improvement	Not compliant	Contact did not consistently use best endeavours to identify and resolve discrepancies, and some discrepancies have been present for extended periods. Depending on the fields affected the discrepancies can result in gas conversion or reconciliation submission errors, and some of the discrepancies caused errors outside the maximum permissible errors in NZS 5259.

Issue	Section	Control Rating (Refer to Appendix 1 for definitions)	Compliance Rating	Comments
Initiation of consumer switch/switching notice	9.1	Acceptable	Not Compliant	One of a sample of 20 standard GNTs (ICP 0001438966QTA4F GNT-9762699 30 August 2021 9:04:11 AM) was not issued within two business days of entering into a contract to supply gas. This was caused by a delay in issuing a new GNT for the correct ICP after a wrong property withdrawal. A NTD breach was recorded for ICP 1001242949QT115 GNT-9206576 24 July 2020, 14:13:01 because a requested switch date prior to the GNT issue date was recorded for a standard switch. Nine of a sample of 20 switch move GNTs had requested switch dates earlier than the date the GNT was issued. Eight were caused by delay in issuing a new GNT for the correct ICP after a wrong property withdrawal, and one was caused due to confusion where two applications were received by the customer.
Response to a gas switching notice	9.2	Effective	Not Compliant	1001257758NG8F1's switch on 1 November 2022 recorded a GAN, GNW and GTN breach because a response to the gaining retailer's GNT was not issued to the registry within two business days of receipt.

Issue	Section	Control Rating (Refer to Appendix 1 for definitions)	Compliance Rating	Comments
Gas acceptance notice	9.3	Acceptable	Not Compliant	Three GANs had incorrect response codes applied by SAP. There is a low impact because the other retailer could determine the correct ICP status from registry status records. Two switch move GANs had event dates before the GNT requested date applied manually; both switches were completed from the gaining retailer's requested date. 15 switch move GANs had event dates more than ten business days after NT receipt applied by SAP. Ten of the switches were withdrawn, and the other five switches were completed effective from the gaining retailer's requested date. The issue occurred primarily because the gaining retailer's GNT was backdated, making it more difficult to comply with the requirement to determine a switch date which is within ten business days of GNT receipt.
Gas transfer notice	9.4	Effective	Not Compliant	Two GTA breaches where the GTN was issued more than ten business days after receipt of the AN. The impact was low because the files were one and three business days overdue. Almost all GTNs were issued on time.
Accuracy of switch readings	9.5	Effective	Compliant	No issues were found with this process.
Gas switching withdrawal	9.6	Effective	Not Compliant	ICP 0000100341QT79C GNW-10258710 26 October 2022 11:27:19 AM appears to have been issued in error possibly because the wrong ICP was selected and was rejected by the other retailer.
Switch reading negotiation	9.7	Effective	Compliant	No issues were found with this process.

Persons Involved in This Audit

Auditor:

Tara Gannon

Provera

Contact personnel assisting in this audit were:

Name	Title
Avtar Singh	Operations Team Leader
Azmin Hamin	Field connections team - Gas help desk
Ian Woodley	Field connections team - Gas help desk
Kirstey Hooper	Operations Team Member
Liam Minhinnick	Operations Team Member
Liam Payne	Operations Team Member
Maryanne Anderson	OSX new connections team leader
Matthew Drew	Operations team member Kotahi Matou
Melanie Kleinsmith	Operations Team Member
Michelle Hoult	Operations Team Member
Nagham Anayi	External Customer Solutions Specialist
Nathan Joyce	Network Operations Analyst

Contents

1. Pre-Audit and Operational Infrastructure Information

1.1 Scope of Audit

This Performance Audit was conducted at the request of the Gas Industry Company (GIC) in accordance with Rule 88 of the 2015 Amendment Version of the Gas (Switching Arrangements) Rules 2008.

> *88. Industry body to commission performance audits.*
>
> *88.1 The industry body must arrange performance audits of registry participants at intervals of no greater than five years.*
>
> *88.2 The purpose of a performance audit under this rule is to assess in relation to the roles performed by a registry participant -*
>
> *88.2.1 The performance of the registry participant in terms of compliance with these rules; and*
>
> *88.2.2 The systems and processes of that registry participant that have been put in place to enable compliance with these rules.*

The audit was conducted in accordance with terms of reference prepared by GIC and completed remotely using Microsoft Teams between 21 November 2023 and 27 November 2023.

The scope of the audit includes compliance with the "switching arrangements" rules only. There is a separate report for downstream reconciliation.

1.2 Audit Approach

As mentioned in **section 1.1** the purpose of this audit is to assess the performance of Contact in terms of compliance with the rules, and the systems and processes that have been put in place to enable compliance with the rules.

This audit has examined the effectiveness of the controls Contact has in place to achieve compliance, and where it has been considered appropriate sampling has been undertaken to determine compliance.

Where sampling has occurred, this has been conducted using the Auditing Standard 506 (AS-506) which was published by the Institute of Chartered Accountants of New Zealand. I have used my professional judgement to determine the audit method and to select sample sizes, with an objective of ensuring that the results are statistically significant.[1]

Where compliance is reliant on manual processes, manual data entry for example, the sample size has been increased to a magnitude that, in my judgement, ensures the result has statistical significance.

Where errors have been found or processes found not to be compliant the materiality of the error or non-compliance has been evaluated.

[1] In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. (Wikipedia)

1.3 General Compliance

1.3.1 Summary of Previous Audit

The previous audit was completed in 2020 by Veritek Limited.

The table below shows the issues found during the audit and whether they have been resolved.

Section	Summary of issue	Rules potentially breached	Status
6	Breach notice 2021-016 Registry not populated within two business days of Contact entering into a contract to supply gas to a consumer for 29 of 30 examples checked.	54.1	The Market Administrator did not raise any material issues in relation to the breach. Further non-compliance was found during this audit.
7	Breach notice 2021-017 Registry not updated as soon as practicable for 52 out of 100 ICPs.	61.1 & 58.1	The Market Administrator did not raise any material issues in relation to the breach. Further non-compliance was found during this audit.
8	Breach notice 2021-018 ICPs 0000953421QTD8B (1 July 2008 onwards), 1001133052QTBC8 (1 July 2008 onwards), 0000298891QTFA0 (21 November 2017 to 30 September 2020), and 0000322631QT591 (5 April 2017 to 21 May 2020) have TOU metering and consume more than 250 GJ pa but have allocation group 4 assigned. There are delays in correcting errors identified through validation.	62.1	The Market Administrator did not raise any material issues in relation to the breach. All four ICPs were corrected to allocation group 4 effective from their switch in date. Further non-compliance was found during this audit.
9.1	Breach notice 2021-019 Two out of 20 GNT files sent later then two business days of entering into a contract to supply gas.	66.1	The Market Administrator did not raise any material issues in relation to the breach. Further non-compliance was found during this audit.

The table below shows the recommendations made during the audit and whether they have been adopted.

Section	Recommendation	Status
9.4	Rule 72.1.3 requires GTN notices to contain "an annualised consumption (in gigajoules) estimate for the ICP", but it does not stipulate that the estimate must be accurate; therefore, I have not alleged a breach, but I recommend Contact reviews the	Not adopted. Annualised consumption is still incorrectly calculated where a meter appears to have rolled over due to a misread.

Section	Recommendation	Status
	annualised consumption calculation logic as it relates to "clocked" meters to ensure accuracy.	
8	I recommend reporting is put in place to identify ICPs where the network pressure is the same or less than the meter pressure.	Not adopted. There is still no validation between network and meter pressures.

1.3.2 Breach Allegations

Contact has 21 alleged switching breaches recorded by the Market Administrator since September 2020. A summary of the breaches is shown in the table below.

Breach notice number	Breach month	Underlying breaches	Rule allegedly breached	Details	Outcome
2020-014	Sep-20	1	67.3	GNT expected switch date was more than ten business days after NT receipt date.	Not material
2020-020	Nov-20	1	70.2	GAN expected switch date was more than ten business days after NT receipt date.	Not material
2020-066	Dec-20	2	70.2		
2021-001	Jan-21	1	70.2		
2021-003	Feb-21	1	70.2		
2021-051	Jul-21	1	70.2		
2022-012	Feb-22	1	70.2		
2022-014	Mar-22	1	70.2		
2022-029	Jul-22	1	70.2		
2022-050	Sep-22	1	70.2		
2023-001	Jan-23	3	70.2		
2023-008	May-23	1	70.2	GAN expected switch date was more than ten business days after NT receipt date.	Awaiting decision by Market Administrator
2023-012	Jul-23	1	70.2		
2021-016	Feb-21	29	54.1	Raised following previous audit: Registry not populated within two business days of Contact entering into a contract to supply gas to a consumer for 29 of 30 examples checked.	Not material

Breach notice number	Breach month	Underlying breaches	Rule allegedly breached	Details	Outcome
2021-017	Feb-21	52	61.1 & 58.1	Raised following previous audit: Registry not updated as soon as practicable for 52 out of 100 ICPs.	Not material
2021-018	Feb-21	4	62.1	Raised following previous audit: ICPs 0000953421QTD8B (1 July 2008 onwards), 1001133052QTBC8 (1 July 2008 onwards), 0000298891QTFA0 (21 November 2017 to 30 September 2020), and 0000322631QT591 (5 April 2017 to 21 May 2020) have TOU metering and consume more than 250 GJ pa but have allocation group 4 assigned. There are delays in correcting errors identified through validation.	Not material
2021-019	Feb-21	2	66.1	Raised following previous audit: Two out of 20 GNT files sent later then two business days of entering into a contract to supply gas.	Not material
2022-024	Mar-22	3	58.1	Raised following previous audit: Incorrect status by retailer, the ICP was shown as active after the meter had been removed for three ICPs: 1. 0001881108PGCF0 Retailer had status as ACTV even though meter has been removed. 2. 0002322861QT6E0 Retailer had status of ACTV even though meter has been removed. 3. 0054229601PG917 Retailer had status as ACTV even though there is no meter.	Not material
2022-057	Oct-22	2	58.1	Raised following previous audit: Two ICP numbers were incorrectly identified as not XTOU.	Not material
2022-063	Oct-22	24	58.1	Raised following previous audit: 24 ICPs had incorrectly been recorded as having an active status when the meter had been removed.	Awaiting decision by Market Administrator
2022-071	Dec-22	1	69.2	Raised following previous audit: GTA switching breach for ICP 1001289945QT95B	Not material

Non-compliance was found in eight sections of this audit. Ten breach allegations are made in relation to these matters.

Breach Allegation	Rule	Section in this report
Registry not populated within two business days of Contact entering into a contract to supply gas to a consumer for 22 of 30 new connections checked.	54.1	6
ICP status was not updated on the registry as soon as practicable for 56 of the 100 late updates checked. The registry was not updated as soon as practicable for 12 of the 25 late retailer updates checked.	61.1	7
Contact did not consistently use best endeavours to identify and resolve discrepancies, and some discrepancies have been present for extended periods. Depending on the fields affected the discrepancies can result in gas conversion or reconciliation submission errors, and some of the discrepancies caused errors outside the maximum permissible errors in NZS 5259. 16 of the 24 ICPs with ACTV or ACTC status where the registry recorded a meter identifier of "REMOVED" were confirmed to have an incorrect status and were updated to a removed or removed or decommissioned connection status during the audit. Ten out of ten ICPs sampled from a population of 545 ICPs with a meter removed connection status and a meter recorded by the meter owner had an incorrect status recorded by Contact. All ten were corrected to ACTC-GAS during the audit. 119 ICPs with ACTC or ACTV status had different allocation groups recorded in SAP and the registry. A sample of 20 were checked during the audit and found SAP was incorrect, and SAP was then updated. 20 out of 20 ICPs sampled from a population of 119 ICPs with allocation group discrepancies had an incorrect allocation group recorded in SAP. All 20 were corrected during the audit. 28 ICPs had an incorrect NSP recorded in SAP. For 21 of the ICPs with both gas gates connected to the same notional delivery point the gas gates were corrected in SAP during the audit. The other seven ICPs have SAP and registry gas gates that do not have the same notional delivery point and will be corrected in the back end of the database from the correct effective date by the SAP team. 68 out of 68 ICPs sampled from a population of 9,000 ICPs with a different altitude recorded in SAP and the registry had an incorrect altitude recorded in SAP. 67 out of 68 were corrected during the audit and ICP 0000796051QTD51 should have an altitude of 84 but remains at 46. Eight of the errors resulted in altitude factors which were over the maximum permissible error in NZS 5259. Four of a sample of 170 ICPs checked had an incorrect altitude recorded in SAP, but the altitude was consistent with the registry value. One of the differences was over the maximum permissible error in NZS 5259. One out of 21 ICPs with zero altitude had an incorrect altitude recorded in SAP, but the altitude was consistent with the registry value. The difference was within the maximum permissible error in NZS 5259.	62.1	8

Breach Allegation	Rule	Section in this report
13 ICPs had incorrect meter numbers recorded in SAP and were corrected during the audit. Five ICPs had incorrect meter digits recorded and were corrected during the audit. Eight out of 16 ICPs with meter pressure differences had an incorrect meter pressure recorded in SAP and were corrected during the audit. Four of the differences were over the maximum permissible error in NZS 5259. Five pressure corrections had differences over the maximum permissible error in NZS 5259 and should have been corrected from the effective date rather than the next billed date.		
One of a sample of 20 standard GNTs (ICP 0001438966QTA4F GNT-9762699 30 August 2021 9:04:11 AM) was not issued within two business days of entering into a contract to supply gas. This was caused by a delay in issuing a new GNT for the correct ICP after a wrong property withdrawal.	66.1	9.1
A NTD breach was recorded for ICP 1001242949QT115 GNT-9206576 24 July 2020, 14:13:01 because a requested switch date prior to the GNT issue date was recorded for a standard switch. Nine of a sample of 20 switch move GNTs had requested switch dates earlier than the date the GNT was issued. Eight were caused by delay in issuing a new GNT for the correct ICP after a wrong property withdrawal, and one was caused due to confusion where two applications were received by the customer.	67.3	9.1
1001257758NG8F1's switch on 1 November 2022 recorded a GAN, GNW and GTN breach because a response to the gaining retailer's GNT was not issued to the registry within two business days of receipt. The registry's switch breach history report is primarily used to identify switching files that are due, but for an unknown reason the ICP was omitted from the report for 1 to 3 November 2022 leading to late identification of the overdue file.	69.1	9.2
Three GANs had incorrect response codes applied by SAP. There is a low impact because the other retailer could determine the correct ICP status from registry status records.	70.3	9.3
Two switch move GANs had event dates before the GNT requested date applied manually; both switches were completed from the gaining retailer's requested date. 15 switch move GANs had event dates more than ten business days after NT receipt applied by SAP. Ten of the switches were withdrawn, and the other five switches were completed effective from the gaining retailer's requested date. The issue occurred primarily because the gaining retailer's GNT was backdated, making it more difficult to comply with the requirement to determine a switch date which is within ten business days of GNT receipt.	70.2.2	9.3

Breach Allegation	Rule	Section in this report
Two GTA breaches where the GTN was issued more than ten business days after receipt of the AN. The impact was low because the files were one and three business days overdue. Almost all GTNs were issued on time. The registry's switch breach history report is primarily used to identify switching files that are due, but for an unknown reason one of the ICPs was omitted from the report for 1 to 3 November 2022 leading to late identification of the overdue file. Controls could be improved by placing more reliance on the BPEM process.	70.2.2	9.4
ICP 0000100341QT79C GNW-10258710 26 October 2022 11:27:19 AM appears to have been issued in error possibly because the wrong ICP was selected and was rejected by the other retailer.	75.1	9.6

1.4 Provision of Information to the Auditor (Rule 91)

In conducting this audit, the auditor may request any information from Contact, the industry body and any registry participant. Information was provided by Contact in a timely manner in accordance with this rule.

1.5 Draft Audit Report Comments

A draft audit report was provided to the industry body (GIC), the registry operator, and registry participants that I considered had an interest in the report. In accordance with rule 92.3 of the 2015 Amendment Version of the Gas (Switching Arrangements) Rules 2008, those parties were given an opportunity to comment on the draft audit report and indicate whether they would like their comments attached as an appendix to the final audit report. The following responses were received.

Party	Response	Comments provided	Attached as appendix
Contact Energy	Comments on the draft audit report	31/01/2024 by email	No. Contact Energy's comments have been added to the remedial action and audited party comment sections of the non-compliance and recommendation boxes within this report.

2. Participant Registration Information (Rules 7 and 10)

All registry participants must supply registration information to the registry operator. Registration information consists of:

- the name of the registry participant,
- the registry participant's telephone number, physical address, facsimile number, email address, and postal address, and

- Identification as to which class, or classes, of registry participant (retailer, distributor or meter owner) that the registry participant belongs.

Registration information must be given in the form and manner required by the registry operator as approved by the industry body. Every person who is a registry participant at the commencement date must supply the registration information within 20 business days of the commencement date. Every person who becomes a registry participant after the commencement date must supply the registration information within 20 business days of becoming a registry participant.

Contact has supplied registration information on the Gas registry, and it appears to be correct.

3. Obligation to Act Reasonably (Rule 34)

No examples of Contact acting unreasonably were found.

4. Obligation to Use Registry Software Competently (Rule 35)

No examples of Contact using registry software incompetently were found.

5. ICP Identifier on Invoice (Rule 36)

The ICP identifier is shown on Contact's invoices.

6. Uplift of Ready ICP (Rule 54)

New connection process

The process for the connection and activation of new ICPs was examined.

The customer or their agent applies to the local gas distributor for a new connection. The distributor requests approval from Contact as the proposed retailer via email or their portal or system.

Contact checks they have received a customer application and/or contacts the customer to obtain confirmation that the new connection is to go ahead, and that Contact will be the retailer, and advises the distributor. Jobs to create the new connection and install a meter are raised, via email or using the distributor and meter owner's portal or system.

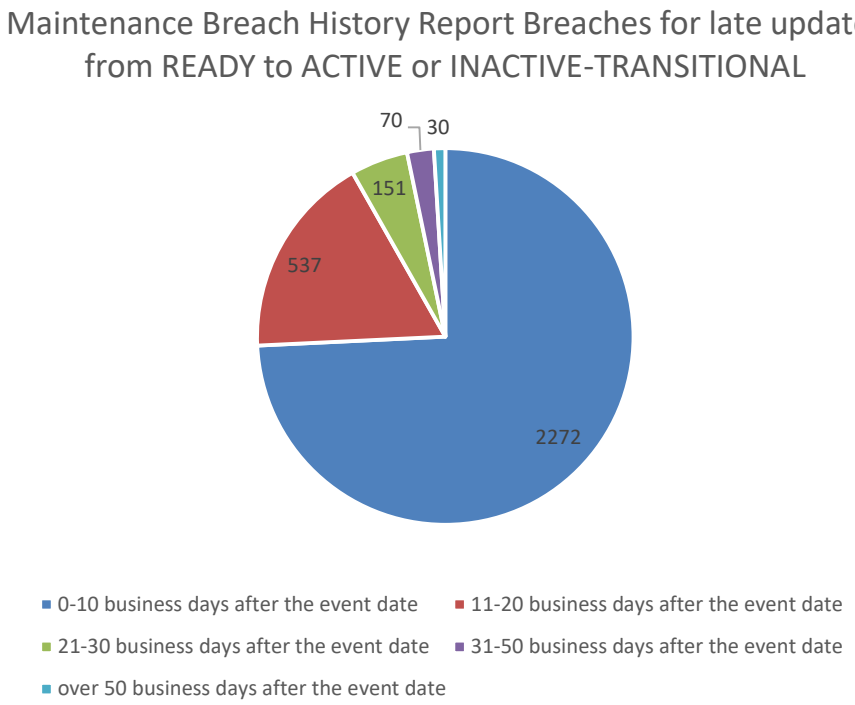
Connection paperwork is returned to Contact once the installation is complete and loaded into ORB, and then SAP is updated and the ICP is claimed on the registry with ACTC-GAS status. The ICP and metering details are copied from the registry user interface and pasted into SAP and validated against the paperwork at the same time. If any details are different, they will be queried with the distributor and/or meter owner. Meter readings are entered into SAP from the connection paperwork.

New connections are monitored twice weekly using a report of ICPs at ready status, in ORB and using the distributor portals and systems. There is also weekly reporting on jobs outstanding in ORB.

New connection information timeliness

Consumption information will not be provided to the allocation agent unless the ICP has an active status and metering recorded in SAP. Under rule 54, retailers are required to claim the ICP on the registry and move it to an active or inactive status within two business days of entering into an agreement with the customer.

The "Maintenance Breach History Report (RET breaches)" report was examined for the period from 1 July 2020 to 8 September 2023. This report contained 3,089 ICPs where an updates from READY status to ACTIVE-CONTRACTED, ACTIVE-VACANT or INACTIVE-TRANSITIONAL status was made more than two business days after the event date. The median late update was made six business days after the effective date, and the average late update was 10.3 business days after the effective date. The latest update was 312 business days after the effective date.



I checked the records for the ten latest updates, and a random sample of 20 updates made more than 20 business days after the effective date. 22 of the 30 updates did not occur within two business days of entering into a contract to supply gas to the consumer. The table below shows the ICPs and the reason for the late updates.

ICP	Event date	Input date	Business days event date to update date	Reason
1002168813QT27A	6 December 2022	25 August 2023	176	4 x most of delay was due to late receipt of connection paperwork.
1002154023QTF23	12 December 2022	21 January 2023	23	
1001304082NGDD8	12 December 2022	10 February 2023	37	
1000599957PG29E	31 March 2022	17 June 2022	50	
1001301975NGE2C	22 October 2021	26 July 2022	184	9 x most of the delay was due to a delay in processing once connection paperwork was received.
1002091782QT387	16 June 2020	16 July 2020	20	
1001299242NG9B8	14 July 2020	10 September 2020	40	

ICP	Event date	Input date	Business days event date to update date	Reason
1002165398QT0CA	21 September 2022	15 December 2022	57	
1002080724QT356	4 December 2020	12 January 2021	21	
1001298962NG643	22 June 2020	22 July 2020	20	
1002107600QT924	12 November 2020	12 January 2021	37	
1000588920PG348	5 March 2020	31 July 2020	100	
1002073143QT016	19 October 2020	25 November 2020	24	
1000583891PGB5B	1 July 2019	25 September 2020	312	4 x paperwork or registry issues with other parties' data needed to be checked and resolved before Contact could process the update.
1002153963QT0EF	28 November 2022	16 August 2023	175	
1002159929QTE9B	5 July 2022	7 September 2022	44	
1002159739QT23D	5 May 2022	27 July 2022	55	
1000584320PG2C2	16 August 2019	15 September 2020	270	1 x there was a delay in updating the ICP in SAP due to system issues that needed to be resolved before the update was completed.
1000578121PGA9C	7 August 2019	26 August 2020	263	4 x the updates were initially missed and found and updated later.
1000578123PGA19	7 August 2019	26 August 2020	263	
1000578124PG7D3	7 August 2019	26 August 2020	263	
1000578125PGB96	7 August 2019	25 August 2023	263	

Contact runs twice weekly reports of all ICPs at GIR (ready) status on the registry with Contact as the proposed retailer. The report is reviewed to identify ICPs which have a meter installed on the registry, which are checked to determine whether paperwork has been received so that the ICP can be updated in SAP and claimed on the registry. Any ICPs with missing paperwork are followed up with the meter owner and/or distributor.

The "RSREADY" report for September 2023 contained 272 ICPs at GIR (ready) status, where Contact was the proposed retailer. I checked a random sample of 20 ICPs and found:

- ten were timing differences and the ICPs have been moved to ACTC-GAS status,
- no applications have been received for four ICPs, and Contact does not expect to be the proposed retailer for the ICPs, and
- six ICPs have had their new connection jobs cancelled but have not been decommissioned by the distributor.

Uplift of ready ICPs		
Non-compliance	Description	
Report section: 6 Rule: 54.1 From: 16 July 2020 To: 25 August 2023	Audit history: Yes Controls: Needs improvement Impact: Minor	Registry not populated within two business days of Contact entering into a contract to supply gas to a consumer for 22 of 30 new connections checked. It is difficult to consistently meet this requirement because Contact needs connection information from the distributor and meter owner before they can update the registry and SAP. Most of the late updates checked in 2023 were primarily caused by delays in receiving information from other parties rather than issues with Contact's process. Across the whole audit period, delays were caused by a combination of late receipt of connection paperwork, delays while paperwork inconsistencies or registry issues were resolved before the update was processed, and delays in processing paperwork once it is received. The impact is low. Where the ICP is not claimed on the registry or set up in SAP in time for the initial reconciliation submission, revised data will be washed up through the revision process as long as the update is made within 14 months of the event date.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	End March 2024	We will investigate the possibility of increasing the frequency our New Connections reporting is run to further improve the timeliness of claiming ICPs within 2 days.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	The delays experienced in our processes were attributable to a combination of factors, which included, late receipt of connection paperwork, processing delays, and data inaccuracies.
Whether or not the participant admits or disputes that it is in breach.	Contact admits to the breach.
Estimate of the impact of the breaches (where admitted).	Minor
What steps or processes were in place to prevent the breaches?	We run a weekly report to monitor the status of all ICPs associated with CTCT as the Retailer or expected Retailer. These reports incorporate checks to determine if an ICP has not been claimed within the required timeframe. Any ICPs flagged through this reporting undergo a manual investigation to identify the reason for delay, and the necessary next steps to resolve the issue in a timely manner.

What steps have been taken to prevent recurrence?	We are investigating the possibility of increasing the frequency that our New Connection reporting is run to further improve the timeliness of claiming ICPs within 2 days.

7. Maintenance of ICP Information in the Registry (Rules 58 to 61)

Registry maintenance process

Retailers must use "reasonable endeavours" to maintain current and accurate information in the registry (Rule 58) and, if a responsible retailer becomes aware that information is incorrect or requires updating, they must correct or update the information "as soon as practicable" (Rule 61).

Field work is managed using ORB. Paperwork returned from contactors includes the date work is completed, ICP status, connection status, and readings if they are available. The information is imported or manually entered into ORB depending on the party which completed the work, and then transferred from ORB to SAP. A workflow error is created if ORB is unable to update all the required fields in SAP and staff manually check and correct the issue. For meter removals and exchanges, the removal reading is loaded against the day before the work completion date to ensure that all consumption is captured before the status change. For all other work, including disconnections that do not coincide with meter removals, the meter reading is loaded against the work completion date.

Open jobs are monitored in ORB, and any service orders that have been open for more than 20 days are followed up with the meter owner. Overdue AMS jobs are followed up several times each week.

Contact is responsible for maintaining the profile code, allocation group and responsible meter owner through retailer updates. All ICPs use the GGRP profile code so profile changes do not occur. Retailer updates to allocation groups are made directly on the registry and then imported into SAP as part of the overnight synchronisation process. Responsible meter owner changes are updated in SAP and then transferred to the registry, except where the update is required urgently by the meter owner and is made directly on the registry at the meter owner's request.

Registry status update timeliness

I reviewed the event detail report to identify all status updates made by Contact between 1 July 2020 and 13 August 2023.

Status	Total updates	Update greater than five business days	Update greater than 20 business days	Update greater than 120 business days	Latest update business days	Average update days
ACTC	28,985	8,378	3,483	380	688	10.0
ACTV	23,090	1,998	914	175	873	4.0
INACT	9,353	1,342	648	169	3,828	16.0
INACP	2,138	1,178	458	139	1,705	29.0

The Rules do not define a specific time period for updates but for the purpose of this audit, I checked the reasons for late updates for a selection of 100 ICPs including the ten latest updates to each status and a random sample of 15 late updates made more than 20 business days after the event date for each status. I have recorded breach allegations where I consider the reason for the late update was within Contact's control and additional steps could have been taken to prevent the late update.

Status	Non-compliant	Compliant
ACTC	6 x updates where workflows were closed before being completed. They were corrected once inactive consumption was detected. 10 x updates were primarily delayed because there was a delay in actioning workflow items which required user intervention.	2 x updates where errors were corrected as soon as practicable after discovery. 2 x updates where late receipt of information from other parties was the primary cause of the late update. 5 x updates where paperwork issues needed to be checked and resolved before Contact could process the update.
ACTV	5 x updates were primarily delayed because there was a delay in actioning workflow items which required user intervention.	14 x updates where late receipt of information from other parties was the primary cause of the late update. 6 x updates where errors were corrected as soon as practicable after discovery.
INACT	15 x updates were primarily delayed because there was a delay in actioning workflow items which required user intervention.	4 x updates were delayed by a combination of delayed paperwork and Contact processing delay. Compliance is recorded because the delay was mostly beyond Contact's control. 4 x updates where late receipt of information from other parties was the primary cause of the late update. 2 x updates where paperwork issues needed to be checked and resolved before Contact could process the update.
INACP	20 x updates were primarily delayed because there was a delay in actioning workflow items which required user intervention.	3 x updates were delayed by a combination of delayed paperwork and Contact processing delay. Compliance is recorded because the delay was mostly beyond Contact's control. 2 x updates where late receipt of information from other parties was the primary cause of the late update.
Total	**56**	**44**

The updates where I consider the reason for the late update was within Contact's control and additional steps could have been taken to prevent the late update are listed by ICP status in the tables below.

Status	ICP	Event date	Input date	Business days	Reason
ACTC	0001438966QTA4F	27 November 2018	30 August 2021 20:45	688	6 x updates where workflows were closed before being completed. They were
ACTC	1001254281QTAC1	17 August 2018	3 July 2020 21:33	468	
ACTC	0000514561QTB11	30 August 2018	13 July 2020 20:44	465	
ACTC	1000579411PG9C1	19 February 2020	3 November 2021 20:46	430	

Status	ICP	Event date	Input date	Business days	Reason
ACTC	0001661431QTD89	16 February 2021	6 September 2022 15:07	391	corrected once inactive consumption was detected.
ACTC	0001588751QTC13	21 December 2021	3 June 2022 17:56	112	
ACTC	0000947291QT75E	24 January 2022	3 June 2022 17:34	90	10 x updates were primarily delayed because there was a delay in actioning workflow items which required user intervention.
ACTC	1002045357QT55A	20 May 2022	6 September 2022 15:07	74	
ACTC	0001429703QT7BA	19 April 2023	7 July 2023 20:51	55	
ACTC	1000602163PG0F1	3 June 2022	16 August 2022 20:46	49	
ACTC	0004221586NGB4B	27 May 2021	28 July 2021 18:39	43	
ACTC	0004214395NGD2C	17 June 2023	2 August 2023 20:46	31	
ACTC	0000957701QT55D	26 August 2020	6 October 2020 11:45	29	
ACTC	1000593299PGBA4	4 April 2023	17 May 2023 15:40	28	
ACTC	1002091997QT26E	22 August 2020	24 September 2020 1:44	23	
ACTC	0000564441QT5F9	5 August 2022	6 September 2022 15:07	22	
ACTV	0003011520NG20F	28 May 2020	1 July 2020 21:39	23	5 x updates were primarily delayed because there was a delay in actioning workflow items which required user intervention.
ACTV	0003028235NG763	31 October 2019	5 December 2022 20:47	775	
ACTV	0000075751QT8C5	12 February 2020	23 February 2021 20:45	259	
ACTV	0000051031QT77A	21 August 2020	19 January 2021 20:46	102	
ACTV	0000153961QT157	23 March 2022	28 May 2022 20:42	45	
INACT	0002164111QTC39	1 July 2008	30 December 2021 20:42	3,424	15 x updates were primarily delayed because there was a delay in actioning workflow items which required user intervention.
INACT	0002174841QT5D9	8 December 2010	29 September 2021 20:50	2,723	
INACT	0002012791QT460	28 May 2020	21 January 2021 20:44	164	
INACT	0002027091QTD6E	7 October 2020	5 March 2021 20:46	101	
INACT	0000837421QTD3F	27 January 2023	31 May 2023 20:49	84	
INACT	0000059291QT862	7 October 2020	4 February 2021 20:43	80	
INACT	0002126511QT8ED	21 March 2022	15 July 2022 20:46	80	
INACT	0002009211QT32E	31 March 2023	2 July 2023 20:43	61	
INACT	1001269640QT666	13 March 2023	25 May 2023 20:48	50	

Status	ICP	Event date	Input date	Business days	Reason
INACT	0001423676QT8EC	19 November 2020	20 January 2021 20:44	40	
INACT	0000060461QT3FF	24 November 2020	18 January 2021 20:49	35	
INACT	0002380370QT6AE	31 March 2023	24 May 2023 20:48	35	
INACT	0002341261QTC52	25 October 2022	12 December 2022 20:45	34	
INACT	0000287001QT1CB	23 July 2021	2 September 2021 20:44	29	
INACT	0003005143NG35F	8 July 2022	18 August 2022 20:44	28	
INACP	0000071411QTFE3	22 June 2018	9 May 2023 20:38	1,219	20 x updates were primarily delayed because there was a delay in actioning workflow items which required user intervention.
INACP	0000058021QT177	22 May 2020	3 May 2022 20:43	489	
INACP	0001447301QT1A6	11 November 2020	6 October 2022 20:43	476	
INACP	0000179491QT3C5	30 April 2021	15 March 2023 20:50	469	
INACP	0000180801QT912	21 October 2021	16 August 2023 20:54	451	
INACP	0000075051QT7C7	30 June 2021	15 March 2023 20:50	427	
INACP	0000075061QT03F	30 June 2021	15 March 2023 20:50	427	
INACP	0000051451QT48B	2 November 2020	28 September 2021 20:47	227	
INACP	0000060511QTFA6	6 December 2020	6 July 2021 20:46	142	
INACP	0000005301QT675	8 May 2020	9 October 2020 20:40	109	
INACP	0000022441QT67F	2 July 2020	8 October 2020 20:40	70	
INACP	0003032931NG3C6	17 August 2022	22 November 2022 20:46	67	
INACP	0000061541QT60E	24 February 2021	28 May 2021 20:42	64	
INACP	0001535791QTFD5	19 July 2021	13 October 2021 20:43	62	
INACP	0000001641QT755	6 May 2021	7 July 2021 20:42	43	
INACP	0001578381QT8CC	9 February 2023	5 April 2023 20:53	39	
INACP	0000025696GN42E	23 October 2020	3 December 2020 20:42	28	
INACP	0000357901QT0FF	12 October 2021	22 November 2021 20:42	28	
INACP	0001646141QT07C	26 March 2021	30 April 2021 20:44	22	
INACP	0002264161QT5D0	2 October 2020	3 November 2020 20:43	21	

Registry retailer update timeliness

I reviewed the event detail report to identify all retailer updates made by Contact between 1 July 2020 and 13 August 2023.

Update type	Total updates	Update greater than five business days	Update greater than 20 business days	Update greater than 120 business days	Latest update business days	Average update days
Retailer	4,389	2,563	343	14	312	9

The Rules do not define a specific time period for updates but for the purpose of this audit I checked the reasons for late updates for a selection of 25 ICPs including the ten latest and a random sample of 15 late updates made more than 20 business days after the event date.

- 11 x updates were primarily delayed because there was a delay in actioning the update after confirmation of the correct attributes were received.
- 1 x update had an IT issue which needed to be resolved by the ICT team.
- 12 x updates were primarily delayed due to late paperwork or information from the meter owner. Compliance is recorded because the delay was beyond Contact's control.
- 1 x update had a combination of delayed paperwork and Contact processing delay. Compliance is recorded because the delay was mostly beyond Contact's control.

I have recorded breach allegations where I consider the reason for the late update was within Contact's control and additional steps could have been taken to prevent the late update. The updates where I consider the reason for the late update was within Contact's control and additional steps could have been taken to prevent the late update are listed by ICP status in the tables below.

ICP	Event date	Input date	Business days	Reason
1000583891PGB5B	1 July 2019	24 September 2020 23:56	312	11 x primarily delayed because there was a delay in actioning workflow items which required user intervention.
1000584320PG2C2	16 August 2019	15 September 2020 7:40	271	
1000578121PGA9C	7 August 2019	25 August 2020 22:37	263	
1000578123PGA19	7 August 2019	25 August 2020 22:37	263	
1000578124PG7D3	7 August 2019	25 August 2020 22:37	263	
1000578125PGB96	7 August 2019	25 August 2020 22:37	263	
1000608253PGA4A	7 December 2021	11 August 2022 20:46	168	
1002166028QT39B	18 January 2023	21 June 2023 20:48	104	
1001302175NGCC1	16 November 2022	14 March 2023 10:15	78	
1002109437QT1D1	20 October 2020	15 January 2021 20:42	58	
1001304082NGDD8	12 December 2022	9 February 2023 20:52	37	

ICP	Event date	Input date	Business days	Reason
1000590662PGB86	18 August 2020	30 September 2020 2:06	31	1 x IT issue prevented an update and needed to be resolved by the ICT team.

Updates backdated by more than one year

ICP allocation group affects reconciliation submission aggregation, and ICP status affects whether an ICP's volumes are included in or excluded from reconciliation reports.

Initial submissions are provided by 12pm on the 4th working day of the month after the reconciliation period, interim submissions are provided by 8am on the 9th working day of the 4th month after the consumption period, and final submissions are provided by 8am on the 14th working day of the 13th month after the consumption period.

If changes affecting reconciliation submissions are backdated more than one year (to a date before the start date of the next consumption period due to undergo a final allocation), they will not automatically be accounted for in reconciliation submissions by SAP. If the reconciliation team is notified, they will be able to adjust the ICP's submission information so that consumption for periods which have undergone final allocations can be recorded in an upcoming submission.

I found that registry updates, switches and switch event read negotiations can affect the accuracy of submission data where they are backdated more than 12 months. In addition, changes to ICP and meter master data affecting gas conversion are typically updated from the next read date in SAP, rather than the date from which the attributes applied. In most cases these changes affecting gas conversion will not result in differences outside the maximum permissible errors in NZS 5259, but if they do, a correction is expected to be processed from the correct effective date.

Discussions with the teams responsible for registry updates and switching confirmed that there are no processes in place to communicate changes which are backdated more than one year to the reconciliation team. There is also no process to communicate changes to ICP data which could result in differences outside the maximum permissible errors in NZS 5259 which are either not processed from the correct date or are backdated more than one year.

Recommendation	Audited party comment
Develop processes to identify switches and registry updates that are backdated more than one year and require reconciliation data corrections and communicate them to the reconciliation team so that a correction can be processed. I suggest running an event detail report and calculating the number of days between the event entry date/time and event date, then filtering on events where the number of days is greater than 365. Events that should be investigated to determine whether a correction is required include: • GAC where the file is accepted by Contact or another retailer, • GTN where an ICP is switching to or from Contact,	We will take the auditors recommendation into consideration and explore what opportunities we have within our reporting tools to identify and monitor these scenarios.

Recommendation	Audited party comment
• GAW where the withdrawal is accepted by Contact or another retailer, and • status changes. Develop a process to communicate changes to ICP data which could cause conversion errors outside the maximum permissible errors in NZS 5259 where the change is backdated by more than one year, or the change is not processed in SAP from the effective date.	

Maintenance of ICP information		
Non-compliance	Description	
Report section: 7 Rule: 61.1 From: 1 July 2020 To: 31 May 2023	Audit history: Yes Controls: Needs improvement Impact: Minor	ICP status was not updated on the registry as soon as practicable for 56 of the 100 late updates checked. The registry was not updated as soon as practicable for 12 of the 25 late retailer updates checked. The majority of the preventable late updates found occurred in the earlier part of the audit period. There are some controls to help to identify incorrect and missing updates including inactive consumption checks. Status validation against the registry and metering details is completed, but exceptions are not resolved in a timely manner. In November 2023 there were approximately 3,000 exceptions to be checked. The impact of each discrepancy varies depending on the nature of the change, and how backdated each update is. Changes between active (GAS) statuses and inactive statuses determine whether ICP volumes are included in or excluded from reconciliation reports. If an update is made in time for the final revision, revised submission data will be washed up.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	April 2024 (then ongoing)	Review the management / completion of workflow to improve timeliness of registry updates. Continued cross training to ensure resourcing can effectively manage tasks with accuracy.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	The key factors contributing to non-compliance are a combination of data entry errors, workflow management issues, the receipt of late paperwork from the field, personnel changes, and workflow transitioning between teams.

	It is important to highlight that the approximately 3,000 discrepancies identified in November 2023 may not be an accurate representation, as we suspect a source data loading issue around that period caused a larger number of false positives to appear. Upon rerunning the same report, the discrepancies significantly decreased.
Whether or not the participant admits or disputes that it is in breach.	Contact admits to the breach.
Estimate of the impact of the breaches (where admitted).	Minor
What steps or processes were in place to prevent the breaches?	We currently run monthly reporting to identify discrepancies between the data in our system and the Gas Registry. Subsequently, the discrepancies are investigated, and corrective actions are taken to resolve the discrepancy in data.
What steps have been taken to prevent recurrence?	We continue to have ongoing communication with field service provides to reinforce the importance of timely and accurate paperwork being returned from the field. We are currently going through a cross training exercise to ensure we have the right number of resources across the issue identified. As part of this exercise, the existing documentation will be reviewed to ensure it remains fit for purpose. Additionally, we will review our existing monthly reports that look for discrepancies between the gas registry and our system (SAP) to ensure it remains fit for purpose.

8. Resolving Discrepancies (Rule 62.1)

Contact has a set of validation processes and reports to identify and resolve discrepancies between SAP and the registry, which was demonstrated during the audit. As discussed in **sections 6** and **7**, whilst reporting is in place to identify discrepancies, there can be delays in resolution of some of these discrepancies, which will sometimes have an effect on billing and reconciliation.

Contact is developing an electricity and gas exception management tool, which will review and compare SAP master data, SAP settlement data, and registry list master data to identify discrepancies between SAP and the registry, and inconsistencies where data is expected to be consistent. This reporting is currently under development and testing.

I checked processes to identify and resolve discrepancies for each data field.

ICP status and connection status

Contact updates ICP statuses and connection statuses where field services activity indicates a status change is required. Contact validates the connection status and ICP recorded in SAP against the registry monthly, including identifying ICPs where metering is installed but the connection status indicates the meter is removed, and ICPs with no meter installed in SAP where the connection status indicates a meter is present. The 2020 audit found that the GTD (gas temporary disconnect) connection status code was not included in the exception reporting, and I confirmed that this has been resolved.

The External Customer Solutions Specialist reviews and groups the exceptions by type and passes ICPs which require further investigation to the operations team for investigation. In November 2023

there were around 3,000 ICPs with connection status discrepancies, and there is a backlog of exceptions to be investigated and resolved.

I checked the records for 100 ICPs which had undergone status changes during the audit period and found the status, connection status, and event dates applied were correct.

The registry list recorded 24 ICPs with ACTV or ACTC status where the registry recorded a meter identifier of "REMOVED". I found:

- 16[2] ICPs were confirmed to have an incorrect connection status and were updated to a meter removed or decommissioned status during the audit.
- three ICPs which Contact believes have meters installed are under investigation with the meter owner; the status and/or metering details will be corrected once investigation is complete,
- ICP 0001011173NG7B4 was confirmed to have the correct connection status and the meter owner has updated the metering details, and
- four were timing differences and the ICPs were updated to a removed or decommissioned connection status after the report was run.

The registry list recorded 554 ICPs with a status indicating that the meter is removed where the registry recorded a valid meter identifier. I checked a sample of ten records for ICPs which were created within the last two years and found that the ICPs should have had ACTC-GAS status and were updated during the audit.

Ten[3] out of ten ICPs sampled from a population of 545 ICPs with a meter removed connection status and a meter recorded by the meter owner had an incorrect status recorded by Contact. All ten were corrected to ACTC-GAS during the audit.

Allocation groups

Monthly a report is generated which validates allocation groups recorded in SAP against the registry, The report is not currently reviewed, and Contact intends to confirm responsibilities for reviewing this and resolving exceptions.

Contact validates ICP allocation groups monthly using a SAP report containing ICPs which have been supplied for at least 100 days and their estimated annual consumption.

- Where an ICP is in AG6 and estimated annual consumption genuinely exceeds 230 GJ, it will be moved to AG4 and a monthly meter reading schedule.
- Where an ICP is in AG4, but consumption falls below 230 GJ, Contact leaves the ICP in AG4 and a monthly meter reading round in case their consumption increases. The rules state that any ICP not assigned to allocation groups 1-4, should have a meter installed and be assigned to AG5 or AG6, and this is compliant.

Sometimes, Contact monitors ICPs for two months before making an update, to ensure that the change is valid.

[2] 0000089301QT2D0, 0000168741QT4C5, 0000180491QTAF9, 0000187681QTE33, 0000356981QT415, 0000499241QT82F, 0000638201QT51A, 0001590001QTEF8, 0001655971QTD88, 0001739511QT3C0, 0002111411QT4A5, 0002225961QTFE8, 0004010080NG795, 0006002315NG0ED, 0007000580NG1BA and 1001127685QT327.

[3] 1000608372PG25E, 1000608833PGFB0, 1000609331PGD9B, 1000611279PG1CF, 1000611539PGC68, 1000611541PGB21, 1000612351PG56A, 1000612722PG0F6, 1000612786PG9E3 and 1002173096QTD73.

Contact provided their most recent review from 24 September 2023, which showed that the analysis had been completed as expected and lists of ICPs to have their meter reading schedules and allocation groups updated were provided to the relevant teams on 25 September 2023. The registry and SAP were updated to reflect the correct allocation groups on 5 October 2023.

I also validated the registry allocation groups for ACTC and ACTV ICPs on the registry list against the average daily consumption recorded in SAP for the 71,134 ICPs where this information was available, and found the following discrepancies:

Discrepancy	Comment
AG6 with consumption over 250 GJ	77 ICPs in allocation group 6 have average consumption over 250 GJ and are expected to be in AG4. I found: • 67 ICPs were identified in the September 2023 and updated to AG4 and a monthly meter reading schedule in October 2023, • four ICPs appeared on the September 2023 report but were not selected for update to AG4 and a monthly meter reading schedule until the October 2023 report was reviewed; this was because Contact elected to monitor the ICPs for another month to determine whether the consumption was genuine, • two ICPs were supplied for less than 100 days, and according to the normal process will have their allocation group and meter route changed if they are still estimated to use over 250 GJ when they are supplied for more than 100 days, and • four of the ICPs are now vacant; the consumption has decreased since they became vacant, and they can validly remain in AG6.
AG4 with consumption under 10,000 GJ	135 ICPs in allocation group 4 have average consumption under 250 GJ. 88 have consumption below 230 GJ and 49 have consumption below 200 GJ. As discussed above Contact leaves any ICPs with decreased consumption in allocation group 4. The rules state that any ICP not assigned to allocation groups 1-4, should have a meter installed and be assigned to AG5 or AG6, and this is compliant.

As well as two gas gate meters (TCC00201 and TRC02003), ICPs 0000953421QTD8B and 1001133052QTBC8 have TOU metering installed. ICPs 0000953421QTD8B and 1001133052QTBC8 are both settled as non-TOU and are in AG4.

The Gas Industry Company acknowledges that the allocation group rules for ICPs with TOU flag set to Y and consumption of less than 10,000 GJ per annum are unclear. Rule 29.2.1 states that if TOU metering is installed the ICP should be in AG1 or AG2 and rule 29.3 states that ICPs in AG5 or AG6 may have TOU metering. These rules are being revisited by the Gas Industry as part of a statement of proposal. I have recorded compliance because rules 29.2.1 and 29.3 are inconsistent, and Contact is compliant with rule 29.3.

29.2 For a **consumer installation** at an **allocated gas gate** where the rolling 12-month actual or expected consumption is greater than 250 **GJ**, every **retailer** that supplies that **consumer installation** must either:

29.2.1 Ensure a **TOU meter** is installed and assign that **consumer installation** to **allocation group** 1 or 2; or

29.2.2 Ensure a **non-TOU meter** is installed and assign that **consumer installation** to **allocation group** 3 or 4.

29.3 For a **consumer installation** at an **allocated gas gate** which has not been assigned to **allocation groups** 1 to 4 under rules 29.1 and 29.2, every **retailer** that supplies that **consumer installation** must ensure a **TOU meter** or **non-TOU meter** is installed and assign that **consumer installation** to **allocation group** 5 or 6.

I compared each ACTC and ACTV allocation group in SAP to the registry list. 119 ICPs had allocation group differences, and none were on the list to have their registry allocation group updated following the review on 23 September 2023. I checked a sample of ten recorded as AG6 on the registry and AG4 in SAP, and ten recorded as AG4 in the registry and AG6 in SAP. The registry allocation groups were confirmed to be correct for all 20 ICPs[4] but SAP had missed being updated, and SAP was updated during the audit. It is normally expected that the updates would be processed directly on the registry and then imported into SAP.

Network and gas gate

Network and gas gate information recorded in SAP is populated from the registry, and if gas gate or network details change on the registry they should be automatically updated in SAP.

Current values for gas gates and networks are validated against the registry monthly. Historically, if there was a gas gate difference and the applied and correct gas gates had the same notional delivery point, SAP would not be updated. Following discussion during the audit, the affected ICPs will have their gas gates updated from the day after their last invoice was produced. Billing locks prevent gas gates and networks from being updated for dates which have already been billed. It is possible to change the gas gate or network from an earlier date by reversing the bills or requesting the SAP team change the data in the background.

I compared each ICP's network and gas gate in SAP to the registry list. No network discrepancies were identified. 28 ICPs had a different NSP recorded in SAP, and the NSP had last changed on the registry in 2022 or earlier. All the differences were appearing as exceptions in Contact's monthly validation but had not been updated in SAP. 21 of the ICPs[5] were connected to the same notional

[4]. 0000015181GND67, 0009000678NGAF5, 1001294203NGD78, 0004008827NG7AC, 0001004427NG472, 0002028643NG909, 1001299398NGF6F, 0004008459NGD66, 0001033759NG4FB, 0001003526NG553, 0001405263QTF02, 0003016770NG460, 1001264970QT4B1, 0002382256QT030, 0000362661QT60C, 0000869341QT679, 1002067919QT4E3, 1002105953QT1A3, 1001135265QTE3D and 1001112837QT117.

[5] 0003003917NGF90, 1001257535NG25D, 0000314931QTE72, 0000846771QTD2D, 0000680881QT953, 0000973501QT017, 0000087451QTD1A, 0000825511QT862, 0001426033QT620, 0000851081QTEB9, 1001273610QT8CF, 0002376651QT2E7, 0000358491QT370, 1000385153QTB21, 0001437160QT2AD, 0000796051QTD51, 0000749281QTF25, 0000732901QTC38, 0000723651QT27E, 0001423279QTB33 and 0000838821QT853.

delivery point and had their gas gates corrected in SAP during the audit. The other seven ICPs[6] have SAP and registry gas gates that do not have the same notional delivery point and will be corrected in the back end of the database from the correct effective date by the SAP team.

ICP	SAP gas gate	Registry gas gate
1002139909QT196	HEN74101	WTK33901
0000349031QTE2F	WST03610	WTK33901
1002112272QTF3C	HEN74101	WTK33901
1002136303QT06D	WTK33901	WST03610
1002113537QTE74	WTK33901	HEN74101
1002145657QT433	WTK33901	HEN74101
1002144105QT21C	WTK33901	HEN74101

ICP altitude

Current values for altitude are validated against the registry monthly using SAS reports, and a Databricks report is under development.

Altitude changes are processed from after the last read date because billing locks prevent altitudes from being updated for dates which have already been billed. It is possible to change the altitude from an earlier date by reversing the bills or requesting the SAP team change the data in the background.

Where discrepancies are found, the External Customer Solutions Specialist completes a bulk update to master data in SAP, which makes the change effective from the day after the last read date. If there is an open meter read order or an estimated read, an exception is created and the updates for affected ICPs are reprocessed once actual reads are available. This can take three to four months after the first attempt, because reads are scheduled every second month.

I compared each ICP's altitude in SAP to the registry list and found 9,000 ICPs had altitude differences.

Distributor	ICPs with altitude differences	ICPs with altitude differences over ±10m	ICPs with altitude differences over ±20m	ICPs with altitude differences over ±50m	Maximum difference
GNET	4	-	-	-	-5
NGCD	25	10	7	4	-397
POCO	166	41	32	7	-174
UNLG	8,805	321	40	3	-349
Total	**9,000**	**372**	**79**	**14**	**-397**

[6] 1002139909QT196, 0000349031QTE2F, 1002112272QTF3C, 1002136303QT06D, 1002113537QTE74, 1002145657QT433 and 1002144105QT21C.

I checked all differences over ±20m for NGCD, and all differences over ±25m for POCO and UNLG. In all cases, Contact had an incorrect altitude recorded in SAP which had not yet been updated through the monthly validation process. For some ICPs the network pressure was entered into the altitude field by mistake. The names of the fields in SAP do not match the registry which sometimes created confusion; altitude is referred to as "air pressure area" in SAP and network pressure is referred to as "gas pressure area". The incorrect altitudes were corrected during the audit apart from ICP 0000796051QTD51 which should have an altitude of 84 but remains at 46.

The maximum permissible error allowed by NZS 5259 for altitude factors is ±1.0% where meter pressure is less than 100 kPa, and ±0.5% where meter pressure is greater than or equal to 100 kPa. The following differences were over the maximum permissible limits, and I found that the ICPs had been supplied for several years without a correction being processed.

ICP	Network pressure	SAP Altitude	Registry altitude	Meter pressure	Difference	Supplied with registry altitude since
0007001665NG4EC	400	400	3	1.5	-4.60%	1 September 2020
1001298555NG07D	400	400	16	2.75	-4.41%	26 February 2020
0003019978NG91F	400	400	45	1.5	-4.14%	9 March 2021
0000233521QT112	400	400	51	1.5	-4.07%	13 May 2021
1002106797QT3AD	400	409	70	2.75	-3.91%	31 March 2021
0004001386NGC58	400	400	86	2.75	-3.63%	20 December 2019
0001392802QT012	118	181	7	2.5	-2.00%	10 December 2020
1000566630PG357	315	118	7	7	-1.22%	10 March 2021

Altitudes recorded in SAP and the registry are not checked for reasonableness. I checked ICP altitudes for a sample of ACTC and ACTV ICPs with non-zero altitudes on the registry list.

Distributor	Total ACTC and ACTV non-TOU ICPs	ICPs checked	Quantity outside 10m	Quantity outside 20m	Quantity outside 90m
UNLG	36,727	60	11	3	1
NGCD	10,399	40	3	1	-
POCO	23,300	50	2	2	-
GNET	1,249	20	-	-	-
Total	**71,675**	**170**	**16**	**6**	**1**

I checked a sample of 170 ICPs as shown in the table above. Approximately half the ICPs sampled had the highest and lowest non-zero altitudes, and the other half were selected at random.

For POCO and GNET all ICPs checked had correct altitudes recorded.

For NGCD one ICP had an incorrect altitude and was corrected in SAP and the registry during the audit. The difference was not over the maximum permissible errors allowed under NZS 5259.

For UNLG three ICPs had incorrect altitudes and were corrected in SAP and the registry during the audit. One difference was over the maximum permissible errors allowed under NZS 5259. Non-compliance is recorded for UNLG in the downstream reconciliation performance audit in relation to this ICP.

ICP	Correct altitude	SAP Altitude	Registry altitude	Meter pressure	Difference
1002162590QT0B8	46	446	446	2.75	-4.60%

I checked ICPs with zero altitudes recorded in SAP and on the registry for accuracy. ICP 1001293545NG530's altitude should have been 45, and the altitude was corrected in the registry and SAP during the audit. The difference was not over the maximum permissible errors allowed under NZS 5259.

Distributor	Total ACTC and ACTV non-TOU ICPs	ICPs with altitude of zero	ICPs checked	Quantity outside 10m	Quantity outside 20m
UNLG	36,727	-	-	-	-
NGCD	10,399	20	20	-	1
POCO	23,300	1	1	-	-
GNET	1,249	-	-	-	-
Total	**71,675**	**21**	**21**	**-**	**1**

Network pressure

Current values for network pressure are validated against the registry monthly using SAS reports. A Databricks report is under development. As recorded in the previous audit, there is no validation to identify ICPs where the network pressure is the same as or less than the meter pressure.

Billing locks prevent network pressure from being updated for dates which have already been billed. It is possible to change the network pressure from an earlier date by reversing the bills or requesting the SAP team change the data in the background.

Where discrepancies are found the External Customer Solutions Specialist completes a bulk update to master data in SAP, which makes the change effective from the day after the last read date. If there is an open meter read order, or an estimated read an exception is created and the updates for affected ICPs are reprocessed once actual reads are available. This can take three to four months after the first attempt, because reads are scheduled every second month.

I compared each ACTC and ACTV ICP's network pressure in SAP to the registry list and found 74 ICPs had different network pressures recorded in SAP and the registry. 24 of the differences were over 100 kPa. All were timing differences, and the pressures were corrected prior to the audit.

Meter numbers

There are no comparisons between SAP and the registry to identify meter serial number differences. Contact relies on its meter readers to identify differences between the meter serial numbers advised by Contact and those on site, and its meter installation, removal and change process to ensure that the correct meters are recorded in SAP.

I compared each ACTC and ACTV ICP's meter number in SAP to the registry list and found 881 differences. 795 were confirmed to be prefix or suffix differences, leaving 86 ICPs believed to have genuine meter number differences. I checked a sample of 25-meter number differences and found:

- 13 ICPs had an incorrect meter number recorded in SAP and were investigated and corrected during the audit,
- ICP 0000044771QT51C is under investigation to confirm which meter is present at the address, after Contact received notification from the meter reader,
- nine ICPs had correct metering details recorded in SAP, and the meter owner's registry data was corrected after the report was run, and
- one TOU ICP that had two different meter numbers had TOU metering, and the meter and corrector number are recorded in SAP.

Meter digits

There are no comparisons between SAP and the registry to identify meter digit differences. Contact relies on its meter readers to identify differences between the meter digits advised by Contact and those for meters installed on site, and its meter installation, removal and change process to ensure that the correct number of digits are recorded in SAP.

I compared the meter digits in SAP to the registry list for each ACTC and ACTV ICP where the meter number had matched, or I could confirm that the meter number difference related to a different prefix or suffix. There were 20 genuine differences:

- two differences were for TOU ICPs where the number of digits is not recorded on the registry,
- for 12 ICPs Contact's digits were confirmed by meter photos, and the MEP later updated the registry to reflect the same number of digits as Contact,
- for five ICPs, Contact and their meter readers had not identified the digits discrepancy, and SAP was updated after the report was run, and
- one ICP had a timing difference and SAP was updated after the registry list was run.

Network Pressure vs meter pressure

I compared network and meter pressure using the registry list. There are 24 ICPs where the network pressure and the meter pressure are the same and two of these have the "operating at network pressure" flag set to yes. There are three ICPs with network pressure lower than meter pressure. As recorded in the last audit, Contact does not validate network pressures for reasonableness or check network pressures which are the same as or less than the meter pressure.

Meter pressure

Current values for meter pressure are validated against the registry monthly using a Databricks report. The report identifies ICPs where the serial number recorded in SAP and the registry are the same, but the pressure is different, as well as ICPs where the meter serial numbers and pressures are different. Meter pressure is corrected for the meter instance. If an existing meter undergoes a pressure change, it is necessary to treat it as a meter replacement on the date of the pressure change so that the correct pressure can be applied.

I compared the meter pressure in SAP to the registry list for each ACTC and ACTV ICP where the meter number had matched, or I could confirm that the meter number difference related to a different prefix or suffix. I found 16 differences:

- six were timing differences and the registry was updated after the list report was run,

- two differences were for TOU ICPs where the meter pressure is not recorded on the registry, and
- the other eight ICPs had incorrect meter pressures recorded in SAP, and SAP was updated from the day after the last billed date during the audit; the maximum permissible error allowed by NZS 5259 for pressure factors is ±0.9% and four of the eight differences were over the maximum permissible error.

ICP	Registry serial number	SAP meter pressure	Registry meter pressure	Factor difference	Supplied with registry meter pressure since
0000328151QTB23	288172	1.5	2.5	-0.96%	7 September 2015
0000117651QT4B5	19M599902	30	3	25.88%	7 October 2020
1000543207PGB89	R000013207	33.5	35	-1.10%	23 August 2022
0000279561QT662	264080	1.5	2.5	-0.96%	11 June /2023

Eight examples of differences between SAP and the registry were provided and checked, which confirmed that the meter pressure had been corrected in SAP from the day after the last invoice in May 2023. The maximum permissible error allowed by NZS 5259 for pressure factors is ±0.9%. Five of the eight differences were over the maximum permissible limits and should have been corrected from the effective date instead of May 2023.

ICP	Registry serial number	SAP meter pressure	Registry meter pressure	Factor difference	Supplied with registry meter pressure since
0007001118NG1E8	600584458	1.5	2.75	-1.20%	22 December 2022 until switch out 6 June 2023
0002194661QT3FA	600681089	1.5	2.5	-0.96%	17 March 2023
0003007679NGA74	600649280	2.5	1.5	0.97%	20 September 2022
0000072801QTBA2	10L699178	14	140	-52.21%	27 April 2023 until replaced 3 June 2023
1000543207PGB89	R000013207	3.5	35	-23.11%	28 June 2022

Meter multiplier

There are no comparisons between SAP and the registry to identify meter multiplier differences. All ACTC or ACTV ICPs have a meter multiplier of 1 in SAP. All ICPs on the registry have a meter multiplier of 1 apart from two ICPs with the TOU flag set to Y on the registry which have a multiplier of zero recorded.

Conclusion

This rule requires the responsible retailer to use "best endeavours" to resolve discrepancies between their data and registry data. The best endeavours requirements were not consistently met for all data fields. Recommendations for improvement and non-conformances are listed in the tables below.

Recommendation	Audited party comment
Develop a process to review and resolve discrepancies between the allocation group recorded in SAP and the registry for each ICP.	Contact is currently monitoring allocation groups recorded in SAP and the Registry for each ICP via two reports. One report focuses on ensuring the AG applied in the Registry matches the AF applied in our system (SAP), whereas the other Report focuses on ensuring the correct AG is applied based on the customers consumption patterns.
Improve validation of altitudes against the registry to ensure that exceptions are checked and resolved promptly. The audit found 9,000 differences between the altitudes recorded in SAP and the registry.	Contact will take this recommendation onboard.
Improve validation of statuses against the registry to ensure that exceptions are checked and resolved promptly. The November 2023 status validation found 3,000 status discrepancies between SAP and the registry.	Contact will take this recommendation onboard.
Consider validating the meter number installed and meter digits against the registry. Reliance is currently placed on MRS processes, but because meters are only read every two months, exceptions may not be promptly identified and resolved. Review of a sample of 25 out of 86 meter number differences found 13 incorrect meter numbers which had not been identified and corrected through the existing processes. Review of 20 digit differences found five ICPs with incorrect meter digits which had not been identified and corrected through the existing processes.	Contact will take this recommendation onboard.
Check the pressure values for ICPs with network pressure the same as or less than meter pressure. This can be valid but is uncommon and may indicate that the network pressure or meter pressure is recorded incorrectly.	Contact will take this recommendation onboard.
Consider validating meter multiplier in SAP and the registry, even a periodic check that there are no multipliers greater than 1 in SAP or the registry will ensure ICPs with multipliers are identified.	Contact will take this recommendation into consideration.

Resolving discrepancies		
Non-compliance	Description	
Report section: 8 Rule: 62.1 From: 8 September 2023 To: 27 November 2023	Audit history: Yes Controls: Needs improvement Impact: Moderate	Contact did not consistently use best endeavours to identify and resolve discrepancies, and some discrepancies have been present for extended periods. Depending on the fields affected the discrepancies can result in gas conversion or reconciliation submission errors, and some of the discrepancies caused errors outside the maximum permissible errors in NZS 5259. 16 of the 24 ICPs with ACTV or ACTC status where the registry recorded a meter identifier of "REMOVED" were confirmed to have an incorrect status and were updated to a meter removed or decommissioned connection status during the audit. Ten out of ten ICPs sampled from a population of 545 ICPs with a meter removed connection status and a meter recorded by the meter owner had an incorrect status recorded by Contact. All ten were corrected to ACTC-GAS during the audit. 119 ICPs with ACTC or ACTV status had different allocation groups recorded in SAP and the registry. A sample of 20 were checked during the audit and found SAP was incorrect, and SAP was then updated. 20 out of 20 ICPs sampled from a population of 119 ICPs with allocation group discrepancies had an incorrect allocation group recorded in SAP. All 20 were corrected during the audit. 28 ICPs had an incorrect NSP recorded in SAP. For 21 of the ICPs with both gas gates connected to the same notional delivery point, the gas gates were corrected in SAP during the audit. The other seven ICPs have SAP and registry gas gates that do not have the same notional delivery point and will be corrected in the back end of the database from the correct effective date by the SAP team. 68 out of 68 ICPs sampled from a population of 9,000 ICPs with a different altitude recorded in SAP and the registry had an incorrect altitude recorded in SAP. 67 out of 68 were corrected during the audit and ICP 0000796051QTD51 should have an altitude of 84 but remains at 46. Eight of the errors resulted in altitude factors which were over the maximum permissible error in NZS 5259. Four of a sample of 170 ICPs checked had an incorrect altitude recorded in SAP, but the altitude was consistent with the registry value. One of the differences was over the maximum permissible error in NZS 5259. One out of 21 ICPs with zero altitude had an incorrect altitude recorded in SAP, but the altitude was consistent with the registry value. The difference was within the maximum permissible error in NZS 5259.

		13 ICPs had incorrect meter numbers recorded in SAP and were corrected during the audit. Five ICPs had incorrect meter digits recorded and were corrected during the audit. Eight out of 16 ICPs with meter pressure differences had an incorrect meter pressure recorded in SAP and were corrected during the audit. Four of the differences were over the maximum permissible error in NZS 5259. Five pressure corrections had differences over the maximum permissible error in NZS 5259 and should have been corrected from the effective date rather than the next billed date.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	Ongoing	Contact has made some improvements during the audit including ensuring that gas gate differences are consistently corrected, including where both gas gates are connected to the same notional delivery point. Contact is developing new processes to resolve allocation group discrepancies. We will continue to investigate what opportunities we have via new/existing reporting, training refreshers, documentation, and resource management to improve our accuracy and completeness of data in both our systems and the gas registry.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	The delays and or errors experienced in our processes were attributable to a combination of factors, which included, late receipt of paperwork, processing delays, and data inaccuracies.
Whether or not the participant admits or disputes that it is in breach.	Contact admits to the breach.
Estimate of the impact of the breaches (where admitted).	Moderate
What steps or processes were in place to prevent the breaches?	Contact runs several weekly, fortnightly, and monthly reports to identify and manage data inaccuracies and late updates between field service providers, our systems, and the Gas Registry. In addition, our system utilises BPEMs to identify data input into our systems is incorrect, or does not align with industry standards, e.g. a BPEM is created if a meter readers provides a read where the number of digits differs to that we have on record.

What steps have been taken to prevent recurrence?	We will continue to have ongoing communication with field service providers to reinforce the importance of timely and accurate paperwork being returned from the field. We are currently going through a cross training exercise to ensure we have the right number of resources across the issues identified. As part of this exercise, the existing documentation will be reviewed to ensure it remains fit for purpose. Additionally, we will review our existing weekly, fortnightly, and monthly discrepancy reports to ensure they remain fit for purpose. We are confident that implementing the above remedial actions will contribute towards enhancing the accuracy and completeness of the data loaded into our system and the gas registry, along with improving the timeliness of data input.

9. Switching

9.1 Initiation of Consumer Switch / Switching Notice (Rules 65 to 67)

GNT process

Customers complete an application to become a Contact Energy customer online, or over the phone with a customer service representative. The application details are entered into the customer relationship management system (CRM) and are then transferred to SAP.

SAP will automatically issue a GNT, with switch type and requested switch date determined from the application information, and other attributes determined from the customer application details and registry information.

If the GNT cannot be automatically issued due to incomplete application information a BPEM (Business Process Exception Management item) will be generated. The missing details will be updated so that the GTN can be generated from SAP. At least every two weeks, the Operations Team Leader scans through the PDOCs created for incoming switches, including checks for very backdated or future dated requested switch dates, and GNTs which have not been generated where the information has been available for more than ten days.

Following a switch withdrawal, it may be necessary for Contact to reissue a GNT for the same ICP or a different ICP depending on the situation. The switching team manages this process by adding the withdrawn ICP to a "move in" workbook, which tracks any ICPs where GNTs need to be reissued so that files can be sent as soon as the withdrawal is complete. If a withdrawal is completed as part of a complaint resolution process, the complaints team historically completed the withdrawal and subsequent reissue. This is now managed by the Kotahi Matou team.

GNT timeliness

GNTs are required to be sent within two business days of entering into a contract to supply gas to the consumer. I checked a sample of ten latest GNTs issued by Contact, and ten files issued between 20 and 150 business days after the event date to confirm whether they were sent within two business days of entering into a contract to supply gas to the consumer.

All of the files checked were issued within two business days of entering into a contract to supply gas except the GNT for ICP 0001438966QTA4F issued on 30 August 2021. The wrong ICP had originally been switched in during 2018, and Contact discovered the error in 2021 and processed a withdrawal.

The correct ICP to request was confirmed on 10 August 2021 but the GNT was not issued until 30 August 2021. The withdrawal and reissue was managed by the complaints team, but this process is now managed by the switching team and Kotahi Matou.

GNT content

All the GNT files contained the mandatory information required. I reviewed the application of requested switch event dates for standard switches and switch moves.

Standard switches

A NTD breach was recorded for ICP 1001242949QT115 GNT-9206576 24 July 2020, 14:13:01 because a requested switch date prior to the GNT issue date was recorded for a standard switch. The GNT was unable to be issued automatically by SAP and a BPEM was created. When the user updated details in SAP to allow the GNT to be sent, they accidentally entered a backdated switch event date of 1 June 2020. Genesis completed the switch from a compliant event date, 31 July 2020.

Switch moves

Contact requested a switch date in the GNT for all 28,618 switch moves. All switch move GNTs had requested switch dates no more than ten business days after the NT was issued to the registry.

2,425 GTNs had requested switch event dates more than one business day before the switch event date. I checked a sample of 15 of these GTNs including the ten with most backdated requested event dates and five between ten and 100 business days before the event date, and found nine[7] were genuinely late:

- eight were issued following a withdrawal because the wrong ICP had initially been switched, and
- one ICP had two applications submitted, the first with electricity only and second with electricity and gas; the first application was being processed when the second one was received, and staff did not immediately realise that the second application contained a second ICP for gas.

The other six were not late:

- five had gas and electricity at the address; the customer initially applied to switch the electricity ICP, and later asked for the gas ICP to be switched in from the same move in date, and
- two had an incorrect year entered as the event date and were subsequently withdrawn and re-requested for the correct event date.

The nine ICPs where the wrong ICP was switched in, or the application for a gas ICP did not result in a GNT being generated were genuinely issued after Contact should have become the responsible retailer.

[7] 1001301441QTB10 GNT-9293471 21 September 2020 4:59:22 PM, 1000590753PG93F GNT-10390209 15 February 2023 1:25:13 PM, 0002346701QT2C7 GNT-10516323 23 May 2023 1:55:12 PM, 0001419106QTDDF GNT-10293593 21 November 2022 10:14:52 AM, 0000032771QTA65 GNT-9331496 21 October 2020 1:41:33 PM, 0006000675NG958 GNT-10037357 3 May 2022 8:48:40 AM, 1002152747QTB1B GNT-10326418 13 December 2022 9:07:44 PM, 1002072364QTB2E GNT-9726473 26 July 2021 1:17:44 PM and 0004220232NG651 GNT-10203146 12 September 2022 1:41:19 PM.

Switching notice			
Non-compliance	Description		
Report section: 9.1 Rule: 66.1 From: 30 August 2021 To: 30 August 2021	Audit history: Yes Controls: Acceptable Impact: Minor	One of a sample of 20 standard GNTs (ICP 0001438966QTA4F GNT-9762699 30 August 2021 9:04:11 AM) was not issued within two business days of entering into a contract to supply gas. This was caused by a delay in issuing a new GNT for the correct ICP after a wrong property withdrawal.	
Remedial action rating	Remedial timeframe	Remedial comment	
Completed	Completed	During the audit period Contact's switching team have improved their processes to monitor ICPs undergoing withdrawals to ensure that new GNTs are issued as soon as possible after withdrawals are completed. Only one of the late files identified was issued in 2023.	
Audited party comment			
The circumstances of the matters outlined in the breach notice.	ICP was undergoing a complicated withdrawal process that involved multiple teams, causing delay in reissuing the new NT.		
Whether or not the participant admits or disputes that it is in breach.	Contact admits to the breach.		
Estimate of the impact of the breaches (where admitted).	The impact of this non-conformance was minimal, as the switch as already significantly backdated due to the wrong property initially being requested.		
What steps or processes were in place to prevent the breaches?	CTCT had a regular reporting system to monitor the withdrawal process and to request the correct ICPs on time. However, this NT was delayed because of the involvement of few different parties.		
What steps have been taken to prevent recurrence?	During the audit period Contact's switching team have improved their processes to monitor ICPs undergoing withdrawals to ensure that new GNTs are issued as soon as possible after withdrawals are completed.		

NTD Breach		
Non-compliance	Description	
Report section: 9.1 Rule: 67.3	Audit history: Yes	A NTD breach was recorded for ICP 1001242949QT115 GNT-9206576 24 July 2020, 14:13:01 because a requested switch

From: 21 September 2020 To: 15 February 2023	Controls: Acceptable Impact: Minor	date prior to the GNT issue date was recorded for a standard switch. Nine of a sample of 20 switch move GNTs had requested switch dates earlier than the date the GNT was issued. Eight were caused by delay in issuing a new GNT for the correct ICP after a wrong property withdrawal, and one was caused due to confusion where two applications were received for the customer.

Remedial action rating	Remedial timeframe	Remedial comment
Completed	Completed	During the audit period Contact's switching team have improved their processes to monitor ICPs undergoing withdrawals to ensure that new GNTs are issued as soon as possible after withdrawals are completed. Only one of the late files identified was issued in 2023.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	NTD breach: The system encountered an exception while processing the NTMI. The user attempted to fix the exception, but in error populated the backdated switch date in NTMI.
Whether or not the participant admits or disputes that it is in breach.	Contact admits to the breach.
Estimate of the impact of the breaches (where admitted).	The affected switches were withdrawn, or completed by the losing retailer from a date which was agreeable to them.
What steps or processes were in place to prevent the breaches?	CTCT had a regular reporting system to monitor the withdrawal process and to request the correct ICPs on time.
What steps have been taken to prevent recurrence?	During the audit period Contact's switching team have improved their processes to monitor ICPs undergoing withdrawals to ensure that new GNTs are issued as soon as possible after withdrawals are completed.

9.2 Response to a Gas Switching Notice (Rules 69 to 75)

Within two business days of receiving a gas switching notice, the responsible retailer must provide to the registry:

- a gas acceptance notice (GAN), or
- a gas transfer notice (GTN), or
- a gas switching withdrawal notice (GNW).

Contact monitors BPEMs and the switch breach history report to identify switch files.

The switch breach history report recorded GAN, GNW, and GTN breaches for ICP 1001257758NG8F1. The GNT was received on 1 November 2022, and a GTN was provided on 4 November 2022. No GAN or GNW was produced. The ICP had a BPEM generated but was not resolved because it did not appear on the switch breach history reports run on 1 November 2022, 2 November 2022 or 3 November 2022. The GTN file was issued as soon as the ICP was found on the 4 November 2022 report.

Response to a gas switching notice		
Non-compliance	Description	
Report section: 9.2 Rule: 69.1 From: 21 September 2020 To: 15 February 2023	Audit history: No Controls: Effective Impact: Minor	1001257758NG8F1's switch on 1 November 2022 recorded a GAN, GNW and GTN breach because a response to the gaining retailer's GNT was not issued to the registry within two business days of receipt. The registry's switch breach history report is primarily used to identify switching files that are due, but for an unknown reason the ICP was omitted from the report for 1-3 November 2022 leading to late identification of the overdue file. Controls could be improved by placing more reliance on the BPEM process, as sometimes there appear to be omissions from the switch breach history report.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	April 2024	Contact is investigating how to improve the way agents handle the switch breach history report. This ICP was overlooked because it was hidden on the second page of the downloaded report in the registry. We are also exploring how to integrate BPEM process into the switch breach history report.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	Switch breach report is primarily used for switch files, and we have strong controls in place to manage the overall switch process. This ICP was overlooked because it was hidden on the second page of the downloaded report in the registry.
Whether or not the participant admits or disputes that it is in breach.	Contact admits to the breach.
Estimate of the impact of the breaches (where admitted).	Minor – As switch was still completed within the time frames. NT was received on 01/11/2022 and GTN issued on 04/11/2022.
What steps or processes were in place to prevent the breaches?	The switch files for this ICP were not detected because they were on the second page of the report in the registry, which was not checked. The switch breach report was run twice a day, once in the morning

	and once in the evening, to verify that all the switch files were transmitted.
What steps have been taken to prevent recurrence?	Further training has been provided to the users to ensure all the pages are downloaded from registry when working on switch breach report. We are also exploring the ways to incorporate our BPEM process in to switch breach report.

9.3 Gas Acceptance Notice (Rule 70)

GAN Process

SAP receives incoming GNT files from gaining retailers and attempts to generate a GAN response. SAP determines the correct response code based on a hierarchy and event date based on business rules set in SAP.

If the GAN cannot be automatically issued by SAP a BPEM will be generated. This most commonly occurs if a switch move is requested for an ICP where Contact has an active contracted customer or SAP cannot determine which GAN response code to apply. Staff will investigate to determine the correct AN response code and either update SAP so that the GAN file can be issued or create the GAN manually on the registry.

GAN timeliness

BPEMs are generated where SAP is unable to automatically produce a switching file. The switching team runs the switch breach history report on the registry twice daily to identify any ICPs where the GNT was received more than one business day ago and no GAN has been issued. They work through the list and check any affected ICPs and either update SAP so that the GAN file can be issued or create the GAN manually on the registry.

The switch breach history report recorded one late response to a GNT, for ICP 1001257758NG8F1. No GAN was issued and the GTN file was created one business day late. Non-conformance is recorded in **section 9.2**.

GAN content

All the GAN files contained the mandatory information required, including a valid response code. I checked the accuracy of AN response codes by comparing them to the most recent registry list record for the ICP where it was available. 19,777 of the 20,191 ANs were confirmed to have a reasonable code based on this check. I checked the accuracy of the codes for a sample of 26 AN files including where the codes could not be confirmed, or did not appear reasonable based on the latest registry list record. Three GANs contained incorrect codes which were assigned by SAP. Contact has raised an ICT ticket to investigate and resolve this issue.

ICP	Event Audit Number	Event Entry Date/Time	Applied GAN acceptance code	Expected GAN acceptance code
0003032388NG52F	GAN-10145355	27 July 2022 15:22	AA (acknowledge and accept)	PD (premise inactive) because the ICP was demolished
0000345281QTD1A	GAN-10665531	2 September 2023 11:32	PD (premise inactive)	AA (acknowledge and accept) because the disconnection was
0003034084NG0F2	GAN-10477738	27 April 2023 8:26		

ICP	Event Audit Number	Event Entry Date/Time	Applied GAN acceptance code	Expected GAN acceptance code
				cancelled and the ICP was active.

The accuracy of GAN expected switch dates was checked using the swich breach history report. 17 GANs had a proposed event date before the GNT requested date or more than ten business days after NT receipt.

- Two GANs[8] had had event dates before the GNT requested date applied manually; both switches were completed from the gaining retailer's requested date.
- 15 GANs[9] had a non-compliant event date provided by SAP. All the switches had NTs issued by the gaining retailer ten business days prior to the event date. In the meantime, Contact's customer had advised that they would move out on the date requested by the gaining retailer, and Contact determined that day to be their last day of supply and issued the GAN with a proposed date 11 business days after NT receipt. Had the GNT not been issued so early by the gaining retailer, a breach would not have occurred. Ten of the switches were withdrawn, and the other five were completed from the gaining retailer's requested date.

Gas acceptance notice			
Non-compliance	Description		
Report section: 9.3 Rule: 70.3 From: 27 July 2022 To: 2 September 2023	Audit history: No Controls: Acceptable Impact: Minor	Three GANs had incorrect response codes applied by SAP. There is a low impact because the other retailer could determine the correct ICP status from registry status records. Controls are effective overall as three out of 20,214 GAN codes checked were incorrect.	
Remedial action rating	Remedial timeframe	Remedial comment	
In progress	October 2024	Contact has raised an ICT ticket to investigate and resolve this issue.	
Audited party comment			
The circumstances of the matters outlined in the breach notice.	SAP has a different logic/hierarchy for calculating the AN code. It did not recognize that the disconnection was cancelled and sent the wrong AN code.		

[8] 0000150491QT6A8 GAN-9718449 19 July 2021, 14:50:18 and 0001008766NG211 GAN-9724520 23 July 2021, 13:07:03.

[9] 0002268121QTCF5 GAN-10308924 01 December 2022, 11:36:22, 1001286061QT56D GAN-10290356 17 November 2022, 15:28:34, 0001017157NGE2B GAN-10133191 18 July 2022, 11:27:48, 0004002411NG397 GAN-10110105 30 June 2022, 08:34:37, 0004222337NG15A GAN-10517988 24 May 2023, 11:33:47, 0002261651QTA0A GAN-10458204 11 April 2023, 15:39:10, 0002007147NG7AC GAN-10314351 05 December 2022, 15:36:19, 0001507821QT004 GAN-9933462 14 February 2022, 18:18:03, 1000502323PG4E7 GAN-9889773 06 January 2022, 15:20:20, 0000388271QT39D GAN-9672669 10 June 2021, 11:18:41, 0001020415NGC42 GAN-9419359 31 December 2020, 11:23:43, 1000540947PG8C2 GAN-9395222 08 December 2020, 18:42:52, 0001006611NGB42 GAN-9361851 16 November 2020, 11:19:22, 1002044061QT18E GAN-9341984 30 October 2020, 08:35:33, and 0001040996PGEE0 GAN-9297331 24 September 2020, 11:31:13.

	Our ICT team is looking into the second scenario, where the PD code was sent instead of the AA code.
Whether or not the participant admits or disputes that it is in breach.	Contact admits to the breach.
Estimate of the impact of the breaches (where admitted).	Minor as registry status is still showing correct which can be used to determine the status of the ICP.
What steps or processes were in place to prevent the breaches?	SAP has a different logic/hierarchy for calculating the AN code to ensure correct AN codes are sent.
What steps have been taken to prevent recurrence?	Contact has raised an ICT ticket to investigate and resolve this issue.

Gas acceptance notice		
Non-compliance	Description	
Report section: 9.3 Rule: 70.2.2 From: 24 September 2020 To: 24 May 2023	Audit history: No Controls: Acceptable Impact: Minor	Two switch move GANs had event dates before the GNT requested date applied manually; both switches were completed from the gaining retailer's requested date. 15 switch move GANs had event dates more than ten business days after NT receipt applied by SAP. Ten of the switches were withdrawn, and the other five switches were completed effective from the gaining retailer's requested date. The issue occurred primarily because the gaining retailer's GNT was backdated, making it more difficult to comply with the requirement to determine a switch date which is within ten business days of GNT receipt.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	April 2024	Contact ICT is developing the solution to ensure expected switch date in AN file is within ten business days from notification date from registry, expected deployment into the system by end of April 2024.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	Contact received future dated switch request from another retailer for switch move. Due to our customer already closing their account which fell same as other retailer requested date, our SAP system change the switch date to next day which worked out to be mostly 11th business day, causing this breach.

Whether or not the participant admits or disputes that it is in breach.	Contact admits to the breach.
Estimate of the impact of the breaches (where admitted).	Minor as switches were either withdrawn so alt retailer can re-request the ICP from correct date or switch was completed for correct requested date.
What steps or processes were in place to prevent the breaches?	Contact checks switch breach report from registry. All of these switches were either withdrawn or completed with correct switch date.
What steps have been taken to prevent recurrence?	Contact ICT is developing the solution to ensure expected switch date in AN file is within ten business days from notification date from registry, expected deployment into the system by end of April 2024.

9.4 Gas Transfer Notice (Rule 72)

GTN process

SAP receives incoming GNT files from gaining retailers and attempts to generate a GAN and then GTN response. SAP determines the GTN attributes from information contained within SAP.

If the GTN cannot be automatically issued by SAP a BPEM will be generated. This most commonly occurs if a suitable switch event reading is not available, an estimated switch reading cannot be generated, the ICP is unmetered, TOU, or there are metering differences between SAP and the registry. Staff will investigate to determine the correct attributes and update SAP so that the GTN file can be issued. GTNs are created directly on the registry for ICPs which do not have metering installed or have TOU metering.

GTN timeliness

BPEMs are generated where SAP is unable to automatically produce a switching file. The switching team runs the switch breach history report on the registry twice daily to identify any ICPs where the GNT was received more than one business day ago and no GTN has been issued. They work through the list and check any affected ICPs and either update SAP so that the GAN file can be issued or create the GAN manually on the registry.

The switch breach history report recorded three late GTN files:

- one late response to a GNT, for ICP 1001257758NG8F1; no GAN was issued and the GTN file was created one business day late and non-conformance is recorded in **section 9.2**, and
- two GTA breaches where the GTN was issued more than 10 business days after receipt of the AN:
    - 1001289945QT95B GTN-10272417 4 November 2022, 10:22:04 had a BPEM generated, but was not resolved because it did not appear on the switch breach history reports run on 1 November 2022, 2 November 2022 or 3 November 2022; the GTN file was issued as soon as the ICP was found on the 4 November 2022 report, and
    - 0003032246NG85F GTN-10313442 5 December 2022, 11:16:33 was issued one business day late.

GTN content

I checked a sample of 20 GTNs throughout the audit period and found that all file content was correct and consistent with SAP.

The annualised consumption estimate is calculated by SAP as the normalised consumption for the past year for the meter which is currently installed. The calculation only considers the most recent reading and the later of the first reading on the meter, or the earliest reading within the last 12 months. Estimated switch event readings are included in the calculation. If the most recent reading is lower than the first reading, the calculation will automatically treat it as a meter roll over.

I checked the estimated annualised consumption for GTNs issued during the audit period where at least one meter register was recorded:

- no ICPs had estimated annualised consumption which was negative,
- 4,757 ICPs had estimated annualised consumption which was zero; I checked a sample of five GTNs and confirmed that a zero value was correct, and
- I checked the GTNs with the ten highest estimated annualised consumption values:
    - two were correct,
    - seven GTNs with values between 2,856 and 6,570 GJ were incorrect because the current reading was lower than the start reading for the calculation, and the process treated the negative difference as a roll over, and
    - one manually created GTN with a value of 48,234 GJ was incorrect because the user had not converted their manually calculated kWh value to GJ.

Rule 72.1.3 requires GTN notices to contain "an annualised consumption (in gigajoules) estimate for the ICP", but it does not stipulate that the estimate must be accurate. For consistency with the previous audit, I have not alleged a breach and repeat the recommendation that Contact resolves the issues relating to negative readings being treated as clocked meters when calculating annualised consumption.

Recommendation	Audited party comment
Rule 72.1.3 requires GTN notices to contain "an annualised consumption (in gigajoules) estimate for the ICP", but it does not stipulate that the estimate must be accurate; therefore, I have not alleged a breach, but I recommend Contact reviews the annualised consumption calculation logic as it relates to "clocked" meters to ensure accuracy.	Contact is going to review our current process for clocked meters when system is calculating the annual consumption.

The accuracy of GTN switch dates was checked using the switch breach history report, and no issues were identified.

I checked for accuracy of meter and register information provided in GTN files by reviewing the PR-240 GTN meter and register data mismatch report, which identifies GTNs which have failed validation due to discrepancies between the meter and register information provided in the GTN and the values held on the registry on the switch event date. I checked all differences from files generated from 1 June 2023 onwards and found that Contact's records were correct, and the meter owners had made minor corrections to the capitalisation of meter numbers.

Gas transfer notice			
Non-compliance	Description		
Report section: 9.4 Rule: 70.2.2 From: 4 November 2022 To: 5 December 2022	Audit history: No Controls: Effective Impact: Minor	Two GTA breaches where the GTN was issued more than ten business days after receipt of the AN. The impact was low because the files were one and three business days overdue. Almost all GTNs were issued on time. The registry's switch breach history report is primarily used to identify switching files that are due, but for an unknown reason one of the ICPs was omitted from the report for 1 to 3 November 2022 leading to late identification of the overdue file. Controls could be improved by placing more reliance on the BPEM process.	
Remedial action rating	Remedial timeframe	Remedial comment	
In progress	April 2024	Contact is investigating how to improve the way agents handle the switch breach history report. This ICP was overlooked because it was hidden on the second page of the downloaded report in the registry. We are also exploring how to integrate BPEM process into the switch breach history report.	
Audited party comment			
The circumstances of the matters outlined in the breach notice.	Switch breach report is primarily used for switch files, and we have strong controls in place to manage the overall switch process. This ICP was overlooked because it was hidden on the second page of the downloaded report in the registry.		
Whether or not the participant admits or disputes that it is in breach.	Contact admits to the breach.		
Estimate of the impact of the breaches (where admitted).	Minor – as switches were completed as soon as error was found out and were only 3 days and 1 day overdue.		
What steps or processes were in place to prevent the breaches?	The switch files for this ICP were not detected because they were on the second page of the report in the registry, which was not checked. The switch breach report was run twice a day, once in the morning and once in the evening, to verify that all the switch files were transmitted.		
What steps have been taken to prevent recurrence?	Further training has been provided to the users to ensure all the pages are downloaded from registry when working on switch breach report. We are also exploring the ways to incorporate our BPEM process in to switch breach report.		

9.5 Accuracy of Switch Readings (Rule 74)

GTN files are generated by SAP and switch event readings are determined from the readings held within SAP. If a suitable reading is not available for the switch and an estimate cannot be generated a BPEM is created. A user will ensure that a validated or estimated switch event reading is entered, and then the GTN will be generated from SAP. I checked a sample of 20 GTNs throughout the audit period and found that all file content including readings was correct and consistent with SAP.

9.6 Gas Switching Withdrawal (Rules 74A, 75, 76, 78)

GNW

Contact usually identifies that a GNW is required following communication with their customer. A service request including the reason for the withdrawal request is raised in SAP. Contact's robot generates NW files for UA (unauthorised switch) and CR (customer request) withdrawals, the Kotahi Matou team generate NWs for WP (wrong premise), and the switching team generate NWs for other withdrawal reasons. If a withdrawal is completed as part of a complaint resolution process, the complaints team historically completed the withdrawal. This is now managed by the Kotahi Matou team.

Following a switch withdrawal, it may be necessary for Contact to reissue a GNT for the same ICP or a different ICP depending on the situation. The switching team manages this process by adding the withdrawn ICP to a "move in" workbook, which tracks any ICPs where GNTs need to be reissued so that files can be sent as soon as the withdrawal is complete.

GNWs are issued as soon as possible after the service order is raised, and service order queues are monitored to ensure that service orders are actioned and closed.

GAW responses to GNWs issued by Contact are imported into SAP and create a task. The response is reviewed by a user who provides instructions for the robot to update SAP to reflect the outcome of the withdrawal process. Where the withdrawal is complex or there are timing issues which the robot cannot handle, SAP may need to be updated manually.

GNW timeliness

GNWs are allowed to be issued at any point from the date that the ICP switches to Contact, until the date Contact receives a GNT for the ICP from another retailer. I did not identify any GNWs issued for dates outside Contact's period of supply.

The switch breach history report recorded one late response to a GNT, for ICP 1001257758NG8F1. No GNW was issued and the GTN file was created one business day late. Non-conformance is recorded in **section 9.2**.

GNW content

An analysis was undertaken of GNWs (switching withdrawal notices) to identify the number within each reason category. This was done as both the recipient of the GNW and as the initiator of the GNW. The results are shown in the tables below.

GNW Files Sent	CR	DF	IN	MI	UA	WP	WS	Total	% of GNTs
O (old retailer)	298	166	4	49	245	448	1050	2260	6.84%
N (new retailer)	1102	460	-	26	3	421	12	2024	5.15%

GNW Files Received	CR	DF	IN	MI	UA	WP	WS	Total	% of GNTs
O (old retailer)	551	176	-	140	76	379	1667	2989	9.04%
N (new retailer)	923	146	-	24	7	284	8	1392	3.54%

The numbers above appear to be typical compared to the previous audit and to audits of other retailers.

I checked examples of all GNW codes where Contact was the new retailer and where Contact was the old retailer. ICP 0000100341QT79C GNW-10258710 26 October 2022 11:27:19 AM appears to have been issued in error possibly because the wrong ICP was selected and was rejected by the other retailer. In all other cases, the correct codes were used, and Contact had sufficient information to support the withdrawal.

I matched the GNW files issued by Contact to the GAW responses received from other retailers and found that 604 (14.1%) of the 4,274 responses were rejections. This is approximately 5% higher than proportion of rejections recorded in the previous audit. I checked a diverse sample of ten rejected files and found that the GNW code applied was correct based on the information available at the time the file was issued.

Gas switching withdrawal		
Non-compliance	Description	
Report section: 9.6 Rule: 75.1 From: 26 October 2022 To: 26 October 2022	Audit history: No Controls: Effective Impact: Minor	ICP 0000100341QT79C GNW-10258710 26 October 2022 11:27:19 AM appears to have been issued in error possibly because the wrong ICP was selected, and it was rejected by the other retailer. There was no impact on submission because the invalid GNW was rejected by the other retailer.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	Jan 2024	Contact has provided further training to the agents to ensure correct ICP is selected when sending the NW.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	User error. User selected the wrong ICP when triggering the withdrawal process, causing withdrawal to go through on incorrect ICP.
Whether or not the participant admits or disputes that it is in breach.	Contact admits to the breach.
Estimate of the impact of the breaches (where admitted).	Minor – as withdrawal was rejected by the alternate retailer.

What steps or processes were in place to prevent the breaches?	We have a procedure to verify that the ICP number matches account number in SAP before sending the NW notification, to ensure it is sent on the correct ICP.
What steps have been taken to prevent recurrence?	Contact has provided further training to the agents to ensure correct ICP is selected when sending the NW.

GAW

Incoming GNW files create a BPEM. Each BPEM is reviewed by a user who checks the ICP information in SAP, the registry and switching email inbox to determine whether the withdrawal should be accepted or rejected.

The user provides instructions for the robot to update SAP to reflect the outcome of the withdrawal process and enters an advisory code allowing the GAW to be issued by SAP. Where the withdrawal is complex or there are timing issues which the robot cannot handle, SAP may need to be updated manually.

The switching team runs the switch breach history report on the registry twice daily to identify any ICPs where a GAW needs to be issued. They work through the list and check any affected ICPs and either update SAP so that the GAW file can be issued or create the GAW manually on the registry.

GAW timeliness

No late GAW files were identified on the switch breach history report.

GAW content

I matched the GNW files received by Contact to their GAW responses and found that 314 (7.3%) of the 4,312 responses were rejections. This is similar to the proportion of rejections recorded in the previous audit. I checked a diverse sample of ten rejected files, and found they were all rejected for valid reasons.

9.7 Switch Reading Negotiation (Rule 79, 81)

GNC

If an actual or customer read received after switch in is lower than the switch event reading, or significantly higher than the switch event reading an implausible read BPEM will be created. The billing team reviews the BPEMs and determines whether the switch event reading is likely to be incorrect, and read negotiation is required. As part of this process, Contact usually obtains at least two actual readings to determine the correct event reading.

Where read renegotiation is needed a service order is raised, which remains open until the process is complete. The GNC is generated from SAP using readings chosen by the user, the read type is only entered as actual if Contact has received an actual validated reading for the event date, such as contactor reconnection read. Otherwise, the read type is recorded as estimated.

GAC responses to GNCs issued by Contact are imported into SAP and create a task. A user manually updates the readings in SAP to reflect the outcome of the RR process, and if they are not satisfied with the outcome will undertake further negotiation with the other retailer and issue another GNC. Once the process is complete the service order associated with the renegotiation will be closed.

GNC content

I matched the GNC files issued by Contact to the GAC responses received from other retailers and found that 112 (5.5%) of the 2,019 responses were rejections.

I checked a sample of 20 GNC files sent by Contact including ten rejections and ten acceptances and the reads provided were consistent with information available at the time the GNC was issued. SAP reflected the correct event readings in all cases, but for five switches the event read type was incorrectly recorded[10]. There is no impact on settlement or the customer because the correct agreed switch reading value was applied. All switch event readings are treated as validated readings or permanent estimates by the switching process and are used to calculate historic estimate. Compliance is recorded because the rules do not specify that switch event read types need to be correctly recorded in the retailer's system.

ICP 0001394003QT99A GNC-10175169 19 August 2022 12:26:37 PM was issued in error due to a misunderstanding and was rejected by the other retailer. Compliance is recorded because the GNC was validly issued based on customer provided information which was later found to be incorrect.

GNC timeliness

No late GNC files were identified on the switch breach history report.

GAC

Incoming GAC files create a BPEM. Each BPEM is reviewed by a user who checks the read history and correspondence from the other retailer to determine whether the GNC should be accepted or rejected. The user manually updates the readings in SAP to reflect the outcome of the RR process, and enters a response so that the GAC can be issued from SAP.

The switching team runs the switch breach history report on the registry twice daily to identify any ICPs where a GAC needs to be issued. They work through the list and process the GACs for any affected ICPs.

GAC content

I matched the GNC files received by Contact to their GAC responses, and found that 74 (4.0%) of the 1,873 responses were rejections. I checked a diverse sample of ten rejected files, and confirmed they were rejected where Contact had evidence that the requested reading was incorrect.

I checked a sample of 20 GAC files sent by Contact including ten rejections and ten acceptances. SAP reflected the correct event readings in all cases, but for two switches the event read type was incorrectly recorded[11]. There is no impact on settlement or the customer because the correct agreed switch reading value was applied. All switch event readings are treated as validated readings or permanent estimates by the switching process and are used to calculate historic estimate. Compliance is recorded because the rules do not specify that switch event read types need to be correctly recorded in the retailer's system.

GAC timeliness

No late GNC files were identified on the switch breach history report.

[10] 1000501706PGA1C GNC-10037702 3 May 2022 2:03:56 PM entered as an actual read instead of switch in estimate, 0000299171QTDB3 GNC-10667218 4 September 2023 12:41:27 PM entered as a switch estimate instead of switch actual, 1001290065NGF80 GNC-10472152 21 April 2023 8:36:39 AM entered as a switch estimate instead of switch actual, 1002163164QTC04 GNC-10545430 14 June 2023 8:37:35 AM entered as a switch estimate instead of switch actual, 0000012244GN0A4 GNC-10382383 9 February 2023 12:57:21 PM entered as a switch estimate instead of switch actual.

[11] 0002242471QT675 GAC-10657397 28 August 2023, 11:54:48 entered as a switch estimate instead of switch actual, 1000504711PGA5B GAC-10310910 02 December 2022, 08:08:01 entered as a switch estimate instead of switch actual.

10. Bypass of Distributor (Rule 82)

Contact is not the retailer on a bypass network, so they do not have responsibilities under this Rule.

11. Recommendations

As a result of this audit, I have made eight recommendations:

Report section	Recommendation
7	Develop processes to identify switches and registry updates that are backdated more than one year, and require reconciliation data corrections and communicate them to the reconciliation team so that a correction can be processed. I suggest running an event detail report, and calculating the number of days between the event entry date/time and event date, then filtering on events where the number of days is greater than 365. Events that should be investigated to determine whether a correction is required include: • GAC where the file is accepted by Contact or another retailer, • GTN where an ICP is switching to or from Contact, • GAW where the withdrawal is accepted by Contact or another retailer, and • status changes. Develop a process to communicate changes to ICP data which could cause conversion errors outside the maximum permissible errors in NZS 5259 where the change is backdated by more than one year, or the change is not processed in SAP from the effective date.
8	Develop a process to review and resolve discrepancies between the allocation group recorded in SAP and the registry for each ICP.
8	Improve validation of altitudes against the registry to ensure that exceptions are checked and resolved promptly. The audit found 9,000 differences between the altitudes recorded in SAP and the registry.
8	Improve validation of statuses against the registry to ensure that exceptions are checked and resolved promptly. The November 2023 status validation found 3,000 status discrepancies between SAP and the registry.
8	Consider validating the meter number installed and meter digits against the registry. Reliance is currently placed on MRS processes, but because meters are only read every two months exceptions may not be promptly identified and resolved. Review of a sample of 25 out of 86 meter number differences found 13 incorrect meter numbers which had not been identified and corrected through the existing processes. Review of 20 digit differences found five ICPs with incorrect meter digits which had not been identified and corrected through the existing processes.
8	Check the pressure values for ICPs with network pressure the same as or less than meter pressure. This can be valid, but is uncommon and may indicate that the network pressure or meter pressure is recorded incorrectly.
8	Consider validating meter multiplier in SAP and the registry, even a periodic check that there are no multipliers greater than 1 in SAP or the registry will ensure ICPs with multipliers are identified.

Report section	Recommendation
9.4	Rule 72.1.3 requires GTN notices to contain "an annualised consumption (in gigajoules) estimate for the ICP", but it does not stipulate that the estimate must be accurate; therefore, I have not alleged a breach, but I recommend Contact reviews the annualised consumption calculation logic as it relates to "clocked" meters to ensure accuracy.

Appendix 1 – Control Rating Definitions

Rating	Definition
Ineffective	The design of controls overall is ineffective in addressing key causes and/or consequences. Documentation and/or communication of the controls does not exist (e.g., policies, procedures, etc.). The controls are not in operation or have not yet been implemented.
Needs improvement	The design of controls only partially addresses key causes and/or consequences. Documentation and/or communication of the controls (e.g., policies, procedures, etc.) are incomplete, unclear, or inconsistent. The controls are not operating consistently and/or effectively and have not been implemented in full.
Acceptable	The design of controls is largely adequate and effective in addressing key causes and/or consequences. The controls (e.g., policies, procedures, etc.) have been formally documented but not proactively communicated to relevant stakeholders. The controls are largely operating in a satisfactory manner and are providing some level of assurance.
Effective	The design of controls is adequate and effective in addressing the key causes and/or consequences. The controls (e.g., policies, procedures, etc.) have been formally documented and proactively communicated to relevant stakeholders. The controls overall, are operating effectively so as to manage the risk.

Appendix 2 – Impact Rating Definitions

Rating	Definition
Insignificant	A small number of issues with registry file timeliness and/or accuracy. Negligible impact on other participants or consumers. Did not prevent the process completing. A small number of issues with the accuracy and/or timeliness of files to the Allocation Agent. Corrections were made by the interim allocation. A small number of issues not related to registry or allocation information.
Minor	Some issues with registry file timeliness and/or accuracy. Minor impact on other participants or consumers. Did not prevent the process completing. Some issues with the accuracy and/or timeliness of files to the Allocation Agent. Corrections were made by the interim allocation. A small number of issues not related to registry or allocation information.
Moderate	A moderate number of issues with registry file timeliness and/or accuracy. Moderate impact on other participants or consumers. Did prevent some processes completing. A moderate number of issues with the accuracy and/or timeliness of files to the Allocation Agent. Corrections were not made by the interim allocation. A moderate number of issues not related to registry or allocation information.
Major	A significant number of issues with registry file timeliness and/or accuracy. Major impact on other participants or consumers. Did prevent some processes completing. A significant number of issues with the accuracy and/or timeliness of files to the Allocation Agent. Corrections were not made by the interim allocation. A significant number of issues not related to registry or allocation information.

Appendix 3 – Remedial Rating Definitions

Rating	Definition
Completed	The alleged breach and impact have been resolved. Systems and processes are now compliant.
In progress	Steps are being taken to resolve the alleged breach and impact and ensure systems and processes are compliant.
No action	Participant undertakes no action to resolve or address auditor controls or impact assessments for commercial reasons.

Appendix 4 – Contact Comments

Contact Energy's comments have been added to the remedial action and audited party comment sections of the non-compliance and recommendation boxes within this report.