Gas Registry and Switching Performance Audit Draft Report

For

Nova Energy Limited and MegaTEL

Prepared by

Bernie Cross: Crosshaven Consulting

Date of Audit: 13 & 15 November 2023

Date Audit Report Complete: 11 February 2024

Under the Gas (Switching Arrangements) Rules 2008 the Gas Industry Company commissioned Crosshaven Consulting to undertake a performance audit of Nova Energy Limited and MegaTEL. The purpose of the audit is to assess compliance with the rules and the systems and processes put in place to enable compliance.

Executive Summary

This Performance Audit was conducted at the request of the Gas Industry Company (GIC) in accordance with Rule 88 of the Gas (Switching Arrangements) Rules 2008 in effect from 14 September 2015.

The purpose of this audit is to assess the systems, processes and performance of two participants codes: Nova Energy (GNVG) and MegaTEL (MEGA) in terms of compliance with these rules.

MegaTEL is owned by Nova Energy (Nova) and many of their functions are performed by Nova Energy. MegaTEL is responsible for customer liaison and they manage switching and registry updates.

The audit was conducted in accordance with terms of reference prepared by the GIC and within the guideline note Guideline note for rules 65 to 75: the commissioning and carrying out of performance audits and event audits, version 3.0 (http://www.gasindustry.co.nz/dmsdocument/2858).

This three year audit period has been challenging for Nova Energy and MegaTEL as well as the industry in general due to the Covid 19 pandemic and also extreme weather events impacting work practices & resourcing, meter read attainment, and customers consumption patterns.

These challenges are evident in the levels of data accuracy and timeliness measured across the audit period with more exceptions identified for earlier periods and more recent improvements to data accuracy and timeliness as roles and responsibilities have been transitioned between teams to prioritise and focus on these tasks.

The summary of report findings in the table below shows that Nova Energy's and MegaTEL's control environment is 'effective' for six of the areas, 'acceptable' for six areas and 'needs improvement for two areas evaluated.

Five of the 14 areas evaluated were found to be compliant. 16 breach allegations are made in relation to:

- Late registry updates.
- Delays in identifying and resolving data discrepancies including some reports not identifying MegaTEL exceptions.
- Incorrect switching file content.

12 recommendations were made to improve future compliance, mostly focussed on monitoring, validation and correction of Orion data and improved timeliness of registry updates. The recommendations are listed in **section 11**, and the relevant report sections.

Summary of report findings

Issue	Section	Control Rating (Refer to Appendix 1 for definitions)	Compliance Rating	Comments
Participant registration information	2	Acceptable	Compliant	One out of three contact email addresses recorded Participant registration information for Nova Energy is correct.
Obligation to act reasonably	3	Effective	Compliant	No examples of Nova Energy or MegaTEL acting unreasonably were found.
Obligation to use registry software competently	4	Effective	Compliant	No examples of Nova Energy or MegaTEL using registry software incompetently were found.
ICP identifier on invoice	5	Effective	Compliant	The ICP identifier is shown on Nova Energy's and MegaTEL's invoices.
Uplift of READY ICP	6	Acceptable	Not compliant	Nova Energy has effective controls to ensure the registry is populated in a timely manner. MegaTEL wait for confirmation of the meter installation before they manually update the registry. Recommend that MegaTEL review new connection process so that once a supply agreement has been entered into with a consumer, that the registry is updated to reflect this

Issue	Section	Control Rating (Refer to Appendix 1 for definitions)	Compliance Rating	Comments
Maintenance of ICP information in registry	7	Needs Improvement	Not compliant	Four active ICPs without telemetry are incorrectly assigned allocation group 1 and four active ICPs with telemetry are incorrectly assigned allocation group 2. Nova Energy - ICP status was not updated on the registry as soon as practicable for 30 of the 90 late updates checked. MegaTEL - ICP status was not updated on the registry as soon as practicable for 2 of the 21 late updates checked.
Resolving discrepancies	8	Needs Improvement	Not compliant	Nova Energy and MegaTEL 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 5259:2015.
Initiation of consumer switch/switching notice	9.1	Acceptable	Not compliant	Nova Energy - two GNT files sent later than two business days after entering into a contract to supply gas to a consumer. MegaTEL - A NTD breach was recorded because a requested switch date prior to the GNT issue date was recorded for a standard switch.
Response to a gas switching notice	9.2	Effective	Not compliant	Nova Energy - The expected switch date provided for four GANs were earlier than the requested switch date provided in the GNT that complied with Rule 67.3. MegaTEL - The switch for one ICP 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	Effective	Compliant	No issues were found with this process.
Gas transfer notice	9.4	Acceptable	Not compliant	Nova Energy - Incorrect date of last meter reading for five ICPs from a sample of 22 GTN files. MegaTEL - Incorrect date of last meter reading for three ICPs from a sample of 19 GTN files.
Accuracy of switch readings	9.5	Effective	Not compliant	Nova Energy - Two ICPs were switched out using an invoiced final estimate reads, however an actual read was subsequently received by Nova Energy for this date and were not used.
Gas switching withdrawal	9.6	Acceptable	Not compliant	Nova Energy - One GNW was incorrectly issued with reason request code of CR – customer request, when the reason request code should have been WS – wrong switch type. MegaTEL - The GNW for nine ICPs was incorrectly issued with reason request code of DF – date failed, when the reason request code should have been CR – customer request as the customer in all four cases wanted to amend the switch move date.
Switch reading negotiation	9.7	Acceptable	Not compliant	Nova Energy - 11 GNC files had the readings identified as actuals, but they were estimates calculated from the template. MegaTEL - Three GNC files had the readings identified as actuals, but they were estimates calculated from the template.

Persons Involved in this Audit

Auditor:

Bernie Cross
Crosshaven Consulting Limited

Nova and MegaTEL roles assisting in this audit were:

Title	Organisation
Energy Connections Manager	Nova Energy
Billing Services Manager	Nova Energy
Manager Metering Services	Nova Energy
Metering and New Connections Team member	Nova Energy
Metering and New Connections Team Leader	Nova Energy
Service Performance Manager	Nova Energy
Team Leader Reconciliation	Nova Energy
Digital Operations Manager	MegaTEL
Operations Team Member	MegaTEL

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1. Pre-Audit and Operational Infrastructure Information

1.1 Scope of Audit

This Performance Audit was conducted at the request of the GIC in accordance with Rule 88 of the Gas (Switching Arrangements) Rules 2008 in effect from 14 September 2015.

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.

The audit was carried out in Auckland on 13th November and Wellington on 15th 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 Nova Energy & MegaTEL 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 Nova Energy and MegaTEL 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, the determination that a result or an observation from a set of data is due to intrinsic qualities and not random variance of a sample. Statistical significance does not imply the size, importance, or practicality of an outcome; it simply indicates that the outcome's difference from a baseline is not due to chance. (Encyclopaedia Britannica)

1.3 General Compliance

For both Nova Energy and MegaTEL, the status and trader updates are processed manually using the registry web interface, and Orion is updated manually at the same time. Nova Energy and MegaTEL continue to have a culture where compliance is an integral part of how they do business, and there is a strong focus on ensuring that information updates are timely and accurate.

1.3.1 Summary of Previous Audit

The previous audits were conducted in 2020 by Veritek. The table below shows the findings of these audits and whether the issues have been resolved.

Summary of issue	Rule	Section in this report	Outcome
Breach notice 2020-052 MegaTEL - Registry not updated as soon as practicable for eight ICPs. Breach notice 2020-046 Nova Energy - Registry not updated as soon as practicable for 22 ICPs	61.1	7	The Market Administrator did not raise any material issues in relation to the breach. Further non-conformance was found during this audit
Breach notice 2020-048 Nova Energy - best endeavours not demonstrated with regard to: • the accuracy of inactive statuses and reasons, • discrepancy reporting, which has not identified discrepancies for one meter pressure and one network pressure	62.1	8	The Market Administrator did not raise any material issues in relation to the breach. Further non-conformance was found during this audit
Breach notice 2020-049 Nova Energy - Two GNT files sent later than two business days after entering into a contract to supply gas to a consumer.	66.1	9.1	The Market Administrator did not raise any material issues in relation to the breach. Further non-conformance was found during this audit
Breach notice 2020-053 MegaTEL – One late GAN file The switch breach report contained one late GAN file during the audit period	69.1	9.2	The Market Administrator did not raise any material issues in relation to the breach. Further non-conformance was found during this audit

Summary of issue	Rule	Section in this report	Outcome
Breach notice 2020-054 MegaTEL - Incorrect date of last reading for 17 ICPs Breach notice 2020-050 Nova Energy - One incorrect date of last meter reading	72.1.5	9.4	The Market Administrator did not raise any material issues in relation to the breach. Further non-conformance was found during this audit
Breach notice 2020-055 MegaTEL - Identification of read type incorrect for six ICPs where GNC files were recorded estimated readings as actual readings. Breach notice 2020-051 Nova Energy - Identification of read type incorrect for six ICPs where GNC files were recorded estimated readings as actual readings	79.4.6	9.7	The Market Administrator did not raise any material issues in relation to the breach. Further non-conformance was found during this audit

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

Recommendation	Section in this report	Outcome
Nova Energy Check 20 ICPs where network pressure is the same or lower than meter pressure	8	Not adopted - There is still no validation between network and meter pressures
Nova Energy Develop validation for possible network pressure discrepancies	8	Not adopted – network pressures are still being incorrectly loaded into Orion.
MegaTEL Two GTN read types were incorrect. Rule 72.1.8(d) requires GTN notices to state whether the register reading is an actual reading or an estimated reading, but it does not stipulate that this field must be accurate. I recommend MegaTEL reviews the process to ensure accuracy	9.4	Not adopted – Incorrect read types are still being assign due to the current Orion Logic.

Recommendation	Section in this report	Outcome
MegaTEL The annualised consumption figure was incorrect for 11 GTN files. Orion calculates annualised consumption over a 12-month period and if the ICP switches to MegaTEL from Nova Energy or vice versa, the annualised consumption will include a period where the ICP was with another retailer. 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. I recommend MegaTEL reviews the annualised consumption calculation to ensure accuracy	9.4	Adopted – Orion now derives the annualised consumption from the last two validated actual reads.

1.3.2 Breach Allegations

The table below shows the breaches recorded by the Market Administrator for the audit period.

Participant code	Breach No	Breach month	Underlying breaches	Rule allegedly breached	Details	Outcome
GNVG	2020-018	Oct-20	1	72.2	What gas transfer notice must contain (breach code TND)	Closed – not material
GNVG	2021-031	Apr-21	1	67.3	If the new retailer includes a requested switch date for a standard switch, that date must not pre-date the date the gas switching notice is given to the registry and must not be more than 10 business days after the date the gas switching notice is given to the registry	Closed – not material
GNVG	2022-026	May-22	7	70.2, 72.2	What gas acceptance notice must contain (breach code AND) What gas transfer notice must contain (breach code TND)	Closed – not material

Participant code	Breach No	Breach month	Underlying breaches	Rule allegedly breached	Details	Outcome
GNVG	2021-045	Jun-21		58.1	Each distributor, retailer, and meter owner must use its reasonable endeavours to maintain current and accurate information in the registry in relation to the ICPs and the ICP parameters for which it has responsibility as set out in Schedule 1	Closed – not material
GNVG	2021-047	Jun-21		58.1	Each distributor, retailer, and meter owner must use its reasonable endeavours to maintain current and accurate information in the registry in relation to the ICPs and the ICP parameters for which it has responsibility as set out in Schedule 1	Closed – not material
GNVG	2021-048	Jun-21		58.1	Each distributor, retailer, and meter owner must use its reasonable endeavours to maintain current and accurate information in the registry in relation to the ICPs and the ICP parameters for which it has responsibility as set out in Schedule 1	Closed – not material
GNVG	2022-061	Oct-22	18	58.1	Each distributor, retailer, and meter owner must use its reasonable endeavours to maintain current and accurate information in the registry in relation to the ICPs and the ICP parameters for which it has responsibility as set out in Schedule 1	Awaiting decision by MA
MEGA	2021-021	Mar-21	1	69.1	Late response to a gas switching notice	Closed – not material
MEGA	2021-080	Oct-21	1	70.2	What gas acceptance notice must contain (breach code AND)	Closed – not material

Participant code	Breach No	Breach month	Underlying breaches	Rule allegedly breached	Details	Outcome
MEGA	2022-031	Aug-22	1	67.3	If the new retailer includes a requested switch date for a standard switch, that date must not pre-date the date the gas switching notice is given to the registry and must not be more than 10 business days after the date the gas switching notice is given to the registry	Closed – 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
MegaTEL Registry not populated within two business days of MegaTEL entering into a contract to supply gas to a consumer for eight new connections identified in the Maintenance Breach History Report between 1 August 2022 and 31 July 2023. MegaTEL wait for confirmation of the meter installation before they manually update the registry. All delays were due to delays in the transfer of metering paperwork from meter owner to Nova Energy to MegaTEL. .	54.1	6
Nova ICP status was not updated on the registry as soon as practicable for 30 of the 90 late updates checked.	61.1	7
MegaTEL ICP status was not updated on the registry as soon as practicable for 2 of the 21 late updates checked.	61.1	7

Breach Allegation	Rule	Section in this report
Nova Energy Nova Energy did not consistently use best endeavours to identify and resolve discrepancies, and some discrepancies have been present for extended periods. Some of the discrepancies resulted in gas conversion or reconciliation submission errors, and some of the discrepancies caused errors outside the maximum permissible errors in NZS 5259:2015. • One of the 4 ICPs with ACTV or ACTC status where the registry recorded a meter identifier of "REMOVED" were confirmed to have an incorrect status. • For ICP 1001301717NG752, the correction to the incorrect profile code occurred seven months after the initial event. There was no impact to submission. • Seven inactive ICPs identified with an incorrect ICP connection status. • There are currently 25,959 ICPs out of a population of 33,300 ICPs (78%) where the network pressure is set to the meter pressure within Orion. 12 ICPs were identified as having temperature factor values outside the maximum permissible error (± 0.9%) due to the network pressure in Orion being recorded as meter pressure. • 620 ICPs with allocation group discrepancies have not been reviewed or updated since April 2022. • Five ICPs identified with a different altitude between Orion and the registry had an incorrect altitude recorded in Orion. One ICP (0001026382PG8D5) resulted in an altitude factor which was over the maximum permissible error in NZS 5259:2015. • Seven of a sample of 120 ICPs checked had an incorrect altitude recorded in Orion, but the altitude was consistent with the registry value. None of the differences was over the maximum permissible error in NZS 5259:2015. • Eight ICPs had incorrect meter numbers recorded in Orion. • One ICP had incorrect meter digits recorded in Orion. Eight ICPs with meter pressure differences had an incorrect meter pressure recorded in Orion. four of the differences were over the maximum permissible error in NZS 5259:2015.	62.1	8

Breach Allegation	Rule	Section in this report
MegaTEL MegaTEL Energy did not consistently use best endeavours to identify and resolve discrepancies, and some discrepancies have been present for extended periods. Some of the discrepancies resulted in gas conversion or reconciliation submission errors, and some of the discrepancies caused errors outside the maximum permissible errors in NZS 5259:2015. • There are currently 2,359 ICPs out of a population of 2,591 ICPs (91%) where the network pressure is set to the meter pressure within Orion. All ICPs were identified as having temperature factor values within the maximum permissible error (± 0.9%) due to the network pressure in Orion being recorded as meter pressure. • 12 ICPs with allocation group discrepancies have not been reviewed or updated since April 2022. • Two ICPs identified with a different altitude between Orion and the registry had an incorrect altitude recorded in Orion. One ICP (0001000879NG56D) resulted in an altitude factor which was over the maximum permissible error in NZS 5259:2015. • One of a sample of 98 ICPs checked had an incorrect altitude recorded in Orion, but the altitude was consistent with the registry value. None of the differences was over the maximum permissible error in NZS 5259:2015. • 15 ICPs with meter pressure differences had an incorrect meter pressure recorded in Orion. 11 of the differences were over the maximum permissible error (± 0.9%) in NZS 5259:2015. Five ICPs had incorrect meter digits recorded in Orion.	62.1	8
Nova Energy Two of a sample of 44 GNTs were not issued within two business days of entering into a contract to supply gas.	66.1	9.1
MegaTEL A NTD breach was recorded for ICP 0000808811QTE87 because a requested switch date prior to the GNT issue date was recorded for a standard switch	67.3	9.1
Nova Energy The expected switch date provided for four GANs were earlier than the requested switch date provided in the GNT that complied with Rule 67.3. Controls are effective overall as four out of 12,055 GAN responses had incorrect expected switch dates provided.	70.2	9.2

Breach Allegation	Rule	Section in this report
The switch for ICP 1001100241QT46E 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 used to identify switching files that are due, however due to user error a GAN response was not provided.	69.1	9.2
Nova Energy Incorrect date of last meter reading for five ICPs from a sample of 22 GTN files. The logic within Orion is considering final estimate reads as an actual read for the purposes for determining the last actual read date.	72.1.5	9.4
Nova Energy The GNW for ICP 1001286563QT0ED was incorrectly issued with reason request code of CR – customer request, when the reason request code should have been WS – wrong switch type. There was no impact on submission because the GNW was rejected by the other retailer.	75.1	9.6
MegaTEL The GNW for nine ICPs was incorrectly issued with reason request code of DF – date failed, when the reason request code should have been CR – customer request as the customer in all four cases wanted to amend the switch move date. There was no impact on submission because two GNWs were rejected prior to switch completion and seven were accepted by the other retailer prior to the creation of the GTN file.	75.1	9.6
Nova Energy 11 GNC files had the readings identified as actuals, but they were estimates calculated from the template. There was no impact on submission because the 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 volumes.	79.4.6	9.7
Nova Energy Three GNC files had the readings identified as actuals, but they were estimates calculated from the template. There was no impact on submission because the 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 volumes.	79.4.6	9.7

1.4 Provision of Information to the Auditor (Rule 91)

In conducting this audit, the auditor may request any information from Nova Energy and MegaTEL, the industry body and any registry participant.

Information was provided by Nova Energy and MegaTEL 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	Included in report
Nova Energy / MegaTEL	Comments on the draft audit report	12 March 2024 by email	Nova Energy / MegaTEL'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.

Nova Energy

The participant registration information for Nova Energy was reviewed. One of the three contact email addresses was confirmed as current and two are now out of date.

Recommendation	Audited party comment
Refresh the participant registration information to ensure there is sufficient and current contact information relating to the respective teams responsible for registry interactions.	**Response:** Accepted **Comments:** Participant registration information has been reviewed and updated to reflect accurate details. This review will be undertaken annually.

MegaTEL

The participant registration information for MegaTEL was reviewed. MegaTEL has supplied accurate registration information. Compliance is confirmed.

3. Obligation to Act Reasonably (Rule 34)

No examples of Nova Energy or MegaTEL acting unreasonably were found.

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

No examples of Nova Energy or MegaTEL using registry software incompetently were found.

5. ICP Identifier on Invoice (Rule 36)

The ICP identifier is shown on both Nova Energy's and MegaTEL's invoices.

6. Uplift of Ready ICP (Rule 54)

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

To comply with rule 54, it is necessary for a retailer, once the ICP status is changed to READY by the distributor, to enter registry ICP parameters, including ICP status and valid connection status, within 2 business days of entering a contract to supply with the consumer.

NOVA

New connections are managed via the respective networks' portals. Progress notifications are automatically generated, and the relevant details are manually loaded into Orion.

The Maintenance Breach History Report (RET breaches) was examined for input dates between 1 August 2022 and 31 July 2023. This report contained 88 ICPs where the initial registry update was later than two business days out of a total of 389 new connections. I checked the records for 14 ICPs where the registry update was more than ten business days late.

11 examples were populated late due to the "ready" status update being delayed by the distributor (Powerco). The design of Powerco's new connection process was that ICPs are not changed to "ready" until the ICP is connected and metered. The audit identified that most of these late updates to "ready" status were for earlier in the audit period indicating performance has improved. Once Nova Energy was notified that these ICPs were connected, the registry was populated within two business days of confirming all relevant details.

Three of the 14 examples reviewed were where the proposed retailer had not initially been GNVG and was updated to GNVG by the distributor. In all three cases Nova Energy had populated the registry within two business days.

Nova Energy has a daily report to identify ICPs at "new" or "ready" where they are the proposed retailer. The "RSREADY" report was reviewed and no ICPs were recorded in the report.

MegaTEL

New connections are managed via the networks' portals. Progress notifications are automatically generated, and the relevant details are manually loaded into IP BMS (MegaTEL's database) and into Orion.

The Maintenance Breach History Report (RET breaches) was examined for input dates between 1 August 2022 and 31 July 2023. This report contained eight ICPs where the initial registry update was later than two business days out of a total of eight new connections. I checked the records for all eight ICPs where the registry update was late.

In all eight cases the registry ICP details have not been populated on the registry within two business days of entering into an agreement with the customer. The registry has been populated once MegaTEL has received the metering installation paperwork confirming the connection date. The table below shows the ICPs and the business days between event date and update date.

ICP	Event date	Input date	Business days event date to update date	Submission first data submitted
1001302869NGC7B	12/04/2022	26/04/2022	7	Apr 2022 (I)
1002152490QT890	23/02/2022	1/03/2022	4	Feb 2022 (I)
1002152491QT4D5	23/02/2022	4/03/2022	7	Feb 2022 (I)
1002162591QTCFD	16/12/2022	16/01/2023	18	Dec 2022 (M)
1002163228QTEBC	18/10/2022	27/10/2022	6	Oct 2022 (I)
1002165907QTAF9	20/10/2022	31/10/2022	6	Oct 2022 (I)
1002167748QT2C9	16/12/2022	16/01/2023	18	Dec 2022 (M)
1002168254QT71F	14/11/2022	28/11/2022	10	Nov 2022 (I)

MegaTEL do not actively monitor the registry RSREADY report. The 'RSREADY' report for November 2023 contained seven ICPs at GIR (ready) status where MegaTEL was the proposed retailer. One ICP was a timing difference and the ICP has been moved to ACTC-GAS status. Six ICPs remain at 'RSREADY' status.

Recommendation	Audited party comment
Implement a process to actively monitor the registry 'RSREADY' report and match the ICPs listed against received customer supply applications to ensure all proposed new connections are accounted for.	**Response:** Accepted **Comments:** MegaTEL will implement an automated process to check 'RSREADY' reporting in Q2 2024.

Recommendation	Audited party comment
Review new connection process so that once a supply agreement has been entered into with a consumer, that the registry is updated to reflect this.	**Response:** Accepted **Comments:** MegaTEL will implement process to ensure that the Registry is updated upon agreement with customer, rather than completion of work in Q2 2024.

Auditor comment			
Non-compliance	Description		
Report section: 6 Rule: 54.1 From: 1 August 2022 To: 31 July 2023	Audit history: Yes Controls: Needs improvement Impact: Minor	Registry not populated within two business days of MegaTEL entering into a contract to supply gas to a consumer for eight new connections identified in the Maintenance Breach History Report between 1 August 2022 and 31 July 2023. MegaTEL wait for confirmation of the meter installation before they manually update the registry. All delays were due to delays in the transfer of metering paperwork from meter owner to Nova Energy to MegaTEL. The impact is minor. Where the ICP is not claimed on the registry or set up in Orion 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. There can also be delays in the switching process where a gaining retailer cannot initiate a switch request until MegaTEL completes its initial registry retailer event entry.	
Remedial action rating	Remedial timeframe	Remedial comment	
In progress	30/06/2024	MegaTEL acknowledges current processes are not compliant. New processes are being developed and will be implemented in Quarter Two 2024	
Audited party comment			
The circumstances of the matters outlined in the breach notice.	Under the existing processes, ICP details have not been populated on the registry within two business days of entering into an agreement with the customer.		
Whether or not the participant admits or disputes that it is in breach.	Breach admitted		
Estimate of the impact of the breaches (where admitted).	Insignificant. While the updates were made late, full and correct updates were made and submission and customer billing were not impacted.		

What steps or processes were in place to prevent the breaches?	New connections orders are regularly reviewed to ensure updates are made as soon as installation are complete. The existing process did not meet compliance requirements and are being rebuilt.
What steps have been taken to prevent recurrence?	New processes are being built to ensure compliance in this area.

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

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). The rules do not therefore define a specific period. The data has been assessed against a 'two tiered' target of 90% within 5 business days and 100% within 30 business days.

NOVA

A check of ICPs where a telemetry owner is not recorded on the registry and these ICPs were assigned to allocation group 1 was undertaken and where the allocation group was recorded as allocation group 2 and a telemetry owner was also recorded. Four active ICPs were identified as no telemetry owner is recorded in the registry but are assigned to allocation group 1 and four active ICPs were identified where the ICP is assigned to allocation group 2 and a telemetry owner was also recorded.

ICP Number	Meter Owner	Telemetry Owner	Allocation group
0000073499NAD07	NOVA	NOVA	2
0000073603NAA76	NOVA	NOVA	2
0000135641QT495	NGCM	NGCM	2
0004226811NG80E	POCO	NONE	1
0005591740PG6EF	POCO	NONE	1
0008000019NG9FF	NGCM	NONE	1
1001298408NGE2A	NGCM	NONE	1
1002110722QT171	NGCM	NGCM	2

The Rules do not define a specific time period but for the purpose of this audit I checked the reasons for late updates for a selection of 90 ICPs. I have recorded breach allegations where I consider the reason for the late update was within Nova Energy's control and additional steps could have been taken to prevent the late update.

Analysis of status events was undertaken to determine whether the registry was populated as soon as practicable. The table below shows the results of the analysis.

Status	Total ICPs	Update greater than 5 days	Update greater than 30 days	Average update days
ACTC	2,712	943 (34%)	157 (5.8%)	8.7
ACTV	1	1 (100%)	1 (100%)	23.0
INACT	1,488	87 (5.8%)	12 (0.8%)	3.8
INACP	137	56 (41%)	2 (1.5%)	7.6

I checked a selection of ICPs for each status to confirm whether compliance was achieved with the requirement to update the information "as soon as practicable".

Status	ICPs checked	Number of breaches
ACTC	35	21 (60%)
ACTV	1	1 (100%)
INACT	37	6 (16%)
INACP	17	2 (12%)

ACTC updates					
ICP	**Event date**	**Input date**	**Business days**	**Status code change**	**Reason**
1001272647NGA6B	19/10/2022	15/11/2022	18	ACTV to ACTC	The daily status mismatch report identified this discrepancy, but it was not processed immediately.
0075001725PG3F6	1/06/2022	28/08/2023	311	ACTV to ACTC	The daily status mismatch report identified this discrepancy, but it was not processed immediately.
0001870570PG384	17/01/2022	26/08/2022	154	ACTV to ACTC	The daily status mismatch report identified this discrepancy, but it was not processed immediately.
0003012417NG3D9	25/03/2022	31/08/2022	108	ACTV to ACTC	The daily status mismatch report identified this discrepancy, but it was not processed immediately.

1002072497QT8FB	2/12/2022	10/05/2023	106	INACT to ACTC	The daily status mismatch report identified this discrepancy, but it was not processed immediately.
0075001363PGCDD	15/03/2022	15/03/2023	251	INACT to ACTC	Move in was completed however no record of reconnection undertaken by NOVA - Inactive consumption report detected consumption, but it was not processed immediately.
0048117700PGCB8	10/05/2022	18/04/2023	236	INACT to ACTC	Move in was completed however no record of reconnection undertaken by NOVA - Inactive consumption report detected consumption, but it was not processed immediately.

Most of the other late updates were due to backdated switching, or because other retailers had made status changes for periods prior to Nova Energy ownership; Nova Energy's discrepancy reports identified these issues quickly, but the event date had to be backdated to the switch in date.

ACTV updates				
ICP	**Event date**	**Input date**	**Business days**	**Reason**
0001511981QTC3E	27/04/2022	30/05/2022	23	Population of the incorrect status reason – processing error.

INACT updates				
ICP	**Event date**	**Input date**	**Business days**	**Reason**
0003024196NGB3F	2/06/2022	26/07/2023	287	Late update was due to resourcing issues. Registry updates now automated.
0001035916PG633	21/07/2022	23/08/2023	274	Late update was due to resourcing issues. Registry updates now automated.

0000903571QTFF3	1/03/2022	24/03/2023	268	Late update was due to resourcing issues. Registry updates now automated.
0001922290PG264	7/07/2022	24/02/2023	161	Late update was due to resourcing issues. Registry updates now automated.
0000758351QT222	11/01/2022	12/04/2022	65	Late update was due to resourcing issues. Registry updates now automated.
1000554387PGB46	5/07/2023	7/08/2023	22	Late update was due to resourcing issues. Registry updates now automated.
0000019449GN619	23/07/2023	14/08/2023	15	Late update was due to resourcing issues. Registry updates now automated.
0000019221GNDFB	23/07/2023	14/08/2023	15	Late update was due to resourcing issues. Registry updates now automated.
0000230451QTFAB	6/05/2022	20/05/2022	10	Late update was due to resourcing issues. Registry updates now automated.
1000495971PG1A8	25/07/2023	1/08/2023	5	Late update was due to resourcing issues. Registry updates now automated.
0000073891QT5E5	13/01/2023	17/02/2023	24	Late update was due to resourcing issues. Registry updates now automated.
0003031878NG4D6	11/01/2022	14/02/2022	24	Late update was due to resourcing issues. Registry updates now automated.
1000587875PG66B	11/01/2022	14/02/2022	24	Late update was due to resourcing issues. Registry updates now automated.
0002223971QT085	19/01/2022	14/02/2022	18	Late update was due to resourcing issues. Registry updates now automated.

INACP updates				
ICP	**Event date**	**Input date**	**Business days**	**Reason**
0000054431QTC5B	22/03/2023	17/07/2023	78	Late update was due to resourcing issues
0002029401QT648	22/02/2023	31/03/2023	27	Late update was due to resourcing issues
0001663101QTC34	15/06/2023	18/07/2023	22	Late update was due to resourcing issues
1000582443PGB30	11/01/2023	2/02/2023	16	Late update was due to resourcing issues

Auditor comment			
Non-compliance	Description		
Report section: 7 Rule: 61.1 From: 1 Jan 2022 To: 31 July 2023	Audit history: Yes Controls: Needs improvement Impact: Minor	Four active ICPs without telemetry are incorrectly assigned allocation group 1 and four active ICPs with telemetry are incorrectly assigned allocation group 2. ICP status was not updated on the registry as soon as practicable for 30 of the 90 late updates checked. The impact of each discrepancy varies depending on the nature of the change, and how many days late an update is. If an initial ACTC update for a new connection is made in time for the next available revision, revised submission data will be washed up. The design of Nova Energy submission process ensures all consumption detected on inactive ICPs is included in submission.	
Remedial action rating		Remedial timeframe	Remedial comment
In progress		31/03/2025	Nova agrees with the auditors findings and will develop automated solutions to make Registry updates on identified discrepancies, continue to manage relationships with industry stakeholders for the timely return of paperwork and continue with staff training to reduce delays and accuracy issues.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	
Whether or not the participant admits or disputes that it is in breach.	Breach admitted
Estimate of the impact of the breaches (where admitted).	Minor
What steps or processes were in place to prevent the breaches?	
What steps have been taken to prevent recurrence?	

Registry retailer update timeliness

I reviewed the event detail report to identify all retailer updates made by Nova Energy between 1 January 2022 and 31 July 2023.

Update type	Total updates	Update greater than five business days	Update greater than 30 business days	Average update days
Retailer	1,725	14	2	8

A sample of five late updates were reviewed to determine the reasons for the late updates. All five related to late paperwork or information from the meter owner for new connections.

MegaTEL

The Rules do not define a specific time period but for the purpose of this audit I checked the reasons for late updates for all ICPs where the update was greater than five business days. I have recorded breach allegations where I consider the reason for the late update was within MegaTEL's control and additional steps could have been taken to prevent the late update.

Analysis of status events was undertaken to determine whether the registry was populated as soon as practicable. The table below shows the results of the analysis.

Status	**Total ICPs**	**Update greater than 5 days**	**Update greater than 30 days**	**Average update days**
ACTC	371	50 (13.4%)	6 (1.6%)	4.0
ACTV	0	0	0	0
INACT	25	3 (12%)	0	3.7
INACP	8	0	0	0.3

I checked a selection of ICPs for each status to confirm whether compliance was achieved with the requirement to update the information "as soon as practicable".

Status	ICPs checked	Number of breaches
ACTC	15	0
ACTV	0	0
INACT	6	2 (33%)
INACP	0	0

Most of the other late updates were due to backdated switching, or because other retailers had made status changes for periods prior to MegaTEL's ownership; MegaTEL's discrepancy reports identified these issues quickly, but the event date had to be backdated to the switch in date.

INACT updates				
ICP	**Event date**	**Input date**	**Business days**	**Reason**
0004209163NG472	15/12/2022	20/01/2023	23	Late update due to delay in transferring fieldwork paperwork between Nova Energy and MegaTEL
1001101927QT8BF	21/09/2022	30/09/2022	7	Late update due to delay in transferring fieldwork paperwork between Nova Energy and MegaTEL

Auditor comment			
Non-compliance	Description		
Report section: 7 Rule: 61.1 From: 1 Jan 2022 To: 31 July 2023	Audit history: Yes Controls: Needs improvement Impact: Minor	ICP status was not updated on the registry as soon as practicable for 2 of the 21 late updates checked. The impact of each discrepancy varies depending on the nature of the change, and how many days late an update is. If an initial ACTC update for a new connection is made in time for the next available revision, revised submission data will be washed up. The design of Nova Energy submission process ensures all consumption detected on inactive ICPs is included in submission.	
Remedial action rating		Remedial timeframe	Remedial comment
In progress		30/06/2024	MegaTEL acknowledges that delays to updates were caused by internal delays. MegaTEL and Nova will implement improvements to internal processes to remove delays in the handling of paperwork

Audited party comment	
The circumstances of the matters outlined in the breach notice.	
Whether or not the participant admits or disputes that it is in breach.	Breach admitted
Estimate of the impact of the breaches (where admitted).	
What steps or processes were in place to prevent the breaches?	
What steps have been taken to prevent recurrence?	

8. Resolving Discrepancies (Rule 62.1)

NOVA

As discussed in **sections 6** and **7,** Nova Energy has a set of validation processes and reports to identify and resolve discrepancies between Orion and the registry, which was demonstrated during the audit.

I checked several of the validation reports in detail, specifically those where errors could lead to incorrect submission of consumption information to the allocation agent. The reports checked in detail included the following:

- ICP status discrepancies, including status change dates.
- Altitude – this is a monthly check between Orion and the registry, any adjustments flow through to the relevant submission and revision files,
- Meter Attribute discrepancies.
- Allocation group, and
- Gas gate.

A review of ICPs where multiple status and retailer event reversals or replacement events had occurred was undertaken to identify the underlying reasons for why the initial event required replacing. A sample of 14 ICPs were checked and in all cases the cause was due to user error in selecting the initial status.

- For six ICPs the correction was undertaken on the same day as the initial event.
- For seven ICPs the correction was updated within the same month the initial event occurred.
- For ICP 1001301717NG752, the correction to the incorrect profile code occurred seven months after the initial event. There was no impact to submission.

Recommendation	Audited party comment
As part of the registry data correction process ensure there is a feedback loop to the original user who made the error to ensure users are aware of the need to check that the registry attributes are correctly applied in the initial event. This will reduce the ongoing volume of required remedial registry corrections.	**Response:** Acknowledged **Comments:** Recommendation will be incorporated into an ongoing review of the data integrity processes due to complete September 2024

ICP status and connection status

Nova Energy updates ICP statuses and connection statuses manually both within the Orion system and on the registry where field services paperwork confirms an ICP has been connected or disconnected. Nova Energy has reporting to identify differences in the status values between Orion and the Registry.

I checked four ICPs that where the ICP status was ACTC but where meter was recorded as "removed" in the registry. Three were due to timing issues between the meter removal data and the status change date. The meter for ICP 0001502790PGC62 was removed on 24 May 2023 however the registry still showed the status as ACTC. This was due to human error where the meter removal was processed in Orion however the registry was not updated at the time. There was no impact on consumption information.

The metering and ACTC status event dates for all new connections during the audit period were compared and differences were identified for four ICPs. These were reviewed and in all four cases the ACTC status event date was confirmed as matching the received metering paperwork.

Recommendation	Audited party comment
Ensure meter owners are advised where discrepancies between the initial ACTC status and metering event dates are identified to ensure the Registry is updated.	**Response:** Accepted **Comments:** New reporting is being developed to support the monitoring and reporting of these discrepancies to be implemented by 30/06/2024

The ICP connection status accuracy was also reviewed where a sample of 20 ICPs with various connection status codes to ensure these had been applied correctly. I found seven errors when checking the connection status codes against the records provided from the field.

Connection Status Code Accuracy			
ICP	**Registry connection status code**	**Correct connection status code**	**Reason**
0001009374NG598	GNC	GNM	Data corruption in Orion prevented correct update being applied
0002004836NG55D	GVC	GNM	Processing error - Training provided

0001001114NGD6F	GVC	GNM	Processing error - Training provided
0000089501QT4D6	GMM	GNM	Processing error - Training provided
0000949201QT079	GMM	GNM	Processing error - Training provided
0003003534NG209	GVM	GNM	Processing error - Training provided
1001157056QTE1A	GVM	GNM	Processing error - Training provided

Allocation groups

A report is generated manually which lists the differences in allocation groups recorded in both Orion and against the registry for each ICP and also validates the annualised consumption against the allocation group 4 and 6 thresholds. Exceptions are listed in this report for investigation and to enable updates to Orion, registry or both. The report has not been reviewed since April 2022 due to personnel changes and resource constraints.

Nova Energy provided their most recent report which showed that there were 620 ICPs with where a review is outstanding and update of allocation group may be required. A sample of ten were reviewed and nine were confirmed as requiring an update to the allocation group.

Recommendation	Audited party comment
Ensure the outstanding list of potential allocation group updates are reviewed and updated.	**Response:** Accepted **Comments:** Existing reporting that identified the discrepancies is now being actioned on a regular basis by the Metering specialists.
Ensure allocation group exception report is run on a regular cycle and also reviewed after each generation of the report.	**Response:** Accepted **Comments:** Reporting is run regularly and an automated update will be investigated upon review of the current reporting parameters to ensure that there is not incorrect or excessive movements between allocation groups

ICPs 0000064521QTEDE, 0008000037NG731, 0001406092QTBB7 and 0001411878QTF10have TOU metering installed. All four ICPs are 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 Nova 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.

Network and gas gate

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

Current values for gas gates and networks are compared against the registry regularly.

Each ICP's network and gas gate in Orion was compared to a registry LIS file from 28 august 2023. No network or gas gate discrepancies were identified.

ICP altitude

Current values for altitude are compared against the registry using a report run manually. This report has not been run since November 2022. Each ICP's altitude in Orion was compared to a registry LIS file from 28 august 2023 and five exceptions were identified.

The maximum permissible error allowed by **NZS 5259:2015** 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. One difference was over the maximum permissible limits.

ICP	Meter Pressure	Registry ICP Altitude	Orion Altitude	Google Earth Altitude	Altitude factor based on registry value	Altitude factor based on Orion value	Difference in altitude factors
0001026382PG8D5	2.5	94	315	96	0.989207	0.963834	-2.6%

A sample of 20 non-TOU ACTC or ACTV ICPs per distributor from the registry list as of 29 August 2023 was selected from a subset of ICPs where the standard deviation of altitude maximum and maximum values by street was more than 10 standard deviations. A further random sample of ten non-TOU ACTC or ACTV ICPs per distributor were also selected.

This sample of ICPs were checked against "google earth" data. The "google earth" data is based on the "Shuttle Radar Topography Mission" (SRTM) results and a number of recent studies indicate an accuracy of ± 10m for altitude. An evaluation against this data is considered an appropriate test for "reasonableness". Altitude figures that are within approximately 90m of the actual altitude will ensure an accuracy of ± 1.0%.

Section **3.8.2.3** of **NZS5259:2015** recommends altitude figures are determined to within 10m where practicable. An evaluation of altitude data on the registry was conducted to check whether this recommendation had been met. As noted above, the margin of error of the 'google earth' data appears to be approximately ± 10m, therefore, to allow for this margin, I have checked that the registry data is within 20m of 'google earth' data.

As shown in the table below the altitude data on the registry for non-TOU ICPs appears to be accurate in most areas.

Distributor	Total ACTC and ACTV non-TOU ICPs	ICPs checked	Quantity outside 20m	Quantity outside 90m
UNLG	7,314	30	2	-
NGCD	6,637	30	1	-
POCO	18,657	30	4	-
GNET	695	30	-	-
Total	**33,300**	**120**	**7**	**-**

I have considered whether distributors have potentially breached any rules by populating the registry with inaccurate altitude information. Distributors have responsibility for populating the registry with altitude figures[1] and for maintaining the accuracy of this information. Distributors must also comply with Rule 26.5 of the Gas (Downstream Reconciliation) Rules 2008, which requires them to ensure that any information on the registry is accurate and complete and supports compliance with **NZS 5259:2015**. There were no altitude discrepancies which resulted in an altitude factor which was outside the threshold allowed by **NZS 5259:2015**.

A further evaluation was conducted of ICPs where the altitude was zero on the registry. This data historically appears to be less accurate than when a figure other than zero is populated. All 30 ICPs have an altitude difference of less than 20m.

Network pressure

Prior to the inclusion of Joule-Thomson effect in the temperature factor calculation by Nova Energy, the network pressure field in Orion was populated with the meter pressure value. There are currently 25,959 ICPs out of a population of 33,300 ICPs (78%) where the network pressure is set to the meter pressure within Orion. In order to update the network pressure value in Orion the meter attribute will need to be removed and reinstalled manually with the revised network pressure value. This would require considerable effort by Nova Energy to perform these data updates. Nova Energy currently monitors the impact of Joule-Thomson Effect with a report to identify ICPs where the difference between network and meter pressure is likely to result in the temperature factor calculated by Orion to outside the maximum permissible error (± 0.9%).

[1] Gas (Switching Arrangements) Rules 2008, Part A, ICP parameters maintained by Distributors and rules 41 and 58.

The current meter set up process is to apply the registry network pressure in Orion, however since January 2022 the current meter for more than 740 ICPs were set up with the meter pressure applied to the network pressure field in Orion.

Recommendation	Audited party comment
Review meter set up process and exception monitoring for Orion to ensure the correct network pressure is applied for all new meter set ups.	**Response:** Accepted **Comments:** Nova has reviewed our meter set up processes and identified opportunities to implement improvements. Nova is investigating automation for correcting pressure for new meters and is actively managing the issues identified in our existing exception reporting.

An assessment of the temperature facture accuracy was performed across all Nova Energy active ICPs. 12 ICPs were identified as having temperature factor values outside the maximum permissible error (± 0.9%) due to the network pressure in Orion being recorded as meter pressure.

ICP	Orion Network Pressure	Registry Network Pressure	temp factor (Inc JT) Orion	temp factor (Inc JT) Registry	% difference FT (± 1.2%)	volume impact (GJ)
0000071761QT9BD	7 kPa	700 kPa	0.99611	1.00819	-1.20%	-1.38
1001163752QT7BE	35 kPa	1000 kPa	0.99611	1.01301	-1.67%	-17.03
0000072523NA580	7 kPa	650 kPa	1.00139	1.01270	-1.12%	-73.93
0001793051QTCC8	1.5 kPa	560 kPa	1.00119	1.01100	-0.97%	-6.51
1000589555PG6F6	2.5 kPa	560 kPa	1.00206	1.01187	-0.97%	-0.07
1000589557PG673	2.5 kPa	560 kPa	1.00206	1.01187	-0.97%	-0.09
0001824091QTF34	3 kPa	560 kPa	1.00217	1.01198	-0.97%	-4.29
0000189721QT7E8	140 kPa	700 kPa	0.99614	1.00588	-0.97%	-0.25
0000869021QTA8A	140 kPa	700 kPa	0.99611	1.00585	-0.97%	-63.75
0000360031QTB42	140 kPa	700 kPa	0.99611	1.00585	-0.97%	0.00
1000503649PGD23	7 kPa	560 kPa	1.00183	1.01155	-0.96%	-6.99
0001787571QTAF9	7 kPa	560 kPa	1.00119	1.01090	-0.96%	-0.44

ICP 0000071761QT9BD did not appear in the Orion exception report as its billing class was set as Industrial and the report criteria did not include these groups of ICPs as it was expected that all industrial ICPs would be TOU which is not always the case. Nova Energy have issued a report enhancement request to amend the reporting criteria.

The other 11 ICPs did appear on the exception report however due to personnel changes this report had not been actively worked.

Meter numbers and digits

Nova Energy has a validation report and processes to identify and resolve meter number and number of digit discrepancies between Orion and the registry in case field work paperwork from the meter owner is late or incorrect. Additionally, the meter reading processes are designed to identify meter number or digit discrepancies.

A review of meter serial numbers between the registry and Orion was conducted and 19 meter number mismatches were identified and a sample of ten were reviewed. Two exceptions were due to timing issues relating to when the audit registry list file was produced. For the remaining eight ICPs the mismatch reasons are listed in the table below.

ICP	Registry meter Identifier	Orion Meter Number	Comment
1002152897QT956	600701127	21EG4071	Paperwork not received from meter owner. Was on exception report but no action taken due to resource issues.
1002163232QT680	600701713	16EG5807	Paperwork not received from meter owner. Was on exception report but no action taken due to resource issues.
0003015639NG370	00S1063013	00B1063013	Incorrect serial number in original paperwork from meter owner. Orion now updated.
1001114890QT102	06F827443	M	Incorrect serial number in Orion - Typo, human error. Updated.
0001830941QT51E	08K771101	3	Incorrect serial number in Orion - Typo, human error. Updated.
0002379467QT7F7	10L631877	A	Incorrect serial number in Orion - Typo, human error. Updated.
0002253921QT234	21EG4950	242542	Paperwork not received from meter owner for this meter change. Was on exception report but no action taken due to resource issues. Escalated to meter owner requesting paperwork.
0002006336NG513	93E0999	240529	Paperwork not received from meter owner for this meter change. Was on exception report but no action taken due to resource issues. Escalated to meter owner requesting paperwork.

Recommendation	Audited party comment
Ensure the meter serial number report is actively monitored and exceptions actioned in a timely manner to ensure the billing, switching and submission processes are not impacted.	**Response:** Accepted **Comments:** Further training has been provided to the team actioning the discrepancy reporting. Enhancements to reporting have been identified and will be implemented by 30 September 2024

A comparison of meter digits between the registry and Orion was conducted and seven meter digit mismatches were identified and these were reviewed. All seven exceptions were identified in exception reporting and six were corrected prior to the audit. For these six ICPs, the Orion number of digits was blank due to human error populating this field at the time the meter was being installed. Additional training has been provided to ensure this field is consistently populated. For one ICP, the registry field was blank and the meter owner has been advised of the meter registry value.

Meter pressure

Meter pressure is a static field in Orion recorded against the meter. Where a pressure change occurs without a physical meter change, or a correction is required from a certain date, Nova Energy processes a meter change within the Orion system and updates the pressure on the new version of the meter. The end date for the old version of the meter is the day before the pressure change was effective, and the start date for the new version of the meter is the day the pressure change becomes effective. Any reads on or after the date of the pressure change are recorded against the new meter.

If a correction is required for the entire period that the meter was installed, the pressure on the current version of the meter can be updated.

Orion and registry meter information as of 29 August 2023 was compared and 11 differences were identified. Three were corrected as part of BAU, seven were corrected during the audit and one is being followed up with the meter owner in relation to waiting for paperwork.

Four of the differences resulted in pressure factors outside the maximum permissible error of ±0.9% in **NZS 5259:2015**.

ICP	Orion Meter Pressure (kPa)	Registry Pressure (kPa)	Orion Pressure Factor	Registry Pressure Factor	% Error	Assessed Volume Impact (GJ)
1000511243PG812	2.5	1	1.009869	1.049346	1.48%	0.0
1001290219QT502	2.75	**7**	1.069085	1.049346	-4.19%	-1.434
1001303702NG3F0	2.75	1	1.009869	1.049346	1.73%	0.269
0001719801QT5A8	2.5	1.5	1.01480	1.02467	0.99%	0.000

Meter multiplier

A comparison of Orion and registry information as of 29 August 2023 was performed and no multiplier mismatches were identified.

Rule 62.1 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.

<table>
<tr><td colspan="4">Auditor comment</td></tr>
<tr><td>Non-compliance</td><td colspan="3">Description</td></tr>
<tr><td>Report section: 8
Rule: 62.1

From: 1 October 2020
To: 31 July 2023</td><td>Audit history: Yes

Controls: Needs improvement

Impact: Moderate</td><td colspan="2">Nova Energy did not consistently use best endeavours to identify and resolve discrepancies, and some discrepancies have been present for extended periods.
Some of the discrepancies resulted in gas conversion or reconciliation submission errors, and some of the discrepancies caused errors outside the maximum permissible errors in NZS 5259:2015.
• One of the 4 ICPs with ACTV or ACTC status where the registry recorded a meter identifier of “REMOVED” were confirmed to have an incorrect status.
• For ICP 1001301717NG752, the correction to the incorrect profile code occurred seven months after the initial event. There was no impact to submission.
• Seven inactive ICPs identified with an incorrect ICP connection status.
• There are currently 25,959 ICPs out of a population of 33,300 ICPs (78%) where the network pressure is set to the meter pressure within Orion. 12 ICPs were identified as having temperature factor values outside the maximum permissible error (± 0.9%) due to the network pressure in Orion being recorded as meter pressure.
• 620 ICPs with allocation group discrepancies have not been reviewed or updated since April 2022.
• Five ICPs identified with a different altitude between Orion and the registry had an incorrect altitude recorded in Orion. One ICP (0001026382PG8D5) resulted in an altitude factor which was over the maximum permissible error in NZS 5259:2015.
• Seven of a sample of 120 ICPs checked had an incorrect altitude recorded in Orion, but the altitude was consistent with the registry value. None of the differences was over the maximum permissible error in NZS 5259:2015.
• Eight ICPs had incorrect meter numbers recorded in Orion.
• One ICP had incorrect meter digits recorded in Orion.
• Eight ICPs with meter pressure differences had an incorrect meter pressure recorded in Orion. four of the differences were over the maximum permissible error in NZS 5259:2015.</td></tr>
<tr><td>Remedial action rating</td><td>Remedial timeframe</td><td colspan="2">Remedial comment</td></tr>
<tr><td>In progress</td><td>31/03/2025</td><td colspan="2">Nova has accepted the recommendations outlined by the</td></tr>
</table>

		auditor and will be implementing further training, reporting enhancements, and automation as and where appropriate. Nova also continues to work with their external providers to ensure paperwork is returned in full and in accordance with our agreed timeframes. The industry wide resource impacts over the audit period also factored into these issues. Nova has been resolving over the last 12 months and continues to be a focus.
Audited party comment		
The circumstances of the matters outlined in the breach notice.		
Whether or not the participant admits or disputes that it is in breach.	Breach admitted	
Estimate of the impact of the breaches (where admitted).		
What steps or processes were in place to prevent the breaches?		
What steps have been taken to prevent recurrence?		

MegaTEL

MegaTEL's data resides within its Customer and Invoicing platform - IP BMS and in Orion for Switching, billing and reconciliation.

Nova Energy manage MegaTEL 's ICPs within Orion for switching and reconciliation functions. While Nova Energy has validation reporting around ICP and meter data exceptions, the current reporting criteria does not include the MEGA participant code. As a consequence, no MegaTEL exceptions are identified relating to ICP or meter set up data. Nova Energy is working on amending the existing Orion exception reporting to also include MEGA ICPs so that these exceptions can be escalated to MegaTEL for investigation and correction.

There were no ICPs identified that were ACTC but where meters were recorded as "removed" in the registry for MegaTEL.

The ICP connection status accuracy was also reviewed, and no exceptions were identified for MegaTEL.

ICP status and connection status

MegaTEL updates ICP statuses and connection statuses manually both within the Orion system and on the registry where field services paperwork confirms an ICP has been connected or disconnected.

A sample of 10 status updates to ACTC were reviewed where the time to update the registry was greater than 5 days. In all cases the ACTC status update related to a new connection and the delay in updating the registry was due to a delay in receiving the metering paperwork.

A sample of two status updates to INACT were reviewed where the time to update the registry was greater than 5 days. In both cases the delay in updating the registry was due to a delay in receiving the metering paperwork.

Allocation groups

A report is generated manually which lists the differences in allocation groups recorded in both Orion and against the registry for each ICP and also validates the annualised consumption against the allocation group 4 and 6 thresholds. Exceptions are listed in this report for investigation and to enable updates to Orion, Registry or both. The report has not currently reviewed since April 2022 due to personnel changes and resource constraints.

Nova Energy provided the most recent report which showed that there were 12 MegaTEL ICPs with where a review is outstanding and update of allocation group may be required. A sample of four were reviewed and all were confirmed as requiring an update to the allocation group.

ICP altitude

Nova Energy monitors reporting to identify altitude, and status discrepancies for MegaTEL ICPs maintain in Orion for reconciliation purposes and performs any required updates in Orion to ensure alignment. However due to recent personnel changes and resource challenges these exceptions reports have not been consistently worked.

Altitude values were compared between the registry values and the value held by the Orion system for all ICPs recorded from the registry list as of 29 August 2023. Two ICPs were identified as having a difference of more than 20 metres.

The maximum permissible error allowed by **NZS 5259:2015** 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. ICP 0001000879NG56D was identified as being outside the maximum permissible error. Nova Energy has corrected the altitude value from 7 October 2023 to now align with the registry value.

ICP	Meter Pressure	Registry ICP Altitude	Orion Altitude	Google Earth Altitude	Altitude factor based on registry value	Altitude factor based on Orion value	Difference in altitude factors
0001000879NG56D	2.5	165	1656	168	0.981056	0.809868	-17.4%

Section **3.8.2.3** of **NZS5259:2015** recommends altitude figures are determined to within 10m where practicable. An evaluation of altitude data on the registry was conducted to check whether this recommendation had been met. As noted above, the margin of error of the 'google earth' data appears to be approximately ± 10m, therefore, to allow for this margin, I have checked that the registry data is within 20m of 'google earth' data.

As shown in the table below the altitude data on the registry for non-TOU ICPs appears to be accurate in most areas.

Distributor	Total ACTC and ACTV non-TOU ICPs	ICPs checked	Quantity outside 20m	Quantity outside 90m
UNLG	1,385	30	1	-
NGCD	427	30	-	-
POCO	303	30	-	-
GNET	8	8	-	-
Total	**2,573**	**98**	**1**	**-**

I have considered whether distributors have potentially breached any rules by populating the registry with inaccurate altitude information. Distributors have responsibility for populating the registry with altitude figures[1] and for maintaining the accuracy of this information. Distributors must also comply with rule 26.5 of the Gas (Downstream Reconciliation) Rules 2008, which requires them to ensure that any information on the registry is accurate and complete and supports compliance with **NZS 5259:2015**. There were no altitude discrepancies which resulted in an altitude factor which was outside the threshold allowed by **NZS 5259:2015**.

A further evaluation was conducted of ICPs where the altitude was zero on the registry. There were no ICPs with zero altitude value where MegaTEL was recorded as the retailer.

Network pressure

There are currently 2,359 ICPs out of a population of 2,591 ICP (91%) where the network pressure is set to the meter pressure within Orion. The current meter set up process is to apply the registry network pressure in Orion, however this process has not been consistently followed by MegaTEL.

In order to update the network pressure value in Orion the meter attribute will need to be removed and reinstalled manually with the revised network pressure value. This would require considerable effort by MegaTEL to perform this data update. Nova Energy on behalf of MegaTEL currently monitors the impact of Joule-Thomson Effect with a report to identify ICPs where the difference between network and meter pressure is likely to result in the temperature factor calculated by Orion to outside the maximum permissible error (± 0.9%).

An assessment of the temperature factor accuracy was performed across all MegaTEL active ICPs. All ICPs were identified as having temperature factor values within the maximum permissible error (± 0.9%).

Meter numbers and digits

While Nova Energy has validation reporting around meter data exceptions, the current reporting criteria does not include the MEGA participant code. As a consequence, no MEGA exceptions are identified relating to meter set up data. Nova Energy has initiated a project to refresh all gas exception reporting to include the MEGA participant code.

A review of meter serial numbers between the registry and Orion was conducted and 12 meter number mismatches were identified. In all 12 cases the mismatch was due to the registry meter serial number having a zero as a prefix to the meter serial number. The presence of a prefix does not prevent the meter being clearly identified as belong to the relevant ICP.

[1] Gas (Switching Arrangements) Rules 2008, Part A, ICP parameters maintained by Distributors and rules 41 and 58.

A comparison of meter digits between the registry and Orion was conducted and five meter digit mismatches were identified, and these were reviewed. As the current exception reporting does not identify MEGA digit mismatches, no investigations were undertaken prior to the audit. All exceptions have now been corrected in Orion.

Meter pressure

Meter pressure is a static field in Orion recorded against the meter. Where a pressure change occurs without a physical meter change, or a correction is required from a certain date, MegaTEL processes a meter change within the Orion system and updates the pressure on the new version of the meter. The end date for the old version of the meter is the day before the pressure change was effective, and the start date for the new version of the meter is the day the pressure change becomes effective. Any reads on or after the date of the pressure change are recorded against the new meter.

If a correction is required for the entire period that the meter was installed, the pressure on the current version of the meter can be updated.

Orion and registry meter information as of 29 August 2023 was compared and 15 differences were identified. 11 of the differences resulted in pressure factors outside the maximum permissible errors (±0.9%) in **NZS 5259:2015** and are listed in the table below.

ICP	Orion Meter Pressure (kPa)	Registry Pressure (kPa)	Orion Pressure Factor	Registry Pressure Factor	% Error	Assessed annualised Volume Impact (GJ)
0000253341QTABC	1.5	2.75	1.014804	1.049346	1.23%	0.146
0000360361QT049	3	7	1.029608	1.049346	3.95%	17.540
0001394911QTABB	2.5	7	1.024673	1.049346	4.44%	0.551
1000384531QT9F5	1	2.75	1.009869	1.049346	1.73%	3.865
0002000667NG19B	0	35	1	1.039477	34.54%	45.201
0002348571QT55D	1	2.5	1.009869	1.049346	1.48%	0.271
1001278937QT8BF	2.75	7	1.02714	1.049346	4.19%	9.232
0000268221QT284	2.5	1.5	1.01480	1.02467	0.99%	0.150
0004225093NGF2C	2.5	1.5	1.01480	1.02467	0.99%	0.588
0007001717NG830	2.5	1.5	1.01480	1.02467	0.99%	1.309
0001766631QT782	2	1	1.00987	1.01974	0.99%	0.148

Meter multiplier

A comparison of Orion and registry information as of 29 August 2023 was performed and no multiplier mismatches were identified.

Auditor comment		
Non-compliance	Description	
Report section: 8 Rule: 62.1 From: 1 October 2020 To: 31 July 2023	Audit history: Yes Controls: Needs improvement Impact: Moderate	MegaTEL Energy did not consistently use best endeavours to identify and resolve discrepancies, and some discrepancies have been present for extended periods. Some of the discrepancies resulted in gas conversion or reconciliation submission errors, and some of the discrepancies caused errors outside the maximum permissible errors in NZS 5259:2015. • There are currently 2,359 ICPs out of a population of 2,591 ICPs (91%) where the network pressure is set to the meter pressure within Orion. All ICPs were identified as having temperature factor values within the maximum permissible error (± 0.9%) due to the network pressure in Orion being recorded as meter pressure. • 12 ICPs with allocation group discrepancies have not been reviewed or updated since April 2022. • Two ICPs identified with a different altitude between Orion and the registry had an incorrect altitude recorded in Orion. One ICP (0001000879NG56D) resulted in an altitude factor which was over the maximum permissible error in NZS 5259:2015. • One of a sample of 98 ICPs checked had an incorrect altitude recorded in Orion, but the altitude was consistent with the registry value. None of the differences was over the maximum permissible error in NZS 5259:2015. • 15 ICPs with meter pressure differences had an incorrect meter pressure recorded in Orion. 11 of the differences were over the maximum permissible error (± 0.9%) in NZS 5259:2015. • Five ICPs had incorrect meter digits recorded in Orion.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	31/03/2025	Nova manages these updates on MegaTELs behalf. The same commentary and development work as Nova.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	
Whether or not the participant admits or disputes that it is in breach.	Breach admitted

Estimate of the impact of the breaches (where admitted).	
What steps or processes were in place to prevent the breaches?	
What steps have been taken to prevent recurrence?	

9. Switching

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

NOVA

Nova Energy has Use of System Agreements with all relevant distributors.

Customers sign up with Nova Energy over the phone with a customer service representative or complete an application online.

Orion 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.

Nova Energy uses several reports to ensure that GNT files are issued on time, which are reviewed daily.

1. The **Pre-Switch Error Report** identifies GNT files held by Orion where a GNW process is underway, or if a GNT needs to be held until closer to the switch date to prevent an event date breach from occurring.
2. The **Held Switches Report** identifies GNT files which are held for credit approval or further application information. Orion normally automatically releases the GNT when the required information is provided. The report is reviewed to identify ICPs which have continued to be held after all information is received, so that they can be manually released.
3. The **Switch Tab Issues Report** identifies ICPs where Orion information is incomplete or inconsistent and will prevent the GNT file from being sent to the registry.

Switch type is selected based on information provided by the customer on application. Transfer switch type is applied where a customer is transferring between retailers at an address.

A sample of 44 GNT files were reviewed to confirm they were sent within two business days of entering into a contract to supply gas to the consumer. Five of the 44 files were not sent within two business days of the agreement date. For three files, a second GNT file was required as the initial GNT file was withdrawn on request of the losing trader and the initial GNT file was submitted within two business days of the agreement date. Two GNT files listed in the table below were submitted more than two business days of entering into a contract to supply gas to the consumer.

ICP	Event date	Input date	Date agreement was entered into with customer / preconditions met	Business days

0009000253NG575	22/08/2022	31/08/2022	24/08/2022	5
1002164973QTF0E	3/07/2023	24/07/2023	10/07/2023	9

ICP 0009000253NG575 was late due to a price plan needed to be created in Orion to enable the GNT data to be completed in Orion.

ICP 1002164973QTF0E was late due to human error entering the data into Orion prevented the GNT from being created. Resourcing issues delayed the resolution of the data error to enable the GNT to be submitted on time.

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

All GNT files for standard switches were sent prior to the event date and no GNT files were sent more than 10 business days in advance of the switch date. Compliance is confirmed.

Auditor comment		
Non-compliance	Description	
Report section: 9.1 Rule: 66.1 From: 31 August 2022 To: 3 July 2023	Audit history: Yes Controls: Acceptable Impact: Insignificant	Two of a sample of 44 GNTs were not issued within two business days of entering into a contract to supply gas.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	Ongoing	Nova will provide regular refresher training to staff who undertake this task and will investigate solutions to remove the requirement for manual updates.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	Nova will provide regular refresher training to staff who undertake this task and will investigate solutions to remove the requirement for manual updates.
Whether or not the participant admits or disputes that it is in breach.	Breach admitted
Estimate of the impact of the breaches (where admitted).	Insignificant. The losing retailer incurred not additional costs as the gain date was not impacted. There was minimal impact to customers as there was no impact to supply nor significant change to billing period.
What steps or processes were in place to prevent the breaches?	There is established data integrity reporting to identify when they are agreements with customers without a switch in progress.

What steps have been taken to prevent recurrence?	Nova will continue with on-going refresher training, review processes and where possible identify improvement opportunities

MegaTEL

MegaTEL has Use of System Agreements in place with all relevant Distributors.

Customers sign up with Nova Energy over the phone with a customer service representative.

All the GNT files contained the mandatory information required.

A sample of 20 GNT files (ten standard switch files and ten switch move files) were reviewed to confirm they were sent within two business days of entering into a contract to supply gas to the consumer. No issues were identified. For the sample of switch move GNT files reviewed, in most cases the contact from the customer was greater than two days from when they moved into the property.

No GNT files were sent more than 10 business days in advance of the switch date.

A NTD breach was recorded for ICP 0000808811QTE87 because the requested switch date was prior to the GNT issue date for a GNT that was submitted for a standard switch. The original GNT submitted by MegaTEL was withdrawn on request of the losing retailer into order to allow the losing retailer an opportunity to resolve a switch gain read issue with the retailer prior to their tenure. On resubmission MegaTEL resent the original GNT with a requested switch date which was now in the past. MegaTEL withdrew their incorrect GNT and resubmitted a revised switch request which was then accepted.

Auditor comment			
Non-compliance	Description		
Report section: 9.1 Rule: 67.3 From: 1 July 2022 To: 1 July 2022	Audit history: Yes Controls: Effective Impact: Insignificant	A NTD breach was recorded for ICP 0000808811QTE87 because a requested switch date prior to the GNT issue date was recorded for a standard switch.	
Remedial action rating	Remedial timeframe	Remedial comment	
Completed	31/01/2024	MegaTEL has implemented a system control which will prevent the sending of a backdated Transfer (S) switch	
Audited party comment			
The circumstances of the matters outlined in the breach notice.	MegaTEL is implementing a system control which will prevent the sending of a backdated Transfer (S) switch		
Whether or not the participant admits or disputes that it is in breach.	Breach admitted		

Estimate of the impact of the breaches (where admitted).	Insignificant. The incorrectly sent NT file was withdrawn and resubmitted correctly, resulting in no impact to the losing trader or consumer.
What steps or processes were in place to prevent the breaches?	No controls existed at the time of the breach.
What steps have been taken to prevent recurrence?	New system controls have been implemented by 31 January 2024.

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).

NOVA

The switch breach report Identified four instances where the expected switch date provided in the GAN file was earlier than the requested switch date for a standard switch due to incorrect logic being applied in the Orion system for determining expected switch dates for standard switch GAN files. The system logic has now been amended to ensure that GAN expected switch dates are not earlier than the GNT requested switch dates for standard switches.

ICP	Breach Type	GNT Requested switch date	GAN Expected switch date	GTN Switch date
0001419007QT89E	AND, TND	04/04/2022	21/03/2022	21/03/2022
0002070811QTF3D	AND, TND	01/04/2022	31/03/2022	31/03/2022
0002352331QT75F	AND, TND	01/04/2022	31/03/2022	31/03/2022
1002055156QTBF9	AND, TND	01/04/2022	31/03/2022	31/03/2022

Auditor comment			
Non-compliance	Description		
Report section: 9.2 Rule: 70.2 From: 1 January 2020 To: 31 July 2023	Audit history: No Controls: Effective Impact: Minor	The expected switch date provided for four GANs were earlier than the requested switch date provided in the GNT that complied with Rule 67.3. Controls are effective overall as four out of 12,055 GAN responses had incorrect expected switch dates provided.	
Remedial action rating	Remedial timeframe	Remedial comment	

In progress	30/04/2022	An incorrect logic to the switch out date calculation was applied by the Orion system upon importation of the GNT files of some ICPs. As well as resolving the logic issue, Nova has established data integrity reporting to identify any issues prior to the files being sent to the Registry.
Audited party comment		
The circumstances of the matters outlined in the breach notice.	Isolated system logic failure on one GNT file importation.	
Whether or not the participant admits or disputes that it is in breach.	Breach admitted	
Estimate of the impact of the breaches (where admitted).	Minor. The impacted period for each ICP were minimal, and the gaining trader/s did not request reversal and date correction.	
What steps or processes were in place to prevent the breaches?		
What steps have been taken to prevent recurrence?		

MegaTEL

The switch breach report contained one ICP (1001100241QT46E) where a response (GAN, GTN or GNW) to a GNT file was not sent within two business days of receipt of the GNT file. This was due to human error and additional training has been provided to ensure an appropriate response is sent on time.

Auditor comment		
Non-compliance	Description	
Report section: 9.2 Rule: 69.1 From: 1 January 2020 To: 31 July 2023	Audit history: Yes Controls: Effective Impact: Minor	The switch for ICP 1001100241QT46E 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 used to identify switching files that are due, however due to user error a GAN response was not provided.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	Ongoing	This isolated breach was caused by human error. Refresher training will be provided to all staff undertaking this work on a regular basis to reduce the risk of recurrence.

Audited party comment	
The circumstances of the matters outlined in the breach notice.	
Whether or not the participant admits or disputes that it is in breach.	Breach admitted
Estimate of the impact of the breaches (where admitted).	Immaterial. The GTN file was one day outside of timeframe. No impact to the gaining retailer or customer and is an isolated occurrence caused by human error.
What steps or processes were in place to prevent the breaches?	
What steps have been taken to prevent recurrence?	

9.3 Gas Acceptance Notice (Rule 70)

GAN Process

Orion imports GNT files and automatically generates GAN files which are manually transferred to the registry.

Expected switch event dates are set by importing the GNT files received from the registry into the GNT file checker excel template. The template checks the proposed event date requested by the gaining Retailer for switch moves and highlights any likely cause of a breach of the event date requirements, so that they can be checked, and a withdrawal issued if necessary. The file is then imported into Orion.

Nova Energy monitors the switch breach history report twice daily, to ensure that the required files are generated from Orion and sent to the registry.

Orion generates the GAN response code according to a system hierarchy and applies the proposed event date in the file. The GAN files are then manually transferred to the registry.

NOVA

All GAN files contained the mandatory information required and included a valid response code. A sample of 18 GAN files were reviewed to confirm the accuracy of the content. All the GAN response codes were appropriate. GAN response codes are automatically populated based in information in Orion.

The accuracy of GAN expected switch dates was checked using the swich breach history report. The switch breach report Identified four instances where the expected switch date provided in the GAN file was earlier than the requested switch date for a standard switch due to incorrect logic being applied in the Orion system for determining expected switch dates for standard switch GAN files. The system logic has now been amended to ensure that GAN expected switch dates are not earlier than the GNT requested switch dates for standard switches. Non conformance is recorded in **section 9.2**.

ICP	Breach Type	GNT Requested switch date	GAN Expected switch date	GTN Switch date
0001419007QT89E	AND, TND	04/04/2022	21/03/2022	21/03/2022
0002070811QTF3D	AND, TND	01/04/2023	31/03/2023	31/03/2023
0002352331QT75F	AND, TND	01/04/2022	31/03/2022	31/03/2022
1002055156QTBF9	AND, TND	01/04/2022	31/03/2022	31/03/2022

MegaTEL

All GAN files contained the mandatory information required and included a valid response code. A sample of 12 GAN files were reviewed to confirm the accuracy of the content. All the GAN response codes were appropriate. GAN response codes are automatically populated based in information in Orion.

The accuracy of GAN expected switch dates was checked using the swich breach history report. No incorrect expected switch dates were identified.

The switch breach history report recorded one late response to a GNT, for ICP 1001100241QT46E. No GAN was issued due to human error and the GTN file was created one business day late. Non-conformance is recorded in **section 9.2**.

9.4 Gas Transfer Notice (Rule 72)

NOVA

GTN process

Orion generates the GTN files using information within Orion. Nova Energy has a daily suite of reports which are used to ensure that information provided in GTN files is complete and accurate.

GTN timeliness

The switch breach history report is monitored twice daily, to ensure that the required files are generated from Orion and sent to the registry. The Switch Out Issue to Fix report identifies any data that is incomplete or inconsistent in Orion which prevents the GTN file from being generated, such as missing switch event readings or withdrawals in progress; the exceptions are worked through daily.

The switch breach detail report confirmed that all files were sent on time.

GTN content

The content of a sample of 22 GTN files were reviewed to confirm accuracy and found:

- 15 were confirmed as accurate.
- Five ICPs (0054230165PGCAE – event date 15/3/2022, 0075001356PG66A - event date 21/01/2022, 0002059431QTB09 – event date 04/03/2022, 0002069181QTD92 – event date 17/01/2022, 0001726231QT016, event date 14/02/2022) had incorrect date of last read dates applied where the date of the move out estimate read was applied as the last actual read date.
- Two ICPs (1002047337QT9EA, 0000225271QTB39) were switched out using an invoiced final estimate read for 1 December 2022, however an actual read was subsequently received by Nova Energy. The received actual meter reads were not used for submission and Nova Energy

did not initiate a switch reading negotiation to amend the GTN read once they were aware of a more accurate reading for the switch date. Non conformance is recorded in **section 9.5**.

I checked the GTNs with the ten highest estimated annualised consumption values and all were confirmed as correct and based on the daily average consumption calculated between the last two actual reads which is then annualised.

The records for 15 of 308 ICPs where the annual consumption was zero were reviewed. In all cases, zero was correct because the ICPs were vacant, had a very short switch in period, or genuinely had zero consumption.

<table>
<tr><td colspan="4">Auditor comment</td></tr>
<tr><td>Non-compliance</td><td colspan="3">Description</td></tr>
<tr><td>Report section: 9.4
Rule: 72.1.5

From: 17 January 2022
To: 1 December 2022</td><td>Audit history: Yes
Controls: Acceptable
Impact: Insignificant</td><td colspan="2">Incorrect date of last meter reading for five ICPs from a sample of 22 GTN files.
The logic within Orion is considering final estimate reads as an actual read for the purposes for determining the last actual read date.</td></tr>
<tr><td colspan="2">Remedial action rating</td><td>Remedial timeframe</td><td>Remedial comment</td></tr>
<tr><td colspan="2">In progress</td><td>30/09/2024</td><td>Refresher training will be provided to the team members entering reads. Reporting to be implemented where reads have been entered incorrectly to ensure these are corrected before the switch completes</td></tr>
<tr><td colspan="4">Audited party comment</td></tr>
<tr><td colspan="2">The circumstances of the matters outlined in the breach notice.</td><td colspan="2">In each instance for the five ICPs (0054230165PGCAE, 0075001356PG66A, 0002059431QTB09, 0002069181QTD92 and 0001726231QT016) internal customer final processes were completed prior to the switch out of the site. The process was not followed correctly meaning reads were not correctly labelled as estimates resulting in the system providing the incorrect actual read date in the GTN file.
See section 9.5 for the other two ICPs</td></tr>
<tr><td colspan="2">Whether or not the participant admits or disputes that it is in breach.</td><td colspan="2">Breach admitted.</td></tr>
<tr><td colspan="2">Estimate of the impact of the breaches (where admitted).</td><td colspan="2">Insignificant due to the low volume of impacted sites and high accuracy in losing reads and in average consumption information provided to gaining retailers.</td></tr>
<tr><td colspan="2">What steps or processes were in place to prevent the breaches?</td><td colspan="2">There are documented processes to follow, human error in completing this action resulted in the breaches.</td></tr>
</table>

What steps have been taken to prevent recurrence?	Refresher training to be undertaken and additional reporting to identify errors.

MegaTEL

GTN process

Orion generates the GTN files using information within Orion. MegaTEL enters the final estimate reads into Orion to enable the GTN file to be created. Nova Energy monitors the GTN process on behalf of MegaTEL and has a daily suite of reports which are used to ensure that information provided in GTN files is complete and accurate.

GTN timeliness

The switch breach history report is monitored twice daily, to ensure that the required files are generated from Orion and sent to the registry. The Switch Out Issue to Fix report identifies any data that is incomplete or inconsistent in Orion which prevents the GTN file from being generated, such as missing switch event readings or withdrawals in progress; the exceptions are worked through daily.

The switch breach detail report confirmed that all files were sent on time.

GTN content

The content of a sample of 19 GTN files were reviewed to confirm accuracy and found:

- 16 were confirmed as accurate.
- Three ICPs (0002271701QT3E7 – event date 26/04/2023, 0004209163NG472 - event date 16/07/2023, 0000158141QT3EF – event date 23/09/2022) had incorrect date of last read dates applied where the date of the move out estimate read was applied as the last actual read date.

The GTNs with the ten highest estimated annualised consumption values and also 12 randomly selected GTN files were reviewed. All were confirmed as correct and based on the daily average consumption calculated between the last two actual reads which is then annualised.

The records for three ICPs where the annual consumption was zero were reviewed. In all cases, zero was correct because the ICPs were vacant, had a very short switch in period, or genuinely had zero consumption.

The switch breach detail report confirmed all GTN files were on time.

Auditor comment		
Non-compliance	Description	
Report section: 9.4 Rule: 72.1.5 From: 23 September 2022 To: 16 July 2023	Audit history: Yes Controls: Acceptable Impact: Insignificant	Incorrect date of last meter reading for three ICPs from a sample of 19 GTN files. The logic within Orion is considering final estimate reads as an actual read for the purposes for determining the last actual read date.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	30/06/2024	MegaTEL will implement new logic to ensure the last actual read date is used, instead of the disconnection read date on inactive sites.
Audited party comment		
The circumstances of the matters outlined in the breach notice.	MegaTELs current logic inserts the disconnection read date as the last actual read date. However, as required actual reads continue to be gathered for the sites, even when in a disconnected state.	
Whether or not the participant admits or disputes that it is in breach.	Breach admitted	
Estimate of the impact of the breaches (where admitted).	Insignificant impact as the reads gained were accurate. MegaTEL acknowledges this could indicate to the gaining retailers that there may be an issue in read attainment or in the accuracy of the reads provided for switch out.	
What steps or processes were in place to prevent the breaches?		
What steps have been taken to prevent recurrence?		

9.5 Accuracy of Switch Readings (Rule 74)

NOVA

GTN files are generated by Orion and switch event readings are determined from the readings held within Orion at the time the switch is completed. The process does not check to see if a schedule meter read is due on the switch date and pause the GTN process until either the scheduled read is delivered or it is confirmed that a read was not obtained.

As discussed in **section 9.4**, Two ICPs (1002047337QT9EA, 0000225271QTB39) were switched out using an invoiced final estimate read for 1 December 2022, however an actual read was subsequently received by Nova Energy for this date. The received actual meter reads were not used for submission and Nova Energy did not initiate a switch reading negotiation to amend the GTN read once they were aware of a more accurate reading for the switch date.

Auditor comment		
Non-compliance	Description	
Report section: 9.5 Rule: 74.2.2 From: 1 December 2022	Audit history: No Controls: Effective Impact: Minor	Two ICPs were switched out using an invoiced final estimate reads, however an actual read was subsequently received by Nova Energy for this date and were not used. The Orion GTN creation process does not check to see if a schedule meter read is due on the switch date and pause

To: 1 December 2022		the GTN process until either the scheduled read is delivered or it is confirmed that a read was not obtained.

Remedial action rating	Remedial timeframe	Remedial comment
Completed	31/01/2024	Refresher training has been provided to the staff who undertake the review of gas sites switching out with actual reads after the switch date

Audited party comment	
The circumstances of the matters outlined in the breach notice.	Nova's existing process does allow for all reads gained while Nova is the responsible retailer to be used to calculate consumption and ensure submission information is correct. However, in these instances, the process was not correctly for invoiced gas sites.
Whether or not the participant admits or disputes that it is in breach.	Nova's existing process does allow for all reads gained while Nova is the responsible retailer to be used to calculate consumption and ensure submission information is correct. However, in these instances, the process was not correctly for invoiced gas sites.
Estimate of the impact of the breaches (where admitted).	Minor. Nova acknowledges that this resulted in inaccurate submission for both Nova and the gaining retailer.
What steps or processes were in place to prevent the breaches?	Reporting is in place to identify when actual reads have been attained after the effective switch out date.
What steps have been taken to prevent recurrence?	Reporting is in place to identify when actual reads have been attained after the effective switch out date.

MegaTEL

The checks discussed in **section 9.4** included switch readings, which were all accurate. Compliance is confirmed.

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

The need to generate a GNW is usually identified by Nova Energy following communication with their customer or from validation of the GNT received where the switch type or switch dates are incorrect.

NOVA

GNW timeliness

The switch breach history report did not record any late responses to a GNT for Nova Energy.

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, where I have left in the 2020 results to enable comparison with the 2023 results.

GNW files sent and received 2020

GNW Files	CR	DF	IN	MI	UA	WP	WS	Total	% of GNTs
GNW Sent (old)	501	18	0	2	117	4	124	766	13.7%
GNW Sent (new)	522	56	1	14	12	101	9	714	5.4%
GNW Received (old)	1,707	47	0	42	1	61	333	2,187	16.7%
GNW Received (new)	152	36	0	7	0	41	1	237	4.2%

GNW files sent and received 2023

GNW Files	CR	DF	IN	MI	UA	WP	WS	Total	% of GNTs
GNW Sent (old)	202	25	0	14	87	48	546	922	16.7%
GNW Sent (new)	156	0	0	11	4	40	7	218	4%
GNW Received (old)	69	27	0	19	5	62	189	371	6.7%
GNW Received (new)	248	47	0	4	2	64	1	366	6.6%

There has been an increase in GNW requests for WS – wrong switch type since 2020. This appear to be due to customers being able to sign up online and the information provided by the customer regarding whether they are moving into a property is later found to be incorrect. Each switch withdrawal and reissue of a revised GNT has a component of time associated with it for both the gaining and losing retailers and a recommendation is made to review the online sign up process to improve the accuracy of the information provided by customers to enable accurate switch types to be determined.

Recommendation	Audited party comment
Review the online sign up process to improve the accuracy of the information provided by customers to enable accurate switch types to be determined.	**Response:** Acknowledged **Comments:** Nova will review the self-service tool for sign-ups to identify improvement opportunities to support increased accuracy of switch information.

A sample of 41 GNW files including all reason request codes where Nova Energy was the new retailer and where Nova Energy was the old retailer were reviewed and found:

- The correct codes were used for 40 files, and Nova had sufficient information to support the withdrawal.
- The GNW for ICP 1001286563QT0ED – event date 16/05/2023 was incorrectly issued with reason request code of CR – customer request, when the reason request code should have been WS – wrong switch type.

I checked a sample of 10 ICPs where GNW files had been sent by other retailers and had been rejected by Nova Energy. In all cases, Nova Energy had sufficient information to support the rejection. 7.7% of GNW files received were rejected, which is more than the 2020 figure of 2.1%.

53 of 802 GNW files sent by Nova Energy (6.6%) were rejected. This is up from 5.9% during the 2020 audit. 10 were reviewed and found that there were valid reasons at the time of sending files. The main two reasons for rejection were as follows:

- The other retailer did not have a customer to bill leading to the rejection of GNWWP files, and
- GNW originally rejected then accepted following communication with the other retailer.

Auditor comment		
Non-compliance	Description	
Report section: 9.6 Rule: 75.1 From: 11 March 2022 To: 19 May 2023	Audit history: No Controls: Effective Impact: Insignificant	The GNW for ICP 1001286563QT0ED was incorrectly issued with reason request code of CR – customer request, when the reason request code should have been WS – wrong switch type. There was no impact on submission because the GNW was rejected by the other retailer.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	Ongoing	Refresher training will continue to be provided to all staff completing this work

Audited party comment	
The circumstances of the matters outlined in the breach notice.	Refresher training will continue to be provided to all staff completing this work
Whether or not the participant admits or disputes that it is in breach.	Breach admitted
Estimate of the impact of the breaches (where admitted).	Insignificant. The withdrawal was still valid, and the losing retailer was provided context via email external to the Registry.
What steps or processes were in place to prevent the breaches?	
What steps have been taken to prevent recurrence?	

MegaTEL

GNW timeliness

The switch breach history report recorded one late response to a GNT, for ICP 1001100241QT46E. 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, where I have left in the 2020 results to enable comparison with the 2023 results.

GNW files sent and received 2020

GNW Files	CR	DF	IN	MI	UA	WP	WS	Total	% of GNTs
GNW Sent (old)	2	1	0	0	0	4	0	7	0.7%
GNW Sent (new)	12	10	1	0	0	4	1	27	2.8%
GNW Received (old)	17	0	0	2	1	0	13	33	3.4%
GNW Received (new)	0	0	0	0	0	0	0	0	N/A

GNW files sent and received 2023

GNW Files	CR	DF	IN	MI	UA	WP	WS	Total	% of GNTs

GNW Sent (old)	32	14	0	2	2	12	16	78	5.6%
GNW Sent (new)	31	9	0	1	0	11	0	52	3.7%
GNW Received (old)	12	1	0	1	1	9	26	50	3.6%
GNW Received (new)	25	3	0	1	1	7	0	37	2.7%

A sample of 46 GNW files including all reason request codes where MegaTEL was the new retailer and where MegaTEL was the old retailer were reviewed and found:

- The correct codes were used for 37 files, and MegaTEL had sufficient information to support the withdrawal.
- The GNW for nine ICPs (1002158371QTF2D – event date 21/06/2022, 1002137685QT00D - event date 12/04/2022, 1001303319NGB88 - event date 26/02/2023 , 1001296405QTF77 - event date 15/07/2022, 0002345311QT68B – event date 19/05/2023, 0004220165NG090 – event date 1/12/2022, 1001250420QTE1D – event date 11/03/2022, 1001259633NG811 – event date 10/08/2022, 1001281411QT851 – event date 27/04/2022) were incorrectly issued with reason request code of DF – date failed, when the reason request code should have been CR – customer request as the customer in all four cases wanted to amend the switch move date.

Recommendation	Audited party comment
Develop matrix of common reasons to withdraw a switch that is mapped to the request reason codes that ensures the correct request reason code is accurately selected by users.	**Response:** Acknowledged **Comments:** This recommendation will be implemented with the Switching team members.

I checked ten examples where GNW files had been sent by other retailers and had been rejected by MegaTEL. In all cases, MegaTEL had sufficient information to support the rejection. 20.7% of GNW files received were rejected, which is more than the 2020 figure of 2.4%

13 of 130 GNW files sent by MegaTEL (10%) were rejected. The information used by MegaTEL at the time the NW was sent was valid.

Auditor comment			
Non-compliance	Description		
Report section: 9.6 Rule: 75.1 From: 11 March 2022 To: 19 May 2023	Audit history: No Controls: Acceptable Impact: Minor	The GNW for nine ICPs was incorrectly issued with reason request code of DF – date failed, when the reason request code should have been CR – customer request as the customer in all four cases wanted to amend the switch move date. There was no impact on submission because two GNWs were rejected prior to switch completion and seven were accepted by the other retailer prior to the creation of the GTN file.	
Remedial action rating		Remedial timeframe	Remedial comment
In progress		31/03/2024	MegaTEL will implement the solution recommended by the auditor to ensure all correct interpretation of the codes are applied
Audited party comment			
The circumstances of the matters outlined in the breach notice.			
Whether or not the participant admits or disputes that it is in breach.	Breach admitted		
Estimate of the impact of the breaches (where admitted).			
What steps or processes were in place to prevent the breaches?			
What steps have been taken to prevent recurrence?			

9.7 Switch Reading Negotiation (Rule 79, 81)

Where an actual or customer read received after an ICP switches in that is either lower than the switch event reading, or significantly higher than the switch event reading then a meter reading exception is created and investigated. Nova Energy requests a check read to be obtained and from the two available actual reads a decision is made whether to request a switch read negotiation (GNC) via the registry.

It is a manual process to create GNC files and a template is used to calculate, from the obtained actual reads and read dates plus the switch transfer date, a suitable alternative switch event reading.

NOVA

Analysis was undertaken of GNCs (switch read negotiation) to identify the number within each reason category. This was done as both the recipient of the GNC and as the initiator of the GNC. The results are shown in the tables below.

GNC sent by GNVG

	Count	%
GNT files	5,516	
GNC requests	415	
Ratio GNC to GNT		7.52%
GNC Accepted	319	76.87%
GNC Rejected	96	23.13%

There were 415 instances of Nova Energy sending a GNC. I checked a sample of 40 and all were found to be substantiated. 11 GNC files (ICPs 0000432301QTA86, 0003013060NG6EF, 0003013060NG6EF, 1000580215PG7F1, 1001296440NG65B, 1002068621QT760, 0001123551PGC1D, 0001424033QT560, 0001536701QT2D2, 0001704341QT6C2) had the readings identified as actuals, but they were estimates calculated from the template.

There was no impact on settlement or the customer because the 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 volumes.

Recommendation	Audited party comment
Investigate expanding the current switch read amendment template to also populate the GNC file format that will ensure the correct read type is applied for all GNC files.	**Response:** Acknowledged **Comments:** Read types for read amendments are manually inserted into Orion and the file is exported from Orion. Proposed reads are calculated manually in an external tool from the billing platform. Nova will investigate a solution for the billing platform to complete the read amendment calculation.

GNC received by GNVG

	Count	%
GTN files	12,116	
GNC requests	365	
Ratio GNC to GNT		3.01%
GNC Accepted	326	89.31%
GNC Rejected	216	10.69%

There were 365 GNCs sent by other retailers, indicating inaccurate switch reads by Nova Energy.

There were 39 GAC files sent by Nova Energy where they rejected the other retailer's switch read, down from 71 for the previous audit period. There were 95 ICPs where the other retailer rejected Nova Energy's proposed read, up from 45 for the previous audit period.

20 rejected GAC files sent and 20 rejected GAC files received were examined and I found that rejections only occurred when there was disagreement with the reading provided and acceptance was then confirmed once a reading had been further negotiated.

<table>
<tr><td colspan="4">Auditor comment</td></tr>
<tr><td>Non-compliance</td><td colspan="3">Description</td></tr>
<tr><td>Report section: 9.7
Rule: 79.4.6

From: 10 January 2022
To: 6 April 2023</td><td>Audit history: Yes
Controls: Acceptable
Impact: Insignificant</td><td colspan="2">11 GNC files had the readings identified as actuals, but they were estimates calculated from the template.
There was no impact on submission because the 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 volumes.</td></tr>
<tr><td colspan="2">Remedial action rating</td><td>Remedial timeframe</td><td>Remedial comment</td></tr>
<tr><td colspan="2">In progress</td><td>Ongoing</td><td>Refresher training will continue to be provided to all staff undertaking this process. An automated systems-based solution will be investigated.</td></tr>
<tr><td colspan="4">Audited party comment</td></tr>
<tr><td colspan="2">The circumstances of the matters outlined in the breach notice.</td><td colspan="2">The GNC is a manual process to validate the change in reads and consumption calculations. Due to human error, the corrected reads were entered incorrectly as actuals.</td></tr>
<tr><td colspan="2">Whether or not the participant admits or disputes that it is in breach.</td><td colspan="2">Breach admitted.</td></tr>
<tr><td colspan="2">Estimate of the impact of the breaches (where admitted).</td><td colspan="2">Insignificant. While the wrong read code was represented on the Registry, the correct information was provided to the other retailer, with an accurate read.</td></tr>
<tr><td colspan="2">What steps or processes were in place to prevent the breaches?</td><td colspan="2"></td></tr>
<tr><td colspan="2">What steps have been taken to prevent recurrence?</td><td colspan="2"></td></tr>
</table>

MegaTEL

The same process as for Nova Energy for determining if a switch read negotiation is required is applied to MegaTEL.

GNC sent by MEGA

	Count	%
GNT files	1,392	
GNC requests	88	
Ratio GNC to GNT		6.32%
GNC Accepted	71	80.68%
GNC Rejected	17	19.32%

There were 88 instances of MegaTEL sending a GNC. A sample of 20 of their GNCs were reviewed and all were found to be substantiated. Three GNC files (ICPs 0000382711QT728, 0002271941QT749, 1002035781QTF2F) had the readings identified as actuals, but they were estimates calculated from the template.

There was no impact on settlement or the customer because the 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 volumes.

GNC received by MEGA

	Count	%
GTN files	794	
GNC requests	33	
Ratio GNC to GNT		4.16%
GNC Accepted	26	78.79%
GNC Rejected	7	21.21%

There were seven GAC files sent by MegaTEL where they rejected the other retailer's switch read, an increase from six recorded for the previous audit period. 17 GNCs were rejected by other retailers, an increase from zero for the previous audit period. The reasons were checked and confirmed as reasonable.

Auditor comment		
Non-compliance	Description	
Report section: 9.7 Rule: 79.4.6 From: 11 April 2022 To: 3 April 2023	Audit history: Yes Controls: Acceptable Impact: Insignificant	Three GNC files had the readings identified as actuals, but they were estimates calculated from the template. There was no impact on submission because the 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 volumes.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	Ongoing	Refresher training will continue to be provided to all staff who complete the process

Audited party comment	
The circumstances of the matters outlined in the breach notice.	Due to the manual nature of the process, incorrect read types were used when the reads were entered.
Whether or not the participant admits or disputes that it is in breach.	Breach admitted
Estimate of the impact of the breaches (where admitted).	
What steps or processes were in place to prevent the breaches?	
What steps have been taken to prevent recurrence?	

10. Bypass of Distributor (Rule 82)

Nova Energy has not been involved in any new bypass events during the audit period. Compliance is confirmed.

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

11. Recommendations

Nova Energy

Nine recommendations were made during this audit, as follows:

- Refresh the participant registration information to ensure there is sufficient and current contact information relating to the respective teams responsible for registry interactions.
- As part of the registry data correction process ensure there is a feedback loop to the original user who made the error to ensure users are aware of the need to check that the registry attributes are correctly applied in the initial event. This will reduce the ongoing volume of required remedial registry corrections.
- Ensure meter owners are advised where discrepancies between the initial ACTC status and metering event dates are identified to ensure the Registry is updated.
- Ensure the outstanding list of potential allocation group updates are reviewed and updated.
- Ensure allocation group exception report is run on a regular cycle and also reviewed after each generation of the report.
- Review meter set up process and exception monitoring for Orion to ensure the correct network pressure is applied for all new meter set ups.
- Ensure the meter serial number report is actively monitored and exceptions actioned in a timely manner to ensure the billing, switching and submission processes are not impacted.

- Review the online sign up process to improve the accuracy of the information provided by customers to enable accurate switch types to be determined.
- Investigate expanding the current switch read amendment template to also populate the GNC file format that will ensure the correct read type is applied for all GNC files.

MegaTEL

Three recommendations were made during this audit, as follows:

- Implement a process to actively monitor the registry 'RSREADY' report and match the ICPs listed against received customer supply applications to ensure all proposed new connections are accounted for.
- Review new connection process so that once a supply agreement has been entered into with a consumer, that the registry is updated to reflect this.
- Develop matrix of common reasons to withdraw a switch that is mapped to the request reason codes that ensures the correct request reason code is accurately selected by users.

Appendix 1 – Control Rating Definitions[1]

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.

[1] All relevant systems and processes in place

Appendix 2 – Impact Rating Definitions[1]

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.

[1] These ratings are indicative and will be used as a guide only, to aid the Market Administrator's assessment of alleged breaches.

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 – Nova Energy Comments

Nova Energy would like to thank Crosshaven for undertaking this audit.

The impacts of the pandemic and resulting resource constraints across the audit period is reflected in a number of areas with minor impact;

- Access to customers meters for meter maintenance and read attainment within timeframes.
- Contractor availability
- Resource impacts internally due to high turnover, increased unplanned leave and the industry wide recruitment issues.

In the last 12 months Nova has been able to restore teams to full head count, changed operational structures to support workflow management and is currently undertaking platform improvements to further improve compliance outcomes. The recommendations received during this audit are being incorporated into this existing body of work.