

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**

For

**CHRISTCHURCH INTERNATIONAL  
AIRPORT LTD (CIAL)  
NZBN: 9429039502940**

Prepared by: Rebecca Elliot

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## TABLE OF CONTENTS

|  |    |
|--|----|
| Executive summary .....  | 4  |
| Audit summary .....  | 5  |
| Non-compliances .....  | 5  |
| Recommendations .....  | 5  |
| Issues .....   | 5  |
| 1. Administrative .....  | 6  |
| 1.1. Exemptions from Obligations to Comply with Code (Section 11) .....                                      | 6  |
| 1.2. Structure of Organisation .....   | 6  |
| 1.3. Persons involved in this audit .....  | 7  |
| 1.4. Use of contractors (Clause 11.2A) .....   | 7  |
| 1.5. Supplier list .....   | 7  |
| 1.6. Hardware and Software .....   | 7  |
| 1.7. Breaches or Breach Allegations .....  | 7  |
| 1.8. ICP and NSP Data .....  | 8  |
| 1.9. Authorisation Received .....  | 9  |
| 1.10. Scope of Audit .....   | 9  |
| 1.11. Summary of previous audit .....  | 9  |
| 2. Operational Infrastructure .....  | 10 |
| 2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1)) ..                | 10 |
| 2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2)) .....  | 11 |
| 2.3. Removal or breakage of seals (Clause 48(1A) and 48(1B) of Schedule 10.7) .....                          | 12 |
| 2.4. Provision of information on dispute resolution scheme (Clause 11.30A) .....                             | 13 |
| 3. Creation of ICPs .....  | 14 |
| 3.1. Distributors must create ICPs (Clause 11.4) .....   | 14 |
| 3.2. Participants may request distributors to create ICPs (Clause 11.5(3)) .....                             | 14 |
| 3.3. Provision of ICP Information to the registry manager (Clause 11.7) .....                                | 15 |
| 3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule 11.1) ..... | 15 |
| 3.5. Timeliness of Provision of Initial Electrical Connection Date (Clause 7(2A) of Schedule 11.1) .....     | 16 |
| 3.6. Connection of ICP that is not an NSP (Clause 11.17) .....   | 16 |
| 3.7. Connection of ICP that is not an NSP (Clause 10.31) .....   | 17 |
| 3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A) .....                         | 17 |
| 3.9. Connection of NSP that is not point of connection to grid (Clause 10.30) .....                          | 18 |
| 3.10. Temporary electrical connection of NSP that is not point of connection to grid (Clause 10.30(A)) ..... | 18 |
| 3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1) .....   | 19 |
| 3.12. Loss category (Clause 6 Schedule 11.1) .....   | 19 |
| 3.13. Management of “new” status (Clause 13 Schedule 11.1) .....   | 19 |
| 3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1) .....                                 | 20 |
| 3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1) .....                                    | 20 |
| 3.16. Electrical connection of a point of connection (Clause 10.33A) .....                                   | 21 |
| 3.17. Electrical disconnection of a point of connection (Clause 10.30C and 10.31C) .....                     | 21 |
| 3.18. Meter bridging (Clause 10.33C) .....   | 22 |
| 4. Maintenance of registry information .....   | 23 |

|                      |   |    |
|----------------------|---|----|
| 4.1.                 | Changes to registry information (Clause 8 Schedule 11.1) .....  | 23 |
| 4.2.                 | Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1) .....   | 24 |
| 4.3.                 | Customer queries about ICP (Clause 11.31).....  | 26 |
| 4.4.                 | ICP location address (Clause 2 Schedule 11.1).....  | 26 |
| 4.5.                 | Electrically disconnecting an ICP (Clause 3 Schedule 11.1).....   | 26 |
| 4.6.                 | Distributors to Provide ICP Information to the Registry manager (Clause 7(1) Schedule 11.1)<br>.....                            | 27 |
| 4.7.                 | Provision of information to registry after the trading of electricity at the ICP commences<br>(Clause 7(3) Schedule 11.1) ..... | 29 |
| 4.8.                 | GPS coordinates (Clause 7(8) and (9) Schedule 11.1) .....   | 29 |
| 4.9.                 | Management of “ready” status (Clause 14 Schedule 11.1) .....  | 30 |
| 4.10.                | Management of “distributor” status (Clause 16 Schedule 11.1) .....  | 30 |
| 4.11.                | Management of “decommissioned” status (Clause 20 Schedule 11.1) .....   | 31 |
| 4.12.                | Maintenance of price category codes (Clause 23 Schedule 11.1).....  | 31 |
| 5.                   | Creation and maintenance of loss factors .....  | 32 |
| 5.1.                 | Updating table of loss category codes (Clause 21 Schedule 11.1) .....   | 32 |
| 5.2.                 | Updating loss factors (Clause 22 Schedule 11.1) .....   | 32 |
| 6.                   | Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs).....                                  | 33 |
| 6.1.                 | Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1).....   | 33 |
| 6.2.                 | Provision of NSP information (Clause 26(1) and (2) Schedule 11.1).....  | 33 |
| 6.3.                 | Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1) .....   | 34 |
| 6.4.                 | Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1) ....   | 34 |
| 6.5.                 | Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1) .....  | 35 |
| 6.6.                 | Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1) .....   | 35 |
| 6.7.                 | Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2) .....  | 36 |
| 6.8.                 | Responsibility for metering information for NSP that is not a POC to the grid (Clause<br>10.25(1) and 10.25(3)) .....           | 36 |
| 6.9.                 | Responsibility for metering information when creating an NSP that is not a POC to the grid<br>(Clause 10.25(2)).....            | 37 |
| 6.10.                | Obligations concerning change in network owner (Clause 29 Schedule 11.1) .....  | 38 |
| 6.11.                | Change of MEP for embedded network gate meter (Clause 10.22(1)(b)) .....  | 38 |
| 6.12.                | Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2) .....  | 39 |
| 6.13.                | Transfer of ICPs for embedded network (Clause 6 Schedule 11.2).....   | 39 |
| 7.                   | Maintenance of shared unmetered load .....  | 40 |
| 7.1.                 | Notification of shared unmetered load ICP list (Clause 11.14(2) and (4)) .....  | 40 |
| 7.2.                 | Changes to shared unmetered load (Clause 11.14(5)).....   | 40 |
| 8.                   | Calculation of loss factors .....   | 41 |
| 8.1.                 | Creation of loss factors (Clause 11.2).....   | 41 |
| Conclusion           | .....   | 42 |
| Participant response | .....   | 43 |

## EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Christchurch International Airport Ltd (CIAL)** to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

CIAL's compliance is reliant on the compliance of TENCO, as the contractor.

The audit found two non-compliances, and no recommendations were made. Both non-compliances relate to the same issue. A correction was applied in the last audit to the initial electrical connection date, and the NSP was incorrectly changed from CIA0111 to CIA0112 when this was corrected. The NSPs are in different balancing areas so this will have effected reconciliation. This has been corrected to CIA0111 effective from 1 September 2020. Corrections will flow through the 14-month revision cycle, but the period from 30 August 2018 to 31 August 2020 will have been reconciled to the incorrect balancing area. The ICP consumes on average 6,000 kWh per month. Therefore, I estimate 144,000 kWh will have been reconciled incorrectly.

The next audit frequency table indicates that the next audit should be due in 12 months. I have considered this in conjunction with the comments provided and that the two non-compliances found relate to the same issue and therefore I recommend that the next audit be in 24 months.

The matters raised are set out in the table below.

## AUDIT SUMMARY

### NON-COMPLIANCES

| Subject  | Section | Clause                            | Non-Compliance   | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|--|---------|-----------------------------------|--|----------|-------------------|--------------------|-----------------|
| Requirement to provide complete and accurate information | 2.1     | 11.2(1) and 10.6(1)               | ICP 9999999993CL5F5 was recorded against the incorrect NSP resulting in an estimated 144,000 kWh being reconciled to the incorrect balancing area. | Moderate | High              | 6                  | Identified      |
| Notice of NSP for each ICP                               | 4.2     | 7(1), 7(4) and 7(5) Schedule 11.1 | ICP 9999999993CL5F5 was recorded against the incorrect NSP resulting in an estimated 144,000 kWh being reconciled to the incorrect balancing area. | Moderate | High              | 6                  | Identified      |
| Future Risk Rating                                       |         |                                   |  |          |                   | 12                 |                 |

|                            |           |           |           |           |          |          |
|----------------------------|-----------|-----------|-----------|-----------|----------|----------|
| Future risk rating         | 0-1       | 2-5       | 6-8       | 9-20      | 21-29    | 30+      |
| Indicative audit frequency | 36 months | 24 months | 18 months | 12 months | 6 months | 3 months |

### RECOMMENDATIONS

| Subject | Section | Recommendation | Description |
|---------|---------|----------------|-------------|
|         |         | Nil            |             |

### ISSUES

| Subject | Section | Issue | Description |
|---------|---------|-------|-------------|
|         |         | Nil   |             |

## 1. ADMINISTRATIVE

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

#### Code reference

*Section 11 of Electricity Industry Act 2010.*

#### Code related audit information

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

#### Audit observation

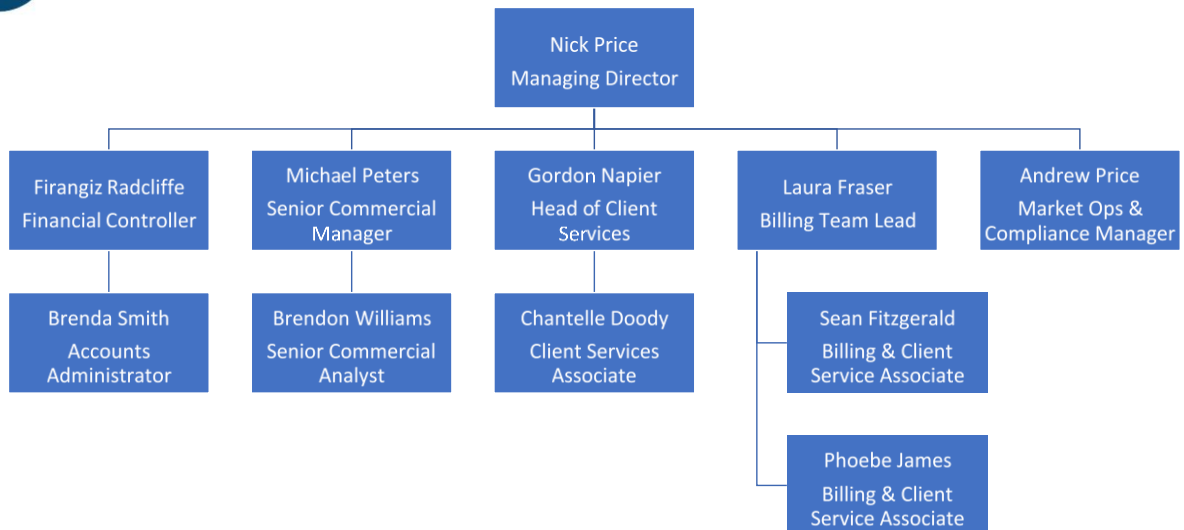
The Electricity Authority website was checked to determine whether CIAL has any Code exemptions in place.

#### Audit commentary

Review of exemptions on the Electricity Authority website confirmed that there are no exemptions in place for CIAL.

### 1.2. Structure of Organisation

TENCO provided an organisation chart:



### 1.3. Persons involved in this audit

Auditor:

| Name           | Role               |
|----------------|--------------------|
| Rebecca Elliot | Lead Auditor       |
| Claire Stanley | Supporting Auditor |

Personnel assisting in this audit were:

| Name         | Title                                    | Organisation |
|--------------|--|--------------|
| Nick Price   | Managing Director                        | TENCO        |
| Andrew Price | Market Operations and Compliance Manager | TENCO        |

### 1.4. Use of contractors (Clause 11.2A)

#### Code reference

Clause 11.2A

#### Code related audit information

*A participant who uses a contractor*

- *remains responsible for the contractor's fulfilment of the participants Code obligations*
- *cannot assert that it is not responsible or liable for the obligation due to the action of a contractor*
- *must ensure that the contractor has at least the specified level of skill, expertise, experience, or qualification that the participant would be required to have if it were performing the obligation itself.*

#### Audit observation

TENCO performs all CIAL's responsibilities.

### 1.5. Supplier list

All activities covered by the scope of this audit are conducted by TENCO.

### 1.6. Hardware and Software

Hardware and software is discussed in the TENCO agent audit report.

### 1.7. Breaches or Breach Allegations

CIAL has not had any breach allegations relevant to this audit recorded by the Electricity Authority.

## 1.8. ICP and NSP Data

Review of the NSP table showed CIAL had the following NSPs as of 1 October 2021.

| Dist | NSP POC | Description               | Parent POC | Parent Network | Balancing Area | Network type | Start date | No of ICPs |
|------|---------|---------------------------|------------|----------------|----------------|--------------|------------|------------|
| CIAL | CIA0041 | CHRISTCHURCH INTL AIRPORT | ISL0661    | ORON           | CIA0041CIALE   | E            | 1/04/2019  | 4          |
| CIAL | CIA0111 | CHRISTCHURCH INTL AIRPORT | BRY0661    | ORON           | CIA0111CIALE   | E            | 15/09/2021 | 2          |
| CIAL | CIA0112 | CHRISTCHURCH INTL AIRPORT | BRY0661    | ORON           | CIA0112CIALE   | E            | 15/09/2021 | 4          |

The existing networks with start dates during the audit period have been reset due to a change to the Parent POC for CIA0112 and CIA0111, and a change of retailer on the residual ICP for CIA041.

No NSPs were decommissioned or transferred to or from other networks during the audit period.

Active ICP numbers are as of 1 October 2021.

| Status   | Number of ICPs (2021) | Number of ICPs (2019) | Number of ICPs (2017) | Number of ICPs (2016) |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| New (999,0)  | -                     | -                     | -                     | -                     |
| Ready (0,0)  | -                     | -                     | -                     | -                     |
| Active (2,0)   | 10                    | 10                    | 9                     | 7                     |
| Distributor (888,0)  | -                     | -                     | -                     | -                     |
| Inactive – new connection in progress (1,12)                         | -                     | -                     | -                     | -                     |
| Inactive – electrically disconnected vacant property (1,4)           | -                     | -                     | -                     | -                     |
| Inactive – electrically disconnected remotely by AMI meter (1,7)     | -                     | -                     | -                     | -                     |
| Inactive – electrically disconnected at pole fuse (1,8)              | -                     | -                     | -                     | -                     |
| Inactive – electrically disconnected due to meter disconnected (1,9) | -                     | -                     | -                     | -                     |
| Inactive – electrically disconnected at meter box fuse (1,10)        | -                     | -                     | -                     | -                     |
| Inactive – electrically disconnected at meter box switch (1,11)      | -                     | -                     | -                     | -                     |
| Inactive – electrically disconnected ready for decommissioning (1,6) | -                     | -                     | -                     | -                     |
| Inactive – reconciled elsewhere (1,5)                                | -                     | -                     | -                     | -                     |
| Decommissioned (3)   | 10                    | 10                    | 10                    | 10                    |



### 1.9. Authorisation Received

A letter of authorisation was provided.

### 1.10. Scope of Audit

This Distributor audit was performed at the request of CIAL, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

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

| Functions Requiring Audit Under Clause 11.10(4) of Part 11                                | Contractors Involved in Performance of Tasks |
|---|--|
| The creation of ICP identifiers for ICPs.   | TENCO  |
| The provision of ICP information to the registry and the maintenance of that information. |  |
| The creation and maintenance of loss factors.   |  |

The audit report for TENCO will be submitted with this audit.

### 1.11. Summary of previous audit

The previous audit was conducted in January 2020 by Tara Gannon of Veritek Limited. The audit recorded three non-compliances. The current statuses of the non-compliances are listed below.

#### Table of Non-compliance

| Subject   | Section | Clause              | Non-compliance   | Status                               |
|---|---------|---------------------|--|--------------------------------------|
| Requirement to provide complete and accurate information        | 2.1     | 11.2(1) and 10.6(1) | 9999999993CL5F5 had an incorrect event date applied for its initial electrical connection date registry update, 29/08/18 was applied instead of 30/08/18.      | Still existing for a different issue |
| Distributors to Provide ICP Information to the Registry manager | 4.6     | 7(1) Schedule 11.1  | 9999999993CL5F5 had an incorrect event date applied for its initial electrical connection date registry update, 29/08/18 was applied instead of 30/08/18.      | Cleared                              |
| Creation of loss factors  | 8.1     | 11.12               | CIALV1 was incorrectly recorded on the registry and pricing schedules as 1.0283 instead of 1.0293. The loss factor has been corrected effective from 01/03/20. | Cleared                              |

## 2. OPERATIONAL INFRASTRUCTURE

### 2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1))

#### Code reference

*Clause 11.2(1) and 10.6(1)*

#### Code related audit information

*A participant must take all practicable steps to ensure that information that the participant is required to provide to any person under Parts 10 or 11 is:*

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

#### Audit observation

The management of this process is discussed in the TENCO report. The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021, and NSP table were examined to confirm compliance.

#### Audit commentary

Data completeness and accuracy was reviewed, and one incorrect NSP was identified. The NSP was incorrect for ICP 999999993CL5F5. A correction was applied in the last audit to the initial electrical connection date, and the NSP was incorrectly changed from CIA0111 to CIA0112 when this was corrected. The NSPs are in different balancing areas so this will have effected reconciliation. This has been corrected to CIA0111 effective from 1 September 2020. Corrections will flow through the 14-month revision cycle, but the period from 30 August 2018 to 31 August 2020 will have been reconciled to the incorrect balancing area. The ICP consumes on average 6,000 kWh per month. Therefore, I estimate 144,000 kWh will have been reconciled to the incorrect balancing area. This is recorded as non-compliance below and in **section 4.2**.

#### Audit outcome

Non-compliant

| Non-compliance   | Description  |                 |                        |
|--|--|-----------------|------------------------|
| Audit Ref: 2.1<br>With: 11.2(1) and 10.6(1)<br><br>From: 30-Aug-18<br>To: 03-Nov-21  | ICP 999999993CL5F5 was recorded against the incorrect NSP resulting in an estimated 144,000 kWh being reconciled to the incorrect balancing area.<br><br>Potential impact: High<br><br>Actual impact: High<br><br>Audit history: None<br><br>Controls: Moderate<br><br>Breach risk rating: 6 |                 |                        |
| Audit risk rating  | Rationale for audit risk rating  |                 |                        |
| High   | The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.<br><br>The audit risk rating is assessed to be high as an estimated 144,000 kWh will have been reconciled to the incorrect NSP and balancing area.                      |                 |                        |
| Actions taken to resolve the issue   |  | Completion date | Remedial action status |
| Upon being made aware of the issue during this current audit a correction was put through effective from the 01/09/2020 to correct the NSP. The issue was a result of a Tenco staff member during the last audit being asked to correct the IED date however incorrectly also updated the NSP which looks to have occurred as a result of doing a reversal on the prior event as opposed to just updating as a correction which they should have done. The mitigating factor to market impact is that CIAL have 3 NSP's all with residual ICP's on them therefore any mis allocated load during the period 30 August 2018 to 31 August 2020 will have been collected on the other NSP residual ICP and paid for by CIAL to their retailer. |  | 03/11/2021      | Identified             |
| Preventative actions taken to ensure no further issues will occur  |  | Completion date |                        |
| Stronger controls and process are in place for the updating of ICP's in Registry and ensuring that the correct records are maintained with Registry updates currently only being completed via Tenco Market Operations and Compliance Manager or Managing Director. In 2022 Tenco will be implementing Axos Registry Manager which will manage registry updates and avoid any manual input/reversals occurring in the future.  |  | On going        |                        |

## 2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2))

### Code reference

Clause 11.2(2) and 10.6(2)

### Code related audit information

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

### Audit observation

Processes to provide information were reviewed and observed throughout the audit, and as part of TENCO's agent audit.

### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause. Incorrect information is normally corrected daily, or as soon as possible upon discovery.

### Audit outcome

Compliant

## 2.3. Removal or breakage of seals (Clause 48(1A) and 48(1B) of Schedule 10.7)

### Code reference

*Clause 48(1A) and 48(1B) of Schedule 10.7*

### Code related audit information

*If the distributor provides a load control signal to a load control switch in the metering installation, the distributor can remove or break a seal without authorisation from the MEP to bridge or unbridge the load control device or load control switch – as long as the load control switch does not control a time block meter channel.*

*If the distributor removes or breaks a seal in this way, it must:*

- *ensure personnel are qualified to remove the seal and perform the permitted work and they replace the seal in accordance with the Code*
- *replace the seal with its own seal*
- *have a process for tracing the new seal to the personnel*
- *notify the metering equipment provider and trader*

### Audit observation

The PR-255 file was examined to determine whether load control exists. The management of removal and breakage of seals was discussed.

### Audit commentary

Compliance is recorded in the TENCO audit. CIAL do not complete any work requiring a change of seal, the retailer will initiate any such work required with a contractor.

### Audit outcome

Compliant

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

### Code reference

Clause 11.30A

### Code related audit information

*A distributor must provide clear and prominent information about Utilities Disputes:*

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

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

### Audit observation

The TENCO agent audit report discusses the management of this information. The Disputes Resolution information was examined for TENC to determine compliance. The TENCO website was checked, and email signatures on out-going emails were checked.

### Audit commentary

All of these provided clear and prominent information about Utilities Disputes for the consumer, including contact details and links to the Utilities Disputes website. The link on the TENCO website is provided by selecting 'Contact Us'.

### 3. CREATION OF ICPS

#### 3.1. Distributors must create ICPs (Clause 11.4)

##### Code reference

Clause 11.4

##### Code related audit information

*The distributor must create an ICP identifier in accordance with Clause 1 of Schedule 11.1 for each ICP on the distributor's network. This includes an ICP identifier for the point of connection at which an embedded network connects to the distributor's network.*

##### Audit observation

The new connection process is discussed in the TENCO audit report.

The registry list as of 30 September 2021 was reviewed to identify all new connections during the period and check that ICPs were created as required by this clause.

##### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause. Examination of the registry list did not identify any new ICPs created during the report period in accordance with this clause.

##### Audit outcome

Compliant

#### 3.2. Participants may request distributors to create ICPs (Clause 11.5(3))

##### Code reference

Clause 11.5(3)

##### Code related audit information

*The distributor, within three business days of receiving a request for the creation of an ICP identifier for an ICP, must either create a new ICP identifier or advise the participant of the reasons it is unable to comply with the request.*

##### Audit observation

The new connection process is discussed in the TENCO audit report. ICP requests are made by embedded network management or traders. If the request is not made by a trader this rule does not apply.

No new connections were created during the audit period.

##### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

##### Audit outcome

Compliant

### 3.3. Provision of ICP Information to the registry manager (Clause 11.7)

#### Code reference

Clause 11.7

#### Code related audit information

*The distributor must provide information about ICPs on its network in accordance with Schedule 11.1.*

#### Audit observation

The new connection process is discussed in the TENCO audit report.

The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were reviewed to identify any new connections during the period and check that information was provided as required by this clause.

#### Audit commentary

No new connections were created during the audit period.

#### Audit outcome

Compliant

### 3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule 11.1)

#### Code reference

Clause 7(2) of Schedule 11.1

#### Code related audit information

*The distributor must provide information specified in Clauses 7(1)(a) to 7(1)(o) of Schedule 11.1 as soon as practicable and prior to electricity being traded at the ICP.*

#### Audit observation

The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were examined to determine the timeliness of the provision of ICP information for new connections.

#### Audit commentary

The distributor must provide to the registry the information listed in clause 7(1) of schedule 11.1 as soon as practicable, and before electricity is traded at the ICP.

No new connections were created during the audit period.

#### Audit outcome

Compliant

### 3.5. Timeliness of Provision of Initial Electrical Connection Date (Clause 7(2A) of Schedule 11.1)

#### Code reference

*Clause 7(2A) of Schedule 11.1*

#### Code related audit information

*The distributor must provide the information specified in subclause (1)(p) to the registry manager no later than 10 business days after the date on which the ICP is initially electrically connected.*

#### Audit observation

The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were examined to determine the timeliness of the provision of initial electrical connection date information for new connections. One ICP was identified where the IECD was populated late.

#### Audit commentary

No new connections were created during the audit period.

The one late update was checked, it was a correction from the last audit that was back dated. When the correction was made the user changed the NSP back to CIA0112 in error, this was been corrected on the registry during the audit to CIA0111. This is recorded as non-compliance in **sections 2.1, and 4.2.**

#### Audit outcome

Compliant

### 3.6. Connection of ICP that is not an NSP (Clause 11.17)

#### Code reference

*Clause 11.17*

#### Code related audit information

*A distributor must, when connecting an ICP that is not an NSP, follow the connection process set out in Clause 10.31.*

*The distributor must not connect an ICP (except for an ICP across which unmetered load is shared) unless a trader is recorded in the registry as accepting responsibility for the ICP.*

*In respect of ICPs across which unmetered load is shared, the distributor must not connect an ICP unless a trader is recorded in the registry as accepting responsibility for the shared unmetered load, and all traders that are responsible for an ICP on the shared unmetered load have been advised.*

#### Audit observation

The new connection process was examined in **section 3.2.**

The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were examined to determine compliance.

#### Audit commentary

As discussed in the TENCO agent audit report, the new connection process requires applications for new connections to be approved by traders.

Review of the registry list confirmed that a trader is currently recorded for all active ICPs, and there is no known shared unmetered load on CIAL's network.



## Audit outcome

Compliant

### 3.7. Connection of ICP that is not an NSP (Clause 10.31)

#### Code reference

*Clause 10.31*

#### Code related audit information

*A distributor must not connect an ICP that is not an NSP unless requested to do so by the trader trading at the ICP, or if there is only shared unmetered load at the ICP and each trader has been advised.*

#### Audit observation

The new connection process was examined in **section 3.2**. The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were examined to determine compliance.

#### Audit commentary

As discussed in the TENCO agent audit report, the new connection process requires applications for new connections to be approved by traders.

Review of the registry list confirmed that a trader is currently recorded for all active ICPs.

## Audit outcome

Compliant

### 3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A)

#### Code reference

*Clause 10.31A*

#### Code related audit information

*A distributor may only temporarily electrically connect an ICP that is not an NSP if requested by an MEP for a purpose set out in clause 10.31A(2), and the MEP:*

- *has been authorised to make the request by the trader responsible for the ICP; and*
- *the MEP has an arrangement with that trader to provide metering services.*

*If the ICP is only shared unmetered load, the distributor must advise the traders of the intention to temporarily connect the ICP unless:*

- *advising all traders would impose a material cost on the distributor, and*
- *in the distributor's reasonable opinion, the advice would not result in any material benefit to any of the traders.*

#### Audit observation

The new connection process was examined in **section 3.2**. The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were examined to determine compliance.

#### Audit commentary

No temporary electrical connections were identified.

### Audit outcome

Compliant

## 3.9. Connection of NSP that is not point of connection to grid (Clause 10.30)

### Code reference

*Clause 10.30*

### Code related audit information

*A distributor must not connect an NSP on its network that is not a point of connection to the grid unless requested to do so by the reconciliation participant responsible for ensuring there is a metering installation for the point of connection.*

*The distributor must, within five business days of connecting the NSP that is not a point of connection to the grid, advise the reconciliation manager of the following in the prescribed form:*

- *the NSP that has been connected*
- *the date of the connection*
- *the participant identifier of the MEP for each metering installation for the NSP*
- *the certification expiry date of each metering installation for the NSP.*

### Audit observation

The NSP table was reviewed.

### Audit commentary

No new NSPs were connected during the audit period.

### Audit outcome

Compliant

## 3.10. Temporary electrical connection of NSP that is not point of connection to grid (Clause 10.30(A))

### Code reference

*Clause 10.30(A)*

### Code related audit information

*A distributor may only temporarily electrically connect an NSP that is not a point of connection to the grid if requested by an MEP for a purpose set out in clause 10.30A(3), and the MEP:*

- *has been authorised to make the request by the reconciliation participant responsible for the NSP; and*
- *the MEP has an arrangement with that reconciliation participant to provide metering services.*

### Audit observation

The NSP table was reviewed.

### Audit commentary

No new NSPs were connected during the audit period.

### Audit outcome

Compliant

### 3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1)

#### Code reference

*Clause 1(1) Schedule 11.1*

#### Code related audit information

*Each ICP created by the distributor in accordance with Clause 11.4 must have a unique identifier, called the “ICP identifier”, determined in accordance with the following format:*

*xxxxxxxxxxccc where:*

- xxxxxxxxxx is a numerical sequence provided by the distributor*
- xx is a code that ensures the ICP is unique (assigned by the Authority to the issuing distributor)*
- ccc is a checksum generated according to the algorithm provided by the Authority.*

#### Audit observation

The ICP creation process is discussed in the TENCO audit report.

#### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

#### Audit outcome

Compliant

### 3.12. Loss category (Clause 6 Schedule 11.1)

#### Code reference

*Clause 6 Schedule 11.1*

#### Code related audit information

*Each ICP must have a single loss category that is referenced to identify the associated loss factors.*

#### Audit observation

The list file as of 30 September 2021 was examined to confirm whether all active ICPs have a single loss category.

#### Audit commentary

Each active ICP only has a single loss category, which clearly identifies the relevant loss factor.

#### Audit outcome

Compliant

### 3.13. Management of “new” status (Clause 13 Schedule 11.1)

#### Code reference

*Clause 13 Schedule 11.1*

#### Code related audit information

*The ICP status of “New” must be managed by the distributor to indicate:*

- the associated electrical installations are in the construction phase (Clause 13(a) of Schedule 11.1)*
- the ICP is not ready for activation (Clause 13(b) of Schedule 11.1).*

### Audit observation

The ICP creation process was reviewed as part of the TENCO agent audit.

The registry list as for 23 November 2019 to 30 September 2021 was examined to determine compliance.

### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

No ICPs have had “new” status assigned during the audit period. Monitoring of ICPs at “new” status is discussed in **section 3.14**.

### Audit outcome

Compliant

## 3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1)

### Code reference

*Clause 15 Schedule 11.1*

### Code related audit information

*If an ICP has had the status of “New” or has had the status of “Ready” for 24 months or more:*

- *the distributor must ask the trader who intends to trade at the ICP whether the ICP should continue to have that status (Clause 15(2)(a) of Schedule 11.1)*
- *the distributor must decommission the ICP if the trader advises that the ICP should not continue to have that status (Clause 15(2)(b) of Schedule 11.1).*

### Audit observation

Monitoring of “new” and “ready” status is discussed in the TENCO report. The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were examined to determine compliance.

### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause. No ICPs currently have “new” or “ready” status.

### Audit outcome

Compliant

## 3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1)

### Code reference

*Clause 7(6) Schedule 11.1*

### Code related audit information

*If the ICP connects the distributor's network to an embedded generating station that has a capacity of 10 MW or more (clause 7(1)(f) of Schedule 11.1):*

- *The loss category code must be unique; and*
- *The distributor must provide the following to the reconciliation manager:*
  - *the unique loss category code assigned to the ICP*
  - *the ICP identifier of the ICP*
  - *the NSP identifier of the NSP to which the ICP is connected*

- *the plant name of the embedded generating station.*

#### **Audit observation**

The registry list as of 30 September 2021 was examined to determine compliance.

#### **Audit commentary**

Review of the registry list confirmed that no ICPs have embedded generation over 10 MW connected.

#### **Audit outcome**

Compliant

### **3.16. Electrical connection of a point of connection (Clause 10.33A)**

#### **Code reference**

*Clause 10.33A(4)*

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

*No participant may electrically connect a point of connection or authorise the electrical connection of a point of connection, other than a reconciliation participant.*

#### **Audit observation**

The new connection process of ICPs and NSPs is discussed in the TENCO report. The electrical connection of ICPs and NSPs for CIAL was discussed.

#### **Audit commentary**

Compliance is recorded in the TENCO audit report in relation to this clause.

No new ICPs or NSPs were electrically connected during the audit period.

#### **Audit outcome**

Compliant

### **3.17. Electrical disconnection of a point of connection (Clause 10.30C and 10.31C)**

#### **Code reference**

*Clause 10.30C and 10.31C*

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

*A distributor can only disconnect, or electrically disconnect an ICP on its network:*

- *if empowered to do so by legislation (including the Code)*
- *under its contract with the trader for that ICP or NSP*
- *under its contract with the consumer for that ICP*

#### **Audit observation**

Processes were examined for the disconnection and electrical disconnection of ICPs and NSPs.

### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

Compliance is confirmed for the process detailed in the TENCO agent report.

CIAL only conduct electrical disconnection where ICPs are to be decommissioned and they obtain permission from the trader prior to decommissioning.

No ICPS or NSPs were electrically disconnected and decommissioned during the audit period.

### Audit outcome

Compliant

## 3.18. Meter bridging (Clause 10.33C)

### Code reference

*Clause 10.33C*

### Code related audit information

*A distributor may only electrically connect an ICP in a way that bypasses a meter that is in place ("bridging") if the distributor has been authorised by the responsible trader.*

*The distributor can then only proceed with bridging the meter if, despite best endeavours:*

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

*If the distributor bridges a meter, the distributor must notify the responsible trader within 1 business day and include the date of bridging in its advice.*

### Audit observation

The process to manage this is discussed in the TENCO agent report. I checked for any bridged meters.

### Audit commentary

Compliance is confirmed in the TENCO agent report. I confirmed that no meters were bridged during the audit period.

### Audit outcome

Compliant

## 4. MAINTENANCE OF REGISTRY INFORMATION

### 4.1. Changes to registry information (Clause 8 Schedule 11.1)

#### Code reference

*Clause 8 Schedule 11.1*

#### Code related audit information

*If information held by the registry that relates to an ICP for which the distributor is responsible changes, the distributor must give written notice to the registry manager of that change.*

*Notification must be given by the distributor within three business days after the change takes effect, unless the change is to the NSP identifier of the NSP to which the ICP is usually connected (other than a change that is the result of the commissioning or decommissioning of an NSP).*

*In those cases, notification must be given no later than eight business days after the change takes effect.*

*If the change to the NSP identifier is for more than 10 business days, the notification must be provided no later than the 13<sup>th</sup> business day and be backdated to the date the change took effect.*

*In the case of decommissioning an ICP, notification must be given by the later of three business days after the registry manager has advised the distributor that the ICP is ready to be decommissioned, or three business days after the distributor has decommissioned the ICP.*

#### Audit observation

The management of this process is discussed in the TENCO report. I also examined the registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 to identify late changes to registry information during the report period.

Initial population of data for new connections is discussed in **sections 3. 3** and **3.5**.

#### Audit commentary

When information that is held by the registry changes, the distributor responsible for that ICP must provide notice to the registry of that change within three business days of that change taking effect. The event detail reports were examined to identify backdated event updates.

#### Address events

There were no address changes during the audit period.

#### Network events

All network events were made on time.

#### Pricing events

All pricing events were made on time.

#### Status events

There were no status changes during the audit period.

#### NSP changes

No NSP changes occurred during the audit period.

#### Audit outcome

Compliant

#### 4.2. Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1)

##### Code reference

*Clauses 7(1), 7(4) and 7(5) Schedule 11.1*

##### Code related audit information

*Under Clause 7(1)(b) of Schedule 11.1, the distributor must provide to the registry manager the NSP identifier of the NSP to which the ICP is usually connected.*

*If the distributor cannot identify the NSP that an ICP is connected to, the distributor must nominate the NSP that the distributor thinks is most likely to be connected to the ICP, taking into account the flow of electricity within its network, and the ICP is deemed to be connected to the nominated NSP.*

##### Audit observation

The management of this process is discussed in the TENCO report.

The combined registry compliance audit reports covering the period from 23 November 2019 to 30 September 2021 were examined to determine compliance.

##### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

I compared the registry list and NSP table and confirmed that all active ICPs were mapped to an NSP consistent with the ICP address information.

Review of the registry list for 23 November 2019 to 30 September 2021 identified one NSP change occurred during the report period. A correction was applied in the last audit to the initial electrical connection date, and the NSP was incorrectly changed from CIA0111 to CIA0112 when this was corrected. The NSPs are in different balancing areas so this will have effected reconciliation. This has been corrected to CIA0111 effective from 1 September 2020. Corrections will flow through the 14-month revision cycle, but the period from 30 August 2018 to 31 August 2020 will have been reconciled to the incorrect balancing area. The ICP consumes on average 6,000 kWh per month. Therefore, I estimate 144,000 kWh will have been reconciled incorrectly. This is recorded as non-compliance below and in **section 2.1**.

##### Audit outcome

Non-compliant



| Non-compliance  | Description  |                 |                        |
|---|--|-----------------|------------------------|
| <p>Audit Ref: 4.2</p> <p>With: 7(1), 7(4) and 7(5) Schedule 11.1</p> <p>From: 29-Aug-18</p> <p>To: 03-Nov-21</p>  | <p>ICP 9999999993CL5F5 was recorded against the incorrect NSP resulting in an estimated 144,000 kWh being reconciled to the incorrect balancing area.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 6</p> |                 |                        |
| Audit risk rating   | Rationale for audit risk rating  |                 |                        |
| High  | <p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The audit risk rating is assessed to be high as an estimated 144,000 kWh will have been reconciled to the incorrect NSP and balancing area.</p>                       |                 |                        |
| Actions taken to resolve the issue  |  | Completion date | Remedial action status |
| <p>Upon being made aware of the issue during this current audit a correction was put through effective from the 01/09/2020 to correct the NSP. The issue was a result of a Tenco staff member during the last audit being asked to correct the IED date however incorrectly also updated the NSP which looks to have occurred as a result of doing a reversal on the prior event as opposed to just updating as a correction which they should have done. The mitigating factor to market impact is that CIAL have 3 NSP's all with residual ICP's on them therefore any mis allocated load during the period 30 August 2018 to 31 August 2020 will have been collected on the other NSP residual ICP and paid for by CIAL to their retailer.</p> |  | 03/11/2021      | Identified             |
| Preventative actions taken to ensure no further issues will occur   |  | Completion date |                        |
| <p>Stronger controls and process are in place for the updating of ICP's in Registry and ensuring that the correct records are maintained with Registry updates currently only being completed via Tenco Market Operations and Compliance Manager or Managing Director. In 2022 Tenco will be implementing Axos Registry Manager which will manage registry updates and avoid any manual input/reversals occurring in the future.</p>  |  | On going        |                        |

#### 4.3. Customer queries about ICP (Clause 11.31)

##### Code reference

Clause 11.31

##### Code related audit information

*The distributor must advise a customer (or any person authorised by the customer) or embedded generator of the customer or embedded generator's ICP identifier within 3 business days after receiving a request for that information.*

##### Audit observation

The management of customer queries was examined.

##### Audit commentary

CIAL occasionally receives direct requests for ICP identifiers. These are provided immediately, by looking up the ICP based on information that the customer provides.

##### Audit outcome

Compliant

#### 4.4. ICP location address (Clause 2 Schedule 11.1)

##### Code reference

Clause 2 Schedule 11.1

##### Code related audit information

*Each ICP identifier must have a location address that allows the ICP to be readily located.*

##### Audit observation

The process to determine correct and unique addresses was examined during the TENCO agent audit. The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were examined to determine compliance.

##### Audit commentary

Compliance is confirmed in the TENCO agent report.

The audit compliance report recorded three ICPs with duplicate addresses. These are all residual load ICPs and are not required to be readily locatable.

All active ICPs which did not relate to residual load have complete and unique addresses recorded.

##### Audit outcome

Compliant

#### 4.5. Electrically disconnecting an ICP (Clause 3 Schedule 11.1)

##### Code reference

Clause 3 Schedule 11.1

##### Code related audit information

*Each ICP created after 7 October 2002 must be able to be electrically disconnected without electrically disconnecting another ICP, except for ICPs that are the point of connection between a network and an*

*embedded network, or ICPs that represent the consumption calculated by the difference between the total consumption for the embedded network and all other ICPs on the embedded network.*

#### **Audit observation**

The management of this process is discussed in the TENCO report.

#### **Audit commentary**

Compliance is recorded in the TENCO audit report in relation to this clause.

#### **Audit outcome**

Compliant

### **4.6. Distributors to Provide ICP Information to the Registry manager (Clause 7(1) Schedule 11.1)**

#### **Code reference**

*Clause 7(1) Schedule 11.1*

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

*For each ICP on the distributor's network, the distributor must provide the following information to the registry manager:*

- *the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)*
- *the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)*
- *the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)*
- *the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)*
- *the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)*
- *if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):*
  - a) *the unique loss category code assigned to the ICP*
  - b) *the ICP identifier of the ICP*
  - c) *the NSP identifier of the NSP to which the ICP is connected*
  - d) *the plant name of the embedded generating station*
- *the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)*
- *if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):*
  - a) *a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity*
  - b) *a blank chargeable capacity if the capacity value can be determined for a billing period from metering information collected for that billing period*
  - c) *if there is more than one capacity value at the ICP, and at least one, but not all, of those capacity values can be determined for a billing period from the metering information collected for that billing period-*
    - (i) *no capacity value recorded in the registry field for the chargeable capacity; and*

- (ii) either the term “POA” or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded
- d) if there is more than one capacity value at the ICP, and none of those capacity values can be determined for a billing period from the metering information collected for that billing period-
  - (i) the annual capacity value recorded in the registry field for the chargeable capacity; and
  - (ii) either the term “POA” or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded
- e) the actual chargeable capacity of the ICP in any other case
- the distributor installation details for the ICP determined by the price category code assigned to the ICP (if any), which may be placeholder distributor installation details only if the distributor is unable to assign the actual distributor installation details because the capacity or volume information required to assign the actual distributor installation details cannot be determined before electricity is traded at the ICP (Clause 7(1)(i) of Schedule 11.1)
- the participant identifier of the first trader who has entered into an arrangement to sell or purchase electricity at the ICP (only if the information is provided by the first trader) (Clause 7(1)(j) of Schedule 11.1)
- the status of the ICP (Clause 7(1)(k) of Schedule 11.1)
- designation of the ICP as "Dedicated" if the ICP is located in a balancing area that has more than 1 NSP located within it, and the ICP will be supplied only from the NSP advised under Clause 7(1)(b) of Schedule 11.1, or the ICP is a point of connection between a network and an embedded network (Clause 7(1)(l) of Schedule 11.1)
- if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (Clause 7(1)(m) of Schedule 11.1)
- if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (Clause 7(1)(n) of Schedule 11.1)
- if the ICP is capable of generating into the distributors network (Clause 7(1)(o) of Schedule 11.1):
  - a) the nameplate capacity of the generator; and
  - b) the fuel type,
- the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).

#### **Audit observation**

Processes to ensure information is accurate were examined during the TENCO agent audit. The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were examined to determine compliance.

#### **Audit commentary**

Data completeness and accuracy was reviewed and confirmed compliant unless discussed below.

#### **NSP**

ICP 9999999993CL5F5 was recorded against the incorrect NSP resulting in the volumes being reconciled against the incorrect NSP and balancing area. This is recorded as non-compliance in **sections 2.1 and 4.2**.

#### **Audit outcome**

Compliant

#### 4.7. Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1)

##### Code reference

*Clause 7(3) Schedule 11.1*

##### Code related audit information

*The distributor must provide the following information to the registry manager no later than 10 business days after the trading of electricity at the ICP commences:*

- *the actual price category code assigned to the ICP (Clause 7(3)(a) of Schedule 11.1)*
- *the actual chargeable capacity of the ICP determined by the price category code assigned to the ICP (if any) (Clause 7(3)(b) of Schedule 11.1)*
- *the actual distributor installation details of the ICP determined by the price category code assigned to the ICP (if any) (Clause 7(3)(c) of Schedule 11.1).*

##### Audit observation

The management of this process is discussed in the TENCO report.

The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were examined to determine compliance.

##### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

##### Audit outcome

Compliant

#### 4.8. GPS coordinates (Clause 7(8) and (9) Schedule 11.1)

##### Code reference

*Clause 7(8) and (9) Schedule 11.1*

##### Code related audit information

*If a distributor populates the GPS coordinates (optional), it must meet the NZTM2000 standard in a format specified by the Authority.*

##### Audit observation

The registry list as of 30 September 2021 was examined to confirm compliance.

##### Audit commentary

CIAL does not record GPS coordinates on the registry.

##### Audit outcome

Compliant

#### 4.9. Management of “ready” status (Clause 14 Schedule 11.1)

##### Code reference

*Clause 14 Schedule 11.1*

##### Code related audit information

*The ICP status of “Ready” must be managed by the distributor and indicates that:*

- *the associated electrical installations are ready for connecting to the electricity supply (Clause 14(1)(a) of Schedule 11.1); or*
- *the ICP is ready for activation by a trader (Clause 14(1)(b) of Schedule 11.1)*

*Before an ICP is given the “Ready” status in accordance with Clause 14(1) of Schedule 11.1, the distributor must:*

- *identify the trader that has taken responsibility for the ICP (Clause 14(2)(a) of Schedule 11.1)*
- *ensure the ICP has a single price category (Clause 14(2)(b) of Schedule 11.1).*

##### Audit observation

Processes to manage ICPs at “ready” status were reviewed as part of the TENCO agent audit.

The registry list as of 30 September 2021 was reviewed to identify all ICPs at “ready” status.

##### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

No ICPs are currently at the “ready” status.

##### Audit outcome

Compliant

#### 4.10. Management of “distributor” status (Clause 16 Schedule 11.1)

##### Code reference

*Clause 16 Schedule 11.1*

##### Code related audit information

*The ICP status of “distributor” must be managed by the distributor and indicates that the ICP record represents a shared unmetered load installation or the point of connection between an embedded network and its parent network.*

##### Audit observation

The registry list as of 30 September 2021 was reviewed to identify any ICPs at “distributor” status.

##### Audit commentary

The “distributor” status was not used at all during the report period.

##### Audit outcome

Compliant

#### 4.11. Management of “decommissioned” status (Clause 20 Schedule 11.1)

##### Code reference

Clause 20 Schedule 11.1

##### Code related audit information

*The ICP status of “decommissioned” must be managed by the distributor and indicates that the ICP is permanently removed from future switching and reconciliation processes (Clause 20(1) of Schedule 11.1).*

*Decommissioning only occurs when:*

- *electrical installations associated with the ICP are physically removed (Clause 20(2)(a) of Schedule 11.1); or*
- *there is a change in the allocation of electrical loads between ICPs with the effect of making the ICP obsolete (Clause 20(2)(b) of Schedule 11.1); or*
- *in the case of a distributor-only ICP for an embedded network, the embedded network no longer exists (Clause 20(2)(c) of Schedule 11.1).*

##### Audit observation

The management of this process is discussed in the TENCO report. The registry list as of 30 September 2021 and the combined registry compliance audit reports for 23 November 2019 to 30 September 2021 were examined to determine compliance.

##### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

No ICPs are currently at “ready for decommissioning” status, and no ICPs were decommissioned during the audit period.

##### Audit outcome

Compliant

#### 4.12. Maintenance of price category codes (Clause 23 Schedule 11.1)

##### Code reference

Clause 23 Schedule 11.1

##### Code related audit information

*The distributor must keep up to date the table in the registry of the price category codes that may be assigned to ICPs on each distributor's network by entering in the table any new price category codes.*

*Each entry must specify the date on which each price category code takes effect, which must not be earlier than two months after the date the code is entered in the table.*

*A price category code takes effect on the specified date.*

##### Audit observation

The price category code table on the registry was examined to determine compliance.

##### Audit commentary

No price categories were created or changed during the audit period.

##### Audit outcome

Compliant

## 5. CREATION AND MAINTENANCE OF LOSS FACTORS

### 5.1. Updating table of loss category codes (Clause 21 Schedule 11.1)

#### Code reference

*Clause 21 Schedule 11.1*

#### Code related audit information

*The distributor must keep the registry up to date with the loss category codes that may be assigned to ICPs on the distributor's network.*

*The distributor must specify the date on which each loss category code takes effect.*

*A loss category code takes effect on the specified date.*

#### Audit observation

The loss category code table on the registry was examined to determine compliance.

#### Audit commentary

CIAL did not create any new loss category codes during the audit period.

#### Audit outcome

Compliant

### 5.2. Updating loss factors (Clause 22 Schedule 11.1)

#### Code reference

*Clause 22 Schedule 11.1*

#### Code related audit information

*Each loss category code must have a maximum of two loss factors per calendar month. Each loss factor must cover a range of trading periods within that month so that all trading periods have a single applicable loss factor.*

*If the distributor wishes to replace an existing loss factor on the table in the registry, the distributor must enter the replaced loss factor on the table in the registry.*

#### Audit observation

The loss category code table on the registry was examined to determine compliance.

#### Audit commentary

CIAL did not update any loss factors during the audit period.

There was a maximum of one loss factor per loss factor category code per month, and all trading periods had a single applicable loss factor.

#### Audit outcome

Compliant



## 6. CREATION AND MAINTENANCE OF NSPS (INCLUDING DECOMMISSIONING OF NSPS AND TRANSFER OF ICPS)

### 6.1. Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1)

#### Code reference

*Clause 11.8 and Clause 25 Schedule 11.1*

#### Code related audit information

*If the distributor is creating or decommissioning an NSP that is an interconnection point between two local networks, the distributor must give written notice to the reconciliation manager of the creation or decommissioning.*

*If the embedded network owner is creating or decommissioning an NSP that is an interconnection point between two embedded networks, the embedded network owner must give written notice to the reconciliation manager of the creation or decommissioning.*

*If the distributor is creating or decommissioning an NSP that is a point of connection between an embedded network and another network, the distributor must give written notice to the reconciliation manager of the creation or decommissioning.*

*If the distributor wishes to change the record in the registry of an ICP that is not recorded as being usually connected to an NSP in the distributor's network, so that the ICP is recorded as being usually connected to an NSP in the distributor's network (a "transfer"), the distributor must:*

- give written notice to the reconciliation manager*
- give written notice to the Authority*
- give written notice to each affected reconciliation participant*
- comply with Schedule 11.2.*

#### Audit observation

The NSP table was examined.

#### Audit commentary

No NSPs were created, decommissioned, or transferred to or from CIAL during the audit period.

#### Audit outcome

Compliant

### 6.2. Provision of NSP information (Clause 26(1) and (2) Schedule 11.1)

#### Code reference

*Clause 26(1) and (2) Schedule 11.1*

#### Code related audit information

*If the distributor wishes to create an NSP or transfer an ICP as described above, the distributor must request that the reconciliation manager create a unique NSP identifier for the relevant NSP.*

*The request must be made at least 10 business days before the NSP is electrically connected, in respect of an NSP that is an interconnection point between two local networks. In all other cases, the request must be made at least one month before the NSP is electrically connected or the ICP is transferred.*

#### Audit observation

The NSP table was examined.

### Audit commentary

No new NSPs were created during the audit period.

### Audit outcome

Compliant

## 6.3. Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1)

### Code reference

*Clause 24(1) and Clause 26(3) Schedule 11.1*

### Code related audit information

*If a participant has notified the creation of an NSP on the distributor's network, the distributor must give written notice to the reconciliation manager of the following:*

- *if the NSP is to be located in a new balancing area, all relevant details necessary for the new balancing area to be created and notification that the NSP to be created is to be assigned to the new balancing area*
- *in all other cases, notification of the balancing area in which the NSP is located.*

### Audit observation

The NSP table was examined.

### Audit commentary

No new NSPs were created during the audit period, and notification of new balancing areas was not required.

### Audit outcome

Compliant

## 6.4. Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1)

### Code reference

*Clause 26(4) Schedule 11.1*

### Code related audit information

*If a participant notifies the creation of an NSP, or the transfer of an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor, the distributor must give notice to the reconciliation manager at least one month before the creation or transfer of:*

- *the network on which the NSP will be located after the creation or transfer (Clause 26(4)(a))*
- *the ICP identifier for the ICP that connects the network and the embedded network (Clause 26(4)(b))*
- *the date on which the creation or transfer will take effect (Clause 26(4)(c)).*

### Audit observation

The NSP table and the registry list for 23 November 2019 to 30 September 2021 were examined.

### Audit commentary

No NSPs were created or transferred to or from CIAL during the audit period. Notice of supporting embedded network information was not required.

#### **Audit outcome**

Compliant

### **6.5. Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1)**

#### **Code reference**

*Clause 24(2) and (3) Schedule 11.1*

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

*The distributor must give written notice to the reconciliation manager of any change to balancing areas associated with an NSP supplying the distributor's network. The notification must specify the date and trading period from which the change takes effect and be given no later than three business days after the change takes effect.*

#### **Audit observation**

The NSP table was examined.

#### **Audit commentary**

No balancing areas were changed during the audit period.

#### **Audit outcome**

Compliant

### **6.6. Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1)**

#### **Code reference**

*Clause 27 Schedule 11.1*

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

*If a transfer of an ICP results in an ICP becoming an NSP at which an embedded network connects to a network, or in an ICP becoming an NSP that is an interconnection point, in respect of the distributor's network, the distributor must give written notice to any trader trading at the ICP of the transfer at least one month before the transfer.*

#### **Audit observation**

The NSP table was examined.

#### **Audit commentary**

No existing ICPs became NSPs during the audit period.

#### **Audit outcome**

Compliant

#### 6.7. Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2)

##### Code reference

*Clause 1 to 4 Schedule 11.2*

##### Code related audit information

*If the distributor wishes to transfer an ICP, the distributor must give written notice to the Authority in the prescribed form, no later than three business days before the transfer takes effect.*

##### Audit observation

The NSP table and the registry list for 23 November 2019 to 30 September 2021 were examined.

##### Audit commentary

No ICPs were transferred from other networks during the audit period.

##### Audit outcome

Compliant

#### 6.8. Responsibility for metering information for NSP that is not a POC to the grid (Clause 10.25(1) and 10.25(3))

##### Code reference

*Clause 10.25(1) and 10.25(3)*

##### Code related audit information

*A network owner must, for each NSP that is not a point of connection to the grid for which it is responsible, ensure that:*

- *there is one or more metering installations (Clause 10.25(1)(a)); and*
- *the electricity is conveyed and quantified in accordance with the Code (Clause 10.25(1)(b))*

*For each NSP covered in 10.25(1) the network owner must, no later than 20 business days after a metering installation at the NSP is recertified advise the reconciliation manager of:*

- *the reconciliation participant for the NSP*
- *the participant identifier of the metering equipment provider for the metering installation*
- *the certification expiry date of the metering installation.*

##### Audit observation

Processes to ensure that meters are present and certified were reviewed as part of the TENCO agent audit.

The NSP table was examined.

### Audit commentary

Compliance is recorded for TENCO. The NSP table was reviewed:

| Distributor | NSP POC | Description                | MEP  | Certification Expiry |
|-------------|---------|----------------------------|------|----------------------|
| CIAL        | CIA0041 | CHRISTCHUR CH INTL AIRPORT | AMCI | 29/04/2023           |
| CIAL        | CIA0111 | CHRISTCHURCH INTL AIRPORT  | AMCI | 13/04/2023           |
| CIAL        | CIA0112 | CHRISTCHURCH INTL AIRPORT  | AMCI | 2/03/2022            |

All NSPs have certified metering installations. Meter certification details were updated for one NSP during the audit period and this was notified within the required timeframe.

### Audit outcome

Compliant

6.9. Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2))

### Code reference

Clause 10.25(2)

### Code related audit information

*If the network owner proposes the creation of a new NSP which is not a point of connection to the grid it must:*

- *assume responsibility for being the metering equipment provider (Clause 10.25(2)(a)(i)); or*
- *contract with a metering equipment provider to be the MEP (Clause 10.25(2)(a)(ii)); and*
- *no later than 20 business days after identifying the MEP advise the reconciliation manager in the prescribed form of:*
  - a) *the reconciliation participant for the NSP (Clause 10.25(2)(b)(i)); and*
  - b) *the MEP for the NSP (Clause 10.25(2)(b)(ii)); and*
  - c) *no later than 20 business days after the data of certification of each metering installation, advise the reconciliation participant for the NSP of the certification expiry date (Clause 10.25(2)(c)).*

### Audit observation

Processes to ensure that meters are present and certified were reviewed as part of the TENCO agent audit.

The NSP table was examined.

### Audit commentary

Compliance is recorded for TENCO.

No NSPs were created or transferred to CIAL during the audit period. Notifications were not required.

### Audit outcome

Compliant

## 6.10. Obligations concerning change in network owner (Clause 29 Schedule 11.1)

### Code reference

*Clause 29 Schedule 11.1*

### Code related audit information

*If a network owner acquires all or part of a network, the network owner must give written notice to:*

- *the previous network owner (Clause 29(1)(a) of Schedule 11.1)*
- *the reconciliation manager (Clause 29(1)(b) of Schedule 11.1)*
- *the Authority (Clause 29(1)(c) of Schedule 11.1)*
- *every reconciliation participant who trades at an ICP connected to the acquired network or part of the network acquired (Clause 29(1)(d) of Schedule 11.1).*

*At least one month's notification is required before the acquisition (Clause 29(2) of Schedule 11.1).*

*The notification must specify the ICPs to be amended to reflect the acquisition and the effective date of the acquisition (Clause 29(3) of Schedule 11.1).*

### Audit observation

The NSP table was examined.

### Audit commentary

CIAL has not acquired any networks.

### Audit outcome

Compliant

## 6.11. Change of MEP for embedded network gate meter (Clause 10.22(1)(b))

### Code reference

*Clause 10.22(1)(b)*

### Code related audit information

*If the MEP for an ICP which is also an NSP changes the participant responsible for the provision of the metering installation under Clause 10.25, the participant must advise the reconciliation manager and the gaining MEP.*

### Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine whether there have been any MEP changes during the audit period.

### Audit commentary

There have been no MEP changes during the audit period.

### Audit outcome

Compliant

## 6.12. Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2)

### Code reference

*Clauses 5 and 8 Schedule 11.2*

### Code related audit information

*The distributor must give the Authority confirmation that it has received written consent to the proposed transfer from:*

- *the distributor whose network is associated with the NSP to which the ICP is recorded as being connected immediately before the notification (unless the notification relates to the creation of an embedded network) (Clause 5(a) of Schedule 11.2)*
- *every trader trading at an ICP being supplied from the NSP to which the notification relates (Clause 5(b) of Schedule 11.2).*

*The notification must include any information requested by the Authority (Clause 8 of Schedule 11.2).*

### Audit observation

The NSP table and the registry list for 23 November 2019 to 30 September 2021 were examined.

### Audit commentary

CIAL has not acquired any networks during the period.

Review of the registry list confirmed that there were no ICPs transferred from other networks during the audit period.

### Audit outcome

Compliant

## 6.13. Transfer of ICPs for embedded network (Clause 6 Schedule 11.2)

### Code reference

*Clause 6 Schedule 11.2*

### Code related audit information

*If the notification relates to an embedded network, it must relate to every ICP on the embedded network.*

### Audit observation

The NSP table was examined.

### Audit observation

CIAL has not acquired any networks.

### Audit outcome

Compliant

## 7. MAINTENANCE OF SHARED UNMETERED LOAD

### 7.1. Notification of shared unmetered load ICP list (Clause 11.14(2) and (4))

#### Code reference

*Clause 11.14(2) and (4)*

#### Code related audit information

*The distributor must give written notice to the registry manager and each trader responsible for the ICPs across which the unmetered load is shared of the ICP identifiers of those ICPs.*

*A distributor who receives notification from a trader relating to a change under Clause 11.14(3) must give written notice to the registry manager and each trader responsible for any of the ICPs across which the unmetered load is shared of the addition or omission of the ICP.*

#### Audit

The registry list for 23 November 2019 to 30 September 2021 was examined to determine compliance.

#### Audit commentary

Examination of the registry list confirmed that no shared unmetered load is connected.

#### Audit outcome

Compliant

### 7.2. Changes to shared unmetered load (Clause 11.14(5))

#### Code reference

*Clause 11.14(5)*

#### Code related audit information

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

#### Audit observation

The registry list for 23 November 2019 to 30 September 2021 was examined to determine compliance.

#### Audit commentary

Examination of the registry list confirmed that no shared unmetered load is connected.

#### Audit outcome

Compliant



## 8. CALCULATION OF LOSS FACTORS

### 8.1. Creation of loss factors (Clause 11.2)

#### Code reference

*Clause 11.2*

#### Code related audit information

*A participant must take all practicable steps to ensure that information that the participant is required to provide to any person under Part 11 is:*

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

#### Audit observation

The calculation of loss factors is discussed in the TENCO report.

#### Audit commentary

Compliance is recorded for TENCO, and I confirmed that there have been no changes to this process since the last TENCO audit.

TENCO derives loss factors for loss category codes from the published parent network loss factors for similar installations. It is expected that ICPs on embedded networks will have the same loss factor as a similar type of connection on the parent network.

To do this, TENCO determines the gateway loss factor from the LE ICP's loss factor, then determines the local network loss factor which would be likely to apply to the embedded network ICPs if they were connected to the local network. TENCO then calculates the overall loss factor and multiplies this by the local network loss factor to determine the value for each embedded network loss factor code.

TENCO maintains the internal loss factors in the registry, and within their pricing schedules which are issued to retailers.

I stepped through the process and confirmed that the loss factors were calculated and assigned as expected.

#### Audit outcome

Compliant

## CONCLUSION

CIAL's compliance is reliant on the compliance of TENCO, as the contractor.

The audit found two non-compliances, and no recommendations were made. Both non-compliances relate to the same issue. A correction was applied in the last audit to the initial electrical connection date, and the NSP was incorrectly changed from CIA0111 to CIA0112 when this was corrected. The NSPs are in different balancing areas so this will have effected reconciliation. This has been corrected to CIA0111 effective from 1 September 2020. Corrections will flow through the 14-month revision cycle, but the period from 30 August 2018 to 31 August 2020 will have been reconciled to the incorrect balancing area. The ICP consumes on average 6,000 kWh per month. Therefore, I estimate 144,000 kWh will have been reconciled incorrectly.

The next audit frequency table indicates that the next audit should be due in 12 months. I have considered this in conjunction with the comments provided and that the two non-compliances found relate to the same issue and therefore I recommend that the next audit be in 24 months.

## PARTICIPANT RESPONSE

Tenco on behalf of Christchurch International Airport Ltd (CIAL) have reviewed the above audit report on the 16/12/2021 and are in agreement with the findings contained within it.