

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

COUNTIES POWER LIMITED

Prepared by: Brett Piskulic

Date audit commenced: 15 January 2021

Date audit report completed: 26 March 2021

Audit report due date: 28-Mar-21

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EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **Counties Power (Counties Power)**, to encompass the Electricity Industry Participation Code requirement for an audit in accordance with clause 11.10 of part 11. The audit was carried out remotely using Zoom due to Covid 19 Alert level 3 travel restrictions in place on 5th and 8th March 2021.

The audit was conducted in accordance with the Guideline for Distributor Audits version 7.2, which was produced by the Electricity Authority.

Counties Power have continued to maintain a good level of compliance in this audit. The discrepancy reporting dashboard is used daily to manage key performance indicators and ensure the registry information is kept up to date.

This audit found ten non-compliances and makes one recommendation. The non-compliances relate mainly to minor errors in and late updates of registry information. Counties Power is also the MEP for the majority of ICPs on its network and relies on the timely return and accuracy of metering paperwork from the field to update its records. Delays in paperwork are often the cause of late updates. I have recommended the use of the audit compliance reporting to identify incorrect NSP allocation.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of 15, which results in an indicative audit frequency of 12 months. I have considered this in conjunction with Counties Power comments and agree with the recommendation.

The matters raised are shown in the tables 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)	Registry information not complete and accurate in all instances.	Moderate	Low	2	Identified
Provision of ICP Information to the registry manager	3.3	11.7	Two ICPs with missing initial electrical connection dates.	Strong	Low	1	Identified
Timeliness of ICP information to the Registry Manager	3.4	7(2) of Schedule 11.1	Four ICPs not updated prior to electricity being traded.	Strong	Low	1	Identified
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	13 initial electrical connection dates not updated within ten business days.	Strong	Low	1	Identified
Connection of an ICP that is not an NSP	3.6	11.17	Four ICPs connected before a trader was recorded on the registry as accepting responsibility.	Strong	Low	1	Identified
Timeliness of registry updates	4.1	8 of schedule 11.1	Some registry event updates backdated greater than three days.	Moderate	Low	2	Identified
Notice of NSP for each ICP	4.2	7(1) Schedule 11.1	9 ICPs mapped to the incorrect NSP.	Moderate	Low	2	Identified
ICP location address	4.4	2 & 7 (1)(a) of schedule 11.1	510 ICPs with addresses that are not readily locatable.	Moderate	Low	2	Identified
Distributor to provide ICP information	4.6	7(1) of Schedule 11.1	Distributed generation details not recorded for one ICP. 12 ICPs with an incorrect initial electrical	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			<p>connection date populated during the audit period.</p> <p>158 ICPs created prior to part 10 with an incorrect initial electrical connection date recorded.</p> <p>Three ICPs with no unmetered load details recorded.</p> <p>Two ICPs with the incorrect unmetered load recorded.</p>				
Provision of information to registry after the trading of electricity at the ICP commences	4.7	7(3) Schedule 11.1	1 late price code update.	Strong	Low	1	Identified
Future Risk Rating						15	
Indicative Next Audit Frequency						12 months	

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	Next Action
Notice of NSP for each ICP.	4.2	Use the audit compliance report to identify incorrect NSP allocation.	BI Report has since been created to monitor ICP/TX/GXP relations, this just needs to be reviewed more regularly.

ISSUES

Subject	Section	Issue	Next Action
		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 Authority website was checked to determine whether there are code exemptions in place.

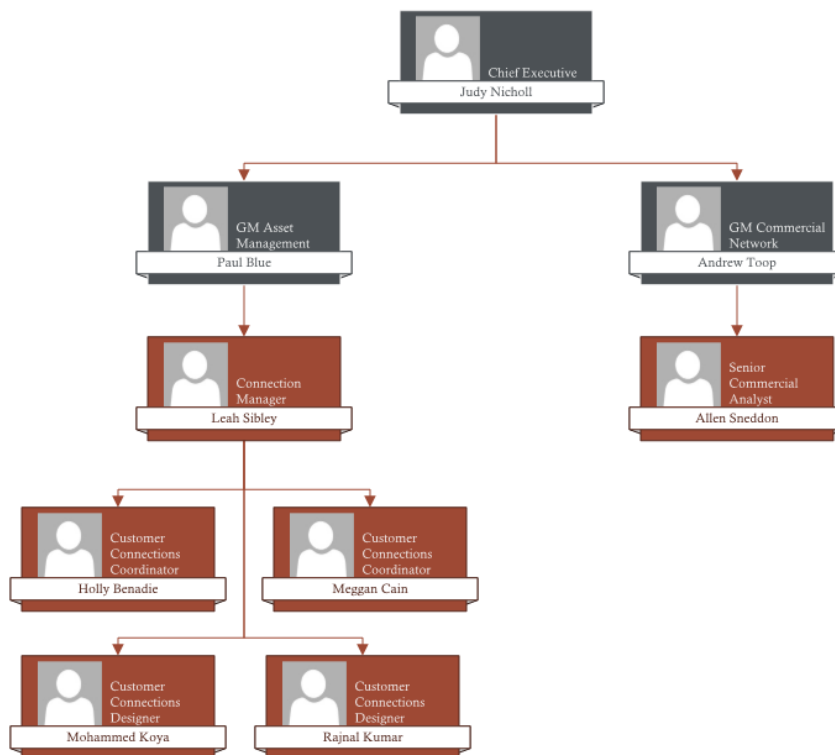
Audit commentary

Counties Power have no exemptions in place that are relevant to the scope of this audit.

1.2. Structure of Organisation

Counties Power provided a copy of the relevant part of the organisation chart:

Counties Power Organisation chart



1.3. Persons involved in this audit

Auditor:

Brett Piskulic

Veritek Limited

Electricity Authority Approved Auditor

Counties Power personnel assisting in this audit were:

Name	Title
Leah Sibley	Connections Manager

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

Counties Power were asked to provide the details of any sub-contractors authorised to perform electrical connection activities on their networks.

Audit commentary

Activities covered by the scope of this audit, including fieldwork and inspection are conducted by Counties Power employees.

1.5. Supplier list

Counties Power does not use any sub-contractors.

1.6. Hardware and Software

Counties Power use the Microsoft Navision System for the management of ICPs and associated information. This updates directly to the registry on a regular basis. Counties Power uses small world GIS and also Electric office (this offers a more user-friendly view of network assets). ICP requests and new connections are managed with Salesforce.

Counties Power have a full disaster recovery plan in place. All systems are backed up to the cloud.

1.7. Breaches or Breach Allegations

Counties Power has not had any breach allegations related to the scope of this audit recorded by the Electricity Authority during the audit period.

1.8. ICP and NSP Data

Counties Power has responsibility for the Counties district area, consisting of three NSPs and one interconnection point. All have the same balancing area. This is discussed further in **section 4.6**.

The table below lists the relevant NSPs, and their associated balancing areas. There have been no changes during the audit period.

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
COUP	BOB0331	BOMBAY			BALAREACOUPG	G	1/05/2008	4,634
COUP	BOB1101	BOMBAY			BALAREACOUPG	G	1/05/2008	28,533
COUP	GLN0332	GLENBROOK			BALAREACOUPG	G	1/05/2008	11,717
COUP	MTG0111	MANGATANGI	BOB0331	COUP	BALAREACOUPG	I	1/05/2008	-

There are no embedded networks connected on the Counties Power network.

Counties Power provided a list file of all ICPs as of 31 December 2020. A summary of this data by “ICP status” is as follows.

Status	Number of ICPs 2021	Number of ICPs 2019	Number of ICPs 2018	Number of ICPs 2017
Distributor (888)	0	0	0	0
New (999)	8	7	100	100
Ready (000)	223	182	298	346
Active (2,0)	44,884	43,372	42,383	41,608
Inactive - new connection in progress (1,12)	181	96	30	60
Inactive – electrically disconnected vacant property (1,4)	701	683	687	717
Inactive – electrically disconnected remotely by AMI meter (1,7)	97	30	0	0
Inactive – electrically disconnected at pole fuse (1,8)	14	10	10	3
Inactive – electrically disconnected due to meter disconnected (1,9)	32	44	51	10
Inactive – electrically disconnected at meter box fuse (1,10)	5	7	6	0
Inactive – electrically disconnected at meter box switch (1,11)	7	4	0	2
Inactive – electrically disconnected ready for decommissioning (1,6)	4	1	6	150
Inactive – reconciled elsewhere (1,5)	0	0	0	0
Decommissioned (3)	4,446	4,263	3,972	3,481

1.9. Authorisation Received

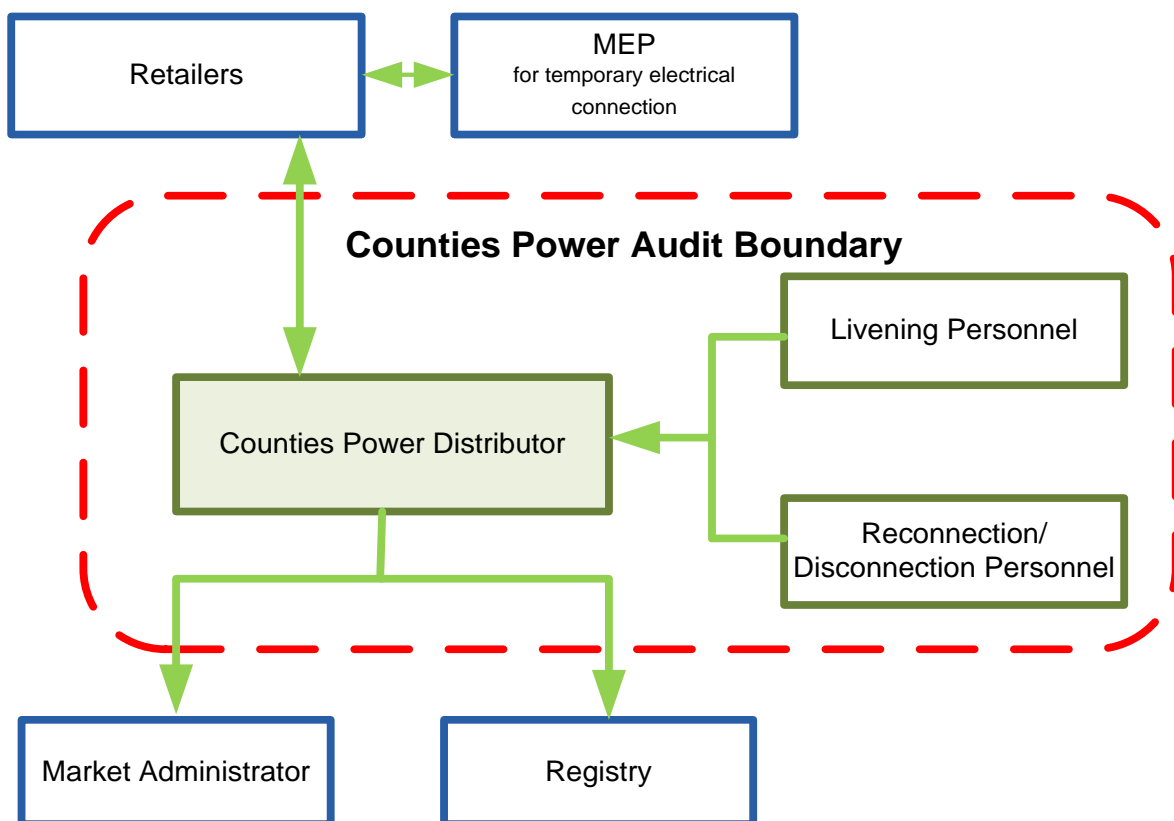
Counties Power provided a letter of authorisation to Veritek, permitting the collection of data from other parties for matters directly related to the audit.

1.10. Scope of Audit

This Distributor audit was performed at the request of **Counties Power (Counties Power)**, to encompass the Electricity Industry Participation Code requirement for an audit in accordance with clause 11.10 of part 11. The audit was carried out remotely using Zoom due to Covid 19 Alert level 3 travel restrictions in place on 5th and 8th March 2021.

The audit was conducted in accordance with the Guideline for Distributor Audits version 7.2, which was produced by the Electricity Authority.

The scope of the audit is shown in the diagram below, with the Counties Power audit boundary shown for clarity.



1.11. Summary of previous audit

Counties provided a copy of their previous audit report, conducted by Rebecca Elliot of Veritek Limited in October 2019. This found 10 non-compliances and made one recommendation. The current status of these has been updated 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)	Registry information not complete and accurate in all instances.	Still existing
Provision of ICP Information to the registry manager	3.3	11.7	One ICP with a missing initial electrical connection date.	Still existing
Timeliness of ICP information to the Registry Manager	3.4	7(2) of Schedule 11.1	Two ICPs not updated prior to electricity being traded.	Still existing
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	81 initial electrical connection dates not updated within ten business days.	Still existing
Connection of an ICP that is not an NSP	3.6	11.17	Two ICPs connected before a trader was recorded on the registry as accepting responsibility.	Still existing
Monitoring of “new” & “ready” statuses	3.14	15 Schedule 11.1	Traders not contacted in two instances to confirm if ICPs at the “New” status were still required.	Still existing
Timeliness of registry updates	4.1	8 of schedule 11.1	Some price, network, status, and address changes were backdated.	Still existing
Notice of NSP for each ICP	4.2	7(1) Schedule 11.1	14 ICPs mapped to the incorrect NSP.	Still existing
ICP location address	4.4	2 & 7 (1)(a) of schedule 11.1	581 ICPs with addresses that are not readily locatable.	Still existing

Subject	Section	Clause	Non-compliance	Status
Distributor to provide ICP information	4.6	7(1) of Schedule 11.1	<p>Eight ICPs with an incorrect initial electrical connection date populated during the audit period.</p> <p>314 ICPs created prior to part 10 with an incorrect initial electrical connection date recorded.</p> <p>Two ICPs with the incorrect unmetered load recorded.</p> <p>Dedicated flag applied to all ICPs when NSP changes indicate that not all ICPs are dedicated.</p>	Still existing

Table of Recommendations

Subject	Section	Recommendation	Status
Provide complete and accurate information	2.1	Use the audit compliance report to check for initial electrical connection date accuracy.	Cleared
		Check EIEP1 file monthly for ICPs with distributed generation present where none is expected.	

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

Counties Power data management processes were examined. The list file as of 31 December 2020 and audit compliance report for the audit period of 1 September 2019 to 31 December 2020 were examined to confirm compliance.

Audit commentary

Counties Power use their Power BI report dashboard to monitor and manage the registry updating processes on a daily basis. Critical information is monitored, and potential data discrepancies are identified. The reporting includes checks for missing initial electrical connection dates, ICPs at “new” or “ready” statuses for more than 24 months, duplicate addresses, status mismatches and distributed generation details.

Analysis of the list file and the audit compliance report found information that was not complete and accurate. These are discussed further in **sections 4.1, 4.2 and 4.6**. Specific examples are:

- 170 ICPs with an incorrect initial electrical connection date populated,
- 9 ICPs mapped to the incorrect NSP,
- three ICPs with no unmetered load details recorded,
- two ICPs with the incorrect unmetered load recorded, and
- distributed generation details missing for one ICP.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: Clauses 11.2(1) and 10.6(1) From: 01-Sep-19 To: 31-Dec-20	Registry information not complete and accurate in all instances. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as most discrepancies are being identified. The risk rating is low as the number of discrepancies found were small in relation to the volume of ICPs.		
Actions taken to resolve the issue		Completion date	Remedial action status
Identified and resolved any issues which were located during audit		23/03/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Review the BI report and make changes to display errors which are missing.		01/08/2021	

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

Counties Power data management processes were examined. The list file as of 31 December 2020 and audit compliance report for the audit period of 1 September 2019 to 31 December 2020 were examined to confirm compliance.

Audit commentary

As described in **section 2.1**, Counties Power have a robust reporting suite that checks for potential errors and these are reviewed on a daily basis. Any errors identified are corrected as soon as practicable as is evident in the body of this report.

Audit outcome

Compliant

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 was examined in detail and is described in **section 3.2**.

A diverse characteristics sample of 30 new connection applications of the 1,767 created between 1 September 2019 and 31 December 2020 were checked from the point of application through to when the ICPs were created. The sample included ICPs with:

- various meter categories (including category 3 and above),
- various proposed traders,
- various price categories,
- with and without distributed generation, and unmetered load,
- with and without standard or distributed unmetered load connected (no ICPs with shared unmetered load were created), and
- connected to different NSPs.

There are no embedded networks on the Counties Power network therefore there were no new LE ICPs created.

Audit commentary

Counties creates ICPs as required by clause 1 of schedule 11.1. The sample checked confirmed compliance.

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 was examined in detail. A diverse characteristics sample of 30 new connection applications of the 1,767 created between 1 September 2019 to 31 December 2020 were checked to determine whether the ICPs had been created within three business days of a request by a trader.

Audit commentary

Counties Power receives the majority of new connection applications from electricians with requests from Retailers being a rare occurrence, and this clause only applies to those applications received from Retailers.

Applications are received via an online form completed on the Counties website. All ICPs are created at the “ready” status on receipt of an application. All applications are checked to confirm that an ICP does not already exist for the address and the network capacity is checked prior to creation. Any new connections that require network extension are not created until the network field work is completed. This is communicated to the applicant. An ICP is issued to the customer and notified at the same time to the nominated trader. Counties Power have requested that all traders promptly advise if they are not going to accept a nomination. If this is the case, the applicant is contacted and requested to provide a new trader. The new trader is then updated to the registry and notified. To electrically connect the ICP, retailers send a service request for metering and electrical connection.

The sample of new connections checked were all requested by electricians, but I note that the majority of ICPs are created within three business days of the request.

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 for populating all required registry fields was examined. The list file for all ICPs created and the audit compliance reporting for 1 September 2019 to 31 December 2020 were examined.

Audit commentary

The process for updating the registry is automated for all fields and occurs on a nightly basis for new ICPs. There were 1,649 new connections electrically connected and all but five ICPs had the required information provided. Two ICPs are active in the registry but had no initial electrical connection date recorded. These were reviewed and found that the initial electrical connection date was not recorded as the metering was not installed by the Counties MEP. Counties relies on the return of the metering information to populate the initial electrical connection date. Both ICPs were updated with the initial electrical connection date at the time of the audit.

As recorded in **Section 4.6** three new unmetered load ICPs that were connected during the audit period had no unmetered load recorded by Counties. A check of the ICP applications found that there was no unmetered load detail provided in the applications. Counties updated the registry with the unmetered load details at the time of the audit.

Timeliness of provision of information is discussed in **sections 3.4** and **3.5** below.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.3 With: Clause 11.7 From: 30-Oct-20 To: 05-Mar-21	Two ICPs with missing initial electrical connection dates. Three ICPs with missing unmetered load information. Potential impact: Low Actual impact: None Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as Counties Power has robust reporting in place to monitor this. The risk rating is low as due to the low number of ICPs with missing information.		
Actions taken to resolve the issue		Completion date	Remedial action status
No action taken as simply timing issue with retailer updates.		23/03/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
No further action taken		23/03/2021	

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 new connection process was examined. The registry list for 31 December 2020 and the registry compliance audit report for 1 September 2019 to 31 December 2020 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

Navision writes to the registry throughout the day. Any file rejections are highlighted in the report dashboard and investigated.

There were 1,649 new connections electrically connected during the audit period. The audit compliance report identified four of the 1,649 ICPs (99.8% compliance) were made ready one day after electrical connection had occurred. All four ICPs were created on the day of electrical connection but the information was not uploaded to the registry until the following morning due to technical issues.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of schedule 11.1 From: 17-Jul-20 To: 29-Oct-20	Four ICPs not updated prior to electricity being traded. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as reporting is in place to identify this and this is monitored daily. The risk rating is low as the volume of ICPs affected is small.		
Actions taken to resolve the issue		Completion date	Remedial action status
No further action taken		23/03/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to monitor rejected files		23/03/2021	

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 for 31 December 2020 and the audit compliance audit report for 1 September 2019 to 31 December 2020 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

The initial electrical connection date is updated as part of the new connection process and as Counties Power often act as the metering agent as well as the livening agent, the majority of ICPs electrically connected are known and updated accordingly. The reporting dashboard highlights any ICPs which have been made active for which there is no date populated.

The audit compliance report identified 13 of the 1,649 (99.2% compliance) not completed within ten business days, all 13 were checked and found:

- nine were due to delays in field notification due to issues with move to new field tool,
- one related to an ICP created as a result of the deconsolidation project,
- one was due to a backdated correction,
- one was due to an incorrect IECD being entered, and
- one caused by late notification of fieldwork.

The accuracy of initial electrical connection date is discussed further in **section 4.6**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of schedule 11.1 From: 01-Sep-19 To: 31-Dec-20	13 initial electrical connection dates not updated within ten business days. Potential impact: Low Actual impact: Low Audit history: multiple Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as reporting is in place to identify this and this is monitored daily. The risk rating is low as the volume of ICPs affected is small.		
Actions taken to resolve the issue		Completion date	Remedial action status
This has been greatly reduced from last year, we shall continue to monitor this however most are due to waiting for the retailer to update the meter owner so our paperwork can be processed		23/03/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to monitor using the BI reporting tool		23/03/2021	

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 for 31 December 2020 and the audit compliance report for 1 September 2019 to 31 December 2020 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

As discussed in **section 3.2**, Counties Power notify traders of ICP nominations and traders advise if they wish to reject. Review of the registry list confirmed that a trader is recorded for all active and inactive ICPs, and a proposed trader is recorded for all “ready” ICPs.

This clause requires that a distributor must not connect an ICP across which unmetered load is shared unless a trader is recorded in the registry as accepting responsibility for the shared unmetered load. Counties Power does not allow or intend to allow any new shared unmetered load connections. Review of a registry list confirmed there is no shared unmetered load connected to any Counties Power ICP.

As discussed in **section 3.4**, four ICPs were updated to “ready” on the registry after they were connected. All four ICPs were created on the day of electrical connection but the information was not uploaded to the registry until the following morning due to technical issues, therefore a trader was not recorded in the registry prior to connection.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: Clause 11.17 From: 17-Jul-20 To: 29-Oct-20	Four ICPs connected before a trader was recorded on the registry as accepting responsibility. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as reporting is in place to identify this and this is monitored daily. The risk rating is low as the volume of ICPs affected is small.		
Actions taken to resolve the issue		Completion date	Remedial action status
No action taken		23/03/2021	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Continue to monitor the rejected files	23/03/2021	

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**.

A diverse characteristics sample of 30 new electrically connected ICPs of the 1,649 electrically connected during the audit period were checked to determine if the ICPs were connected at the request of the trader.

The registry list as of 31 December 2020 was reviewed to confirm that all active ICPs had a trader recorded.

Audit commentary

As discussed in **section 3.2**, Counties Power notify traders of ICP nominations and traders advise if they wish to reject.

Analysis the list file confirmed that all ICPs with “ready” status had a proposed retailer recorded. The four ICPs that appear to have been backdated connected in the registry all had trader acceptance and therefore meet the requirements of this clause.

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 for 31 December 2020 and the audit compliance report for 1 September 2019 to 31 December 2020 were examined to determine compliance.

Audit commentary

The majority of new connections are permanent connections. Analysis found that there were no temporarily electrically connected sites and Counties confirmed that there had not been any temporary connections.

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 examined.

Audit commentary

No new embedded NSPs have been created by Counties Power 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 embedded NSPs have been created by Counties.

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 process for the creation of ICPs was examined.

Audit commentary

Counties Power uses Navision to create ICP identifiers for connections on its networks. The ICP number is based on a sequential account number from Navision. Once the unique number is assigned to the customer, a two-letter code “CN” is added.

A diverse sample of 30 new ICPs were checked. All were created in the appropriate format.

The process for the creation of ICPs was examined, and all ICPs are created in the appropriate format.

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 31 December 2020 was examined to confirm all active ICPs have a single loss category code.

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. The registry list for 31 December 2020 was examined to determine compliance.

Audit commentary

ICPs are created at the “ready” status and the “new” status is not normally used by Counties. Examination of the list file found three ICPs at the “new” status. The monitoring of ICPs at this status is discussed in **section 3.14**. The timeliness of updates to the registry are discussed in **section 3.4**.

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

The process to monitor ICPs at “new” and “ready” status was reviewed. The registry list as of 31 December 2020 and the audit compliance reports for 1 September 2019 to 31 December 2020 were examined to determine compliance.

Audit commentary

Counties Power monitor the aging of ICPs at the “new” and “ready” status via the reporting dashboard. Traders are contacted to confirm if ICPs are still required.

The audit compliance reports identified 87 ICPs that have been at the “ready” and three ICPs that have been at the “new” status for more than 24 months. Further analysis of the ICPs at “ready” found 71 of

these related to ICPs created as part of the on-going ICP deconsolidation project and were still required. 16 have been identified as no longer required and will be decommissioned.

The three at the “new” status were examined, two of these related to ICPs created as part of the on-going ICP deconsolidation project and were still required. One has been confirmed as no longer required and has been decommissioned.

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

This requirement was discussed and the registry list as of 31 December 2020 was examined to determine compliance.

Audit commentary

Counties Power has no embedded generation of greater than 10MW connected to its network. Counties Power embedded generation application form has a field to record the capacity to ensure any new generation connections greater than 10MW are identified.

There has been no new embedded generation greater than 10MW added during the audit period.

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

Sub-clause (4) states that no participant may electrically connect a point of connection without the permission of the Reconciliation Participant. The electrical connection of streetlight circuits which are a point of connection was examined.

Audit commentary

The process to connect streetlights has been reviewed. These are included in the developer's package. Field operations liaise directly with Auckland Transport to confirm that the items of load are accepted and confirm which ICP the items of load are to be recorded against before streetlights are connected.

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 13th 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 registry updates was reviewed.

The audit compliance reports and event detail report for 1 September 2019 to 31 December 2020 were reviewed to determine compliance.

The management of NSP changes was examined.

Audit commentary

Analysis of the audit compliance and event detail reports found:

Pricing Changes

The management of pricing changes has been moved to the connection's team from August 2019. All updates made are checked manually to confirm they have been applied from the correct event date. Counties Power will continue to backdate pricing events, but only if it is found that the customer has been billed incorrectly.

The audit compliance reports identified 2,013 (22.2%) late pricing updates from a total of 9,052 pricing updates. A diverse sample of 30 updates was examined in detail and the following was found:

- 11 were late due to late receipt of files from the trader,
- seven were updated at the same time as the metering paperwork, which was updated late,
- six were due to processing delays by Counties,
- four were related to new connections where the price category was updated at the time of connection, one of these is recorded as non-compliance in **section 4.7** as it was updated later than 10 business days,
- one incorrect event date entered in error, and
- one ICP identified where electricity was not traded and the ICP was in the "ready" status when the update was made; the ICP was subsequently moved to "decommissioned - set up in error".

Address events

91.16% of all address updates were made on time with an average time to update the registry of 1.42 days. There were 155 late address updates. A sample of 20 was checked and found that the address update is undertaken at the same time as the metering paperwork is loaded to the ICP. In four of the 20 cases the MEP nomination was late in the registry and this then caused the metering paperwork to be backdated and by default the address update. The remaining 16 late updates were due to processing delays by Counties.

Network Events

The network events evaluated excluded those relating to the population of the initial electrical connection dates (discussed in **section 3.5**), NSP changes (discussed below), distributed generation updates (discussed below) and the initial network events relating to the creation of ICPs. There were no late updates identified.

Distributed Generation

The distributed generation process is described in **section 4.6**. 95.57% of all distributed generation network updates were made on time with an average time to update the registry of 1.62 days. There were seven late updates, all seven late updates were checked. Counties updates the distributed generation details when the metering paperwork is returned, in all seven cases delays in receiving the metering paperwork caused the late network updates.

NSP Changes

I checked the list file with history and found there were 39 NSP changes during the audit period. The audit compliance report found no late NSP changes.

Decommissioning Status Events

There were 160 status updates to decommissioned identified, 145 (90.63%) were updated within three business days. 15 ICPs were updated later than three days after the event. All 15 late updates were examined, and the following was found:

- 12 were updated as part of a clean-up of ICPs that had been at the “ready for decommissioning” status for an extended period dating back to 2013, and
- three were due to processing delays by Counties.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Sep-19 To: 31-Dec-20	Some registry event updates backdated greater than three days. Potential impact: Medium Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as moderate as controls are sufficient to mitigate risk most of the time but there is room for errors to occur.</p> <p>The risk rating is low as these events have no direct impact on reconciliation.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Further controls have been put in place however I feel we have mitigated this risk as much as we can		23/03/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
No further action taken		23/03/2021	

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 process to determine the correct NSP was examined. The audit compliance reporting identified 35 active ICPs where 10% or fewer ICPs on a street have a different NSP and there are fewer than three ICPs with a different NSP. All 35 ICPs were examined.

Audit commentary

For all new ICPs the transformer is identified from the GIS system. The transformer is then selected in Navision which then assigns the NSP based on this. Navision has been changed so that the NSP can no longer be selected and is now driven by the transformer selected.

The sample checked found that 26 were correctly mapped. The remaining nine were found to have been incorrectly mapped. These have been corrected. The incorrect mapping of the NSPs was due to the incorrect transformer being selected in Navision at the time of ICP creation.

I recommend that Counties use the audit compliance reporting to identify incorrect NSP allocation.

The incorrect NSP allocation for the nine ICPs sampled is recorded as non-compliance below.

Recommendation	Description	Audited party comment	Remedial action
Notice of NSP for each ICP.	Use the audit compliance report to identify incorrect NSP allocation.	BI Report has since been created to monitor ICP/TX/GXP relations, this just needs to be reviewed more regularly.	Identified

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.2 With: Clause 7(1) Schedule 11.1 From: 01-Sep-19 To: 31-Dec-20	9 ICPs mapped to the incorrect NSP. Potential impact: Low Actual impact: None Audit history: Twice Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as controls are sufficient to mitigate risk most of the time but there is room for errors to occur. The risk rating is low as Counties Power has one balancing area and therefore an incorrect NSP has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
Corrections made during audit.		23/03/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
BI Report has since been created to monitor ICP/TX/GXP relations, this just needs to be reviewed more regularly.		23/03/2021	

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

Counties Power does receive direct requests for ICP identifiers, and these are provided immediately.

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 and the audit compliance reports were examined. A typical sample of 21 ICPs were examined.

Audit commentary

As detailed in **section 3.2**, Navision will flag if an ICP already exists at an address. The reporting dashboard deployed monitors ICP duplication and any addresses which do not have either a street number or property name.

The audit compliance reports identified 510 active ICPs with duplicate or insufficient address details. This is a continued year on year reduction. All are historic. These are monitored as part of the reporting suite and worked on as resource allows to make them readily locatable. Counties provided further details regarding 21 of the ICPs as follows:

- 10 duplicates were at the same location and could be readily located,
- 6 duplicates were made readily locatable by the addition of property details,
- two had a lot number and street name only so could not be readily located,
- two were able to be located as one related to an un-metered Telecom cabinet, and
- one had the street number incorrectly recorded in the unit number field.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: Clause 2 Schedule 11.1 From: 01-Sep-19 To: 31-Dec-20	510 ICPs with addresses that are not readily locatable. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as they will mitigate risk most of the time but there is room for errors to occur. The risk rating is low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
Continue to monitor BI Report		23/03/2021	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
As per previous audit, we continue to monitor these using the BI report and updating once we have the relevant information.	23/03/2021	

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

This was examined as part of the new connection process and proof of process was checked as part of the sample of 30 new connections examined.

Audit commentary

This requirement is well understood by personnel involved in livening and there are no known instances of shared service mains on the Counties Power network.

I reviewed a sample of ten new connections and in all cases the ICP has an individual service line and connection point to the network pole or pillar.

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

The management of registry information was reviewed. The registry list as of 31 December 2020 and the audit compliance report for the audit period from 1 September 2019 to 31 December 2020 were reviewed to determine compliance. A typical sample of data discrepancies were checked.

Audit commentary

Registry data validation processes are discussed in **section 2.1**. All ICP information was checked and confirmed compliant unless discussed below:

Distributed Generation

Customers apply to Counties Power for all distributed generation via an online form. These are passed to the metering group to process the application. Only those inverters on the approved list will be approved. Once approved the customer is notified, a note of the application is made on the customer's account in Navision. Distributed generation is not installed until the service request is received from the trader to change the metering. Once this is complete the registry is updated. The timeliness of the updates to the registry is detailed in **section 4.1**.

Examination of the list file found 971 ICPs with generation capacity recorded. All had an installation type of "B" and the fuel type and generation capacity recorded.

I checked the distributed generation information populated on the registry against the paperwork provided for a sample of ten ICPs and found that information aligned in all instances.

The audit compliance report identified two ICPs where the trader's profile indicates distributed generation is present, but Counties Power has none recorded. Counties had not received applications for installation of distributed generation at either of these ICPs. I checked the high-risk database and found:

- there were no details of installation of distributed generation at ICP 1099573482CN701, and
- for ICP 1099560064CNA34 the high-risk database confirmed that a photovoltaic system was installed in 2014 and metering was installed by another MEP at the same time. I have recorded non-compliance for this ICP.

Initial Electrical Connection Date

1,859 ICPs have had the initial electrical connection date updated between 1 September 2019 and 31 December 2020. The audit compliance reports identified 21 ICPs with date inconsistencies between the initial electrical connection date, the active date and the meter certification date. Further investigation of the Counties information found the following:

- 12 ICPs where the incorrect initial electrical connection date was recorded by Counties, I have recorded non-compliance for these ICPs,
- seven ICPs where the trader has incorrectly recorded the active status date,
- one ICP where the metering installation certification date was incorrect, and
- one ICP where the metering installation was certified prior to the creation of the ICP.

Overall, the level of accuracy is very high. The incorrect initial electrical connection dates are recorded as non-compliance below.

The audit compliance reports identified 59 ICPs that are not yet active, but Counties Power have an initial electrical connection date recorded. A sample of 10 of these were examined and found all were electrically connected. Two ICPs have subsequently been updated to the "active" status. Eight have not been updated the "active" status.

158 ICPs that were created pre-Part 10 coming into effect (29 August 2013) have had an initial electrical connection date populated incorrectly. Eight of these updates had occurred during the audit period, I examined these and found that the initial connection date related to a metering certification update. It was recorded in the last audit that this was due to a system issue where a metering update event also incorrectly populated an initial electrical connection date for the meter change. It was previously reported that this had been due to a Navision problem which was populating an initial electrical connection date when a meter change occurred.

The timeliness of provision of information on initial electrical connection date is discussed in **section 3.5**.

The incorrect population of initial electrical connection dates is recorded as non-compliance below.

Unmetered Load

Counties Power allows standard unmetered load but does not allow shared unmetered connections to their network. Review of the registry list confirmed that there was no shared unmetered load and there are 131 ICPs with unmetered load. All have loads recorded in the recommended format and the load aligns with the Retailers load for all but five ICPs. Three new unmetered load ICPs that were connected during the audit period had no unmetered load recorded by Counties. A check of the ICP applications found that there was no unmetered load detail provided in the applications. Counties updated the registry with the unmetered load details at the time of the audit. There were two ICPs where there were discrepancies between the trader and distributor load values. Counties updated the distributor load details to match the trader details at the time of the audit.

The missing and incorrect unmetered load details are recorded as non-compliance below.

Dedicated vs non-dedicated flag

The last audit raised the possibility that NSP changes occurring meant that the ICP dedication may not be correct in all instances. I checked the list file with history and found there were 39 NSP changes during the audit period. Analysis of a sample 10 of the changes found that nine of the 10 had the dedicated flag set to "Y". Counties confirmed that the changes were permanent and related to reconfiguration of the network, so the flag was correctly set. The other change was to an ICP with the dedicated flag set to "N".

Audit outcome

Non-compliant

Non-compliance	Description
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Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1 From: 01-Sep-19 To: 31-Dec-20	Distributed generation details not recorded for one ICP. 12 ICPs with an incorrect initial electrical connection date populated during the audit period. 158 ICPs created prior to part 10 with an incorrect initial electrical connection date recorded. Three ICPs with no unmetered load details recorded. Two ICPs with the incorrect unmetered load recorded. Potential impact: Low Actual impact: Unknown Audit history: Multiple Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as they will mitigate risk most of the time but there is room for errors to occur. The risk rating is low as the errors found will have either no or a small impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
All ICP's updated during the audit investigation		23/03/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to monitor the Power BI report to ensure this does not become a regular issue		23/03/2021	

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 registry information was reviewed. The registry list and audit compliance reports for 1 September 2019 to 31 December 2020 were reviewed to determine compliance.

Audit commentary

Counties Power can confirm these details in most cases prior to electrical connection of the ICP. If any changes are required these are updated as soon as possible. The audit compliance reports identified one ICP, 1099578736CN85A, which had a price code updated later than 10 business days after trading commenced. Placeholder values are not used.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.7 With: Clause 7(3) Schedule 11.1 From: 26-Aug-19 To: 25-Nov-19	1 late price code update. Potential impact: Low Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as there was only one late update. The risk rating is low as this has no impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
No action taken		23/03/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
No further changes to the process required		23/03/2021	

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 31 December 2020 was reviewed to determine compliance.

Audit commentary

Counties Power do not populate GPS co-ordinates.

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

The registry list showed 223 ICPs currently at “ready” status, 87 have been at “ready” status for more than two years. This is discussed further in **section 3.14**.

All ICPs at “ready” status had a single price category assigned and proposed trader identified.

Audit commentary

Counties Power Navision system will only allow one price category; therefore, the requirement to ensure that an ICP has a single price category will always be met. This was confirmed by checking the list file. The application form requires the Price Category to be specified, no ICPs are created without a Price Category.

Traders have been advised to reject any ICPs that they do not wish to accept. If this is the case, the applicant is contacted and requested to provide a new trader. The new trader is then updated to the registry and notified. To electrically connect the ICP, retailers send a service request for metering and electrical connection to Counties Power to action.

ICPs at the “ready” status for more than 24 months are discussed in **section 3.13**.

The timeliness of updates to ready is discussed in **section 3.4**.

The records of ten recently created ICPs were examined, and compliance is confirmed.

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

Processes to manage the “distributor” status were reviewed.

The registry list and event detail report for 1 September 2019 to 31 December 2020 were reviewed to identify ICPs at the “distributor” status and check compliance.

Audit commentary

Examination of the Counties Power list file found no ICPs with an ICP status of “Distributor as there are no embedded networks or any shared unmetered load connected on the Counties Power network.

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 registry list as of 31 December 2020 was reviewed to identify ICPs at the “decommissioned” or “ready for decommissioning” status.

I also examined the four ICPs at “ready for decommissioning” status.

Audit commentary

Requests for decommissioning are received from the property owner and sometimes directly from traders. A site verification process is followed to ensure that electrical installations associated with ICPs are physically removed before the decommissioned status is used.

Examination of the list file found four ICPs pending decommissioning. Analysis of these ICPs found that two had been recently changed to ready for decommissioning by the trader but backdated to 2012 and 2018, Counties has subsequently changed the status to decommissioned. The other two have been identified in discrepancy reporting and have yet to be processed.

The timeliness of updates to the registry is discussed in **section 4.1** above.

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.

Audit commentary

Counties Power keeps the price category table up to date and has not created any new price category codes since 1 April 2019.

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.

Audit commentary

Counties Power keep the loss category table up to date and have not created 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.

Audit commentary

Counties Power does not have any loss category codes with more than one loss factor. No loss factors have been changed since 1 April 2011. The loss factor review process is discussed in **section 8.1**.

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 have been created or decommissioned 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 NSPs have been created or decommissioned 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 reviewed.

Audit commentary

No balancing area changes have occurred during the audit period.

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 1 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 was reviewed.

Audit commentary

Counties Power has not created any new embedded networks during the audit period.

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 reviewed.

Audit commentary

No balancing area changes have occurred 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 1 month before the transfer.

Audit observation

The NSP table was reviewed.

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 3 business days before the transfer takes effect.

Audit observation

The NSP table was reviewed.

Audit commentary

Counties Power has not initiated the transfer of any ICPs 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

The NSP supply point table was examined.

Audit commentary

Counties Power is not responsible for any metering installations in accordance with this clause.

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 date 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

The NSP supply point table was reviewed.

Audit commentary

Counties Power have not connected any new NSPs during the audit period.

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 supply point table was reviewed.

Audit commentary

Counties Power have not initiated any changes of network owner.

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 NSP supply point table was examined.

Audit commentary

Counties Power do not own any embedded networks therefore there have been no changes of MEP for embedded gate meters.

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 supply point table was reviewed.

Audit commentary

Counties Power has not initiated the transfer of any ICPs 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 supply point table was reviewed.

Audit commentary

Counties Power has not initiated the transfer of any ICPs during the audit period.

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 observation

The registry list for 1 September 2019 to 31 December 2020 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

Counties Power does not intend to allow any new shared unmetered load connections. Review of a registry list confirmed there is no shared unmetered load connected to any Counties Power ICPs.

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 1 September 2019 to 31 December 2020 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

Review of a registry list confirmed there is no shared unmetered load connected to any Counties Power ICPs.

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.

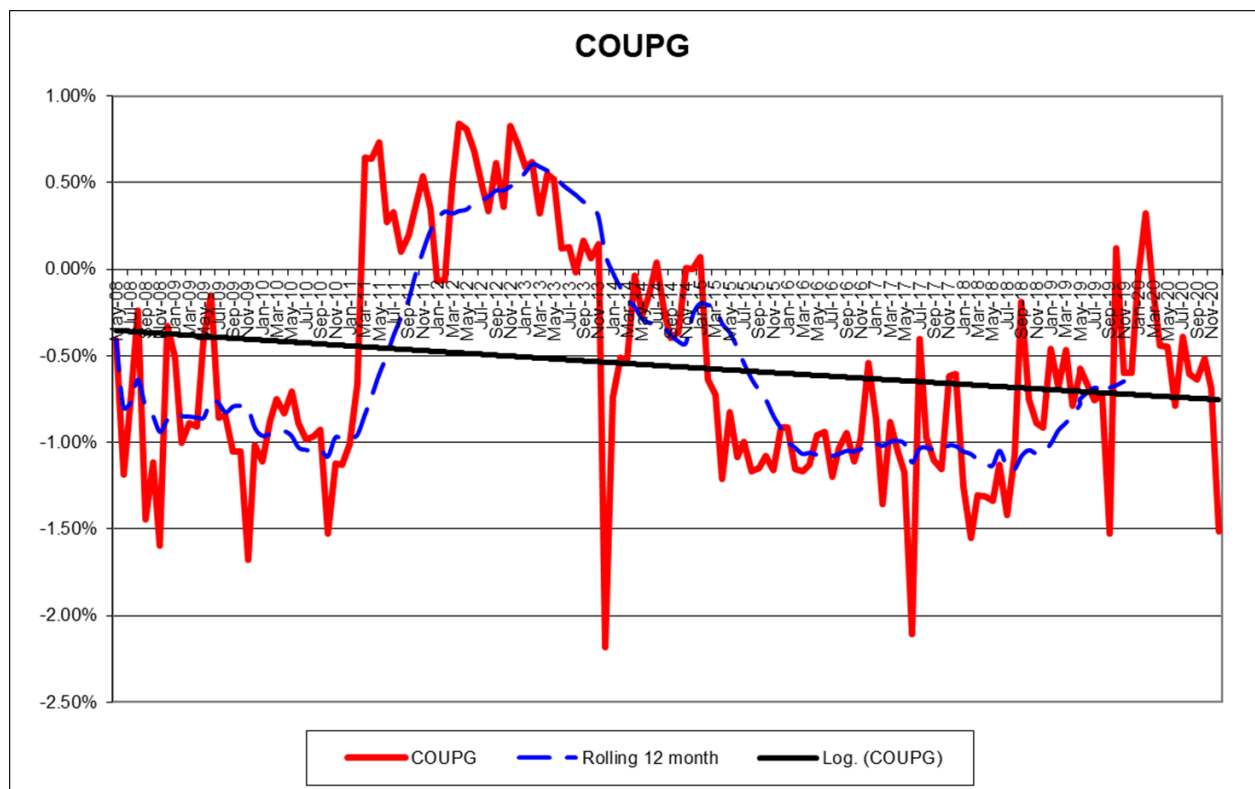
Audit observation

The “Guidelines on the calculation and the use of loss factors for reconciliation purposes” was published on 26 June 2018. I have assessed EA Networks’ process and compliance against the guideline’s recommended thresholds.

I reviewed correspondence and documentation relating to the loss factor review.

Audit commentary

The EA provided the following UFE graph indicating that losses for Counties Power are running within the +/- 1% threshold and is trending towards 0%.



Counties Power have a documented loss factor methodology and losses are being reviewed and will be adjusted based on this process.

Audit outcome

Compliant

CONCLUSION

Counties Power have continued to maintain a good level of compliance in this audit. The discrepancy reporting dashboard is used daily to manage key performance indicators and ensure the registry information is kept up to date.

This audit found ten non-compliances and makes one recommendation. The non-compliances relate mainly to minor errors in and late updates of registry information. Counties Power is also the MEP for the majority of ICPs on its network and relies on the timely return and accuracy of metering paperwork from the field to update its records. Delays in paperwork are often the cause of late updates. I have recommended the use of the audit compliance reporting to identify incorrect NSP allocation.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The indicative audit frequency table indicates the next audit should be in 12 months. I have considered this in conjunction with Counties Power comments and agree with the recommendation.

PARTICIPANT RESPONSE

Counties Power have reviewed this report and provided comments against the non-compliances identified. We continue to monitor and review our reporting systems to continue to identify these discrepancies and improve our processes.