

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**



For

**TUIHANA NETWORKS LTD (TUIH)**  
**NZBN NUMBER: 9429032574357**

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## EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Tuihana Networks Ltd (TUIH)** 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.

TUIH is responsible for one embedded network in Papamoa. Most of TUIH's compliance is reliant on the compliance of TEG & Associates (TEG), as a contractor to TUIH. Their audit report is to be submitted with this audit.

There is a minimal amount of activity on this embedded network. The processes in place to manage the code requirements are robust.

This audit found one non-compliance which is detailed in the table below. The audit risk rating recommends the next audit be in 24 months and I agree with this recommendation.

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Changes to registry information	4.1	8 Schedule 11.1	Five late updates to registry.	Moderate	Low	2	Identified
Future Risk Rating						2	

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	Description	Recommendation
		Nil	

### ISSUES

Subject	Section	Description	Issue
		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 TUIH has any Code exemptions in place.

#### Audit commentary

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

### 1.2. Structure of Organisation

Not applicable

### 1.3. Persons involved in this audit

#### Auditor:

Name	Company	Role
Steve Woods	Veritek Limited	Lead Auditor
Claire Stanley	Veritek Limited	Supporting Auditor

Personnel assisting in this audit were:

Name	Company
Roger Arnold	Tuihana Networks Ltd
Richard Green	Business Engagement Ltd
Ewa Glowacka	TEG & Associates

#### 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 fulfillment 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

TEG carries out TUIH's registry activities.

#### 1.5. Supplier list

TEG carries out TUIH's registry activities.

#### 1.6. Hardware and Software

This is covered in TEG's audit report.

#### 1.7. Breaches or Breach Allegations

TUIH 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 TUIH had the following NSP as of September 2021. Active ICP numbers are as of 16 September 2021.

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
TUIH	GRE0111	TUIHANA	MTM0331	POCO	PAPAMOATUIHE	E	13/06/2023	581

Status	Number of ICPs 2021	Number of ICPs 2019	Number of ICPs 2017
Distributor	0	0	0
New	0	0	0
Ready	0	0	0
Active (2,0)	581	580	568
Inactive - new connection in progress (1,12)	0	0	0
Inactive – vacant (1,4)	2	1	1
Inactive - reconciled elsewhere (1,5)	0	0	0
Inactive – AMI remote disconnection (1,7)	0	0	0
Inactive – de-energised due to meter disconnected (1,9)	0	0	0
Inactive – at pole fuse (1,8)	0	0	0
Inactive – de-energised at meter box switch (1,10)	0	0	0
Inactive - at meter box switch (1,11)	0	0	0
Inactive – ready for decommissioning (1,6)	0	0	0
Decommissioned (3)	3	3	3

#### 1.9. Authorisation Received

No letter of authorisation was required as TUIH provided all the information requested.

#### 1.10. Scope of Audit

This Distributor audit was performed at the request of TUIH, 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 V7.1, 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.	TEG & Associates
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 TEG & Associates will be submitted with this report.

### 1.11. Summary of previous audit

TUIH provided a copy of their previous audit conducted in April 2019 by Rebecca Elliot of Veritek Limited. This report recorded three non-compliances and made no recommendations. The table below records their current status.

#### NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Status
Requirement to provide complete and accurate information	2.1	10.6(1)	Meter certification expiry date recorded incorrectly on the NSP mapping table.	Cleared
Changes to registry information	4.1	8 Schedule 11.1	3 late updates to registry.	Cleared
Transfer of ICPs for embedded network	6.13	6 Schedule 11.2	Not all ICPs were included when this network was notified in 2008.	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 TEG contractor report.

The registry list file as of 31 August 2021, the combined audit compliance reports for 1 March 2019 to 31 August 2021 and the TEG activity log in relation to TUIH were examined to determine compliance.

#### Audit commentary

This process is discussed in the TEG report. Examination of the list file found all information populated as required and all practicable steps are taken to check this as part of the business-as-usual processes.

#### Audit outcome

Compliant

### 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

The management of this process is discussed in the TEG contractor report. I examined the registry list file as of 31 August 2021 and the TEG activity log in relation to the TUIH to confirm compliance.

#### Audit commentary

Compliance is recorded for TEG. Examination of the list file confirmed compliance.

#### 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 devices existed on the network.

### Audit commentary

Tuihana confirmed that there are no load controls on the Tuihana network.

### 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 Disputes Resolution information for Tuihana was examined to determine compliance. Tuihana is a very small network with very minor interactions with consumers, they were able to provide one example of correspondence to a consumer.

### Audit commentary

The one example of correspondence to a consumer provided information about Utilities Disputes for the consumer, including the link to the Utilities Disputes website.

### 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 is discussed in the TEG contractor report. I also examined a registry list file as of 31 August 2021 to confirm compliance.

##### Audit commentary

Examination of the registry list file found two ICPs were created during the audit period. ICPs were created in accordance with this clause for all new connections.

##### 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 management of this process is discussed in the TEG contractor report. The registry list file as of 31 August 2021, and the combined audit compliance reports for 1 March 2019 to 31 August 2021 were examined. Two ICPs were created during the audit period.

##### Audit commentary

Compliance is recorded in the TEG contractor report and no changes have been made to their process since they were last audited. The sample checked confirmed that ICPs are being created within three days of the request from the trader.

##### Audit outcome

Compliant

### 3.3. Provision of ICP Information to the registry (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 TEG contractor report. Examination of the registry list file found two new ICPs have been created during the audit period.

#### Audit commentary

Compliance is confirmed in the TEG contractor report. All the information was provided as required by this clause for the two new ICPs created during the audit period.

#### Audit outcome

Compliant

### 3.4. Timeliness of Provision of ICP Information to the registry (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 is discussed in the TEG contractor report. The registry list file as of 31 August 2021 and the combined audit compliance reports for 1 March 2019 to 31 August 2021 were examined to determine the timeliness of the provision of ICP information.

#### Audit commentary

Compliance is recorded in the TEG contractor report and no changes have been made to their process since they were last audited. Analysis of the registry reports found all ICPs were created as soon as practicable and prior to electrical connection.

#### 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 sub-clause (1)(p) to the registry no later than 10 business days after the date on which the ICP is initially energised.*

#### Audit observation

The new connection process is discussed in the TEG contractor report.

The registry list file as of 31 August 2021 and the combined audit compliance reports for 1 March 2019 to 31 August 2021 were examined to determine the timeliness of the provision of the initial electrical connection dates for the two completed new connections.

#### Audit commentary

Compliance is confirmed in the TEG contractor report. The initial electrical connection date was updated within ten business days for both ICPs.

#### Audit outcome

Compliant

### 3.6. Connection of ICPs (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.*

#### Audit observation

The new connection process is discussed in the TEG contractor report. The registry list file as of 31 August 2021 and the combined audit compliance reports for 1 March 2019 to 31 August 2021 were examined to determine compliance.

#### Audit commentary

Compliance is confirmed in the TEG contractor report. The two ICPs created during the audit period had a proposed trader recorded.

#### 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.*

- *reconciliation participant responsible for ensuring there is a metering installation.*

#### Audit observation

The new connection process is discussed in the TEG contractor report. The registry list file as of 31 August 2021 and the combined audit compliance reports for 1 March 2019 to 31 August 2021 were examined to determine compliance.

#### Audit commentary

The process for the updating of the registry is discussed in the TEG agent report. There were two ICPs that were connected during the audit period, and both had a trader recorded in the registry as accepting responsibility.

#### Audit outcome

Compliant

### 3.8. Electrical connection of ICP that is not an NSP (Clause 10.31)

#### Code reference

*Clause 10.31*

#### 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.*

#### Audit observation

The new connection process is discussed in the TEG contractor report. The registry list file as of 31 August 2021 and the combined audit compliance reports for 1 March 2019 to 31 August 2021 were examined to determine compliance.

#### Audit commentary

Compliance is recorded in the TEG contractor report and no changes have been made to their process since they were last audited. No ICPs were identified as temporarily electrically connected during the audit period.

#### 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 trader responsible for ensuring there is a metering installation for the point of connection.*

*The distributor that initiates the connection under Part 11 and connects the NSP must, within 5 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 observation

No new NSPs have been electrically connected during the audit period.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 10.30A and 10.30B*

#### 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.*

*A distributor may only electrically connect an NSP if:*

- *each distributor connected to the NSP agrees*
- *the trader responsible for delivery of submission information has requested the electrical connection*
- *the metering installations for the NSP are certified and operational metering*

#### Audit observation

The NSP table was reviewed.

#### Audit commentary

No new NSPs have been electrically 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 market administrator.*

### Audit observation

The ICP creation process is discussed in the TEG contractor report. Examination of the registry list file found two new ICPs have been created during the audit period.

### Audit commentary

Compliance is confirmed in the TEG contractor report. The two new ICPs were created compliantly.

### 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 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 is discussed in the TEG contractor report.

The registry list file as of 31 August 2021 and the combined audit compliance reports for 1 March 2019 to 31 August 2021 were examined to determine compliance.

#### Audit commentary

Compliance is confirmed in the TEG contractor report. The ICPs created were created at the “ready” status. The “new” status is not used in the creation of ICPs.

#### 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 TEG contractor report. The combined audit compliance reports covering the period 1 March 2019 to 31 August 2021 were examined to identify any ICPs that had been at “new” or “ready” for more than 24 months.

#### Audit commentary

This process is discussed in the TEG agent report and has not changed since the last audit. An examination of the audit compliance report found no ICPs at the “ready” status for more than 24 months.

#### 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:*
  - o *the unique loss category code assigned to the ICP*
  - o *the ICP identifier of the ICP*
  - o *the NSP identifier of the NSP to which the ICP is connected*
  - o *the plant name of the embedded generating station.*

#### Audit observation

The registry list as of 31 August 2021 was examined to determine compliance.

#### Audit commentary

No embedded generation stations with capacity greater than 10 MW were connected 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 registry list as of 31 August 2021 was reviewed to determine compliance

#### Audit commentary

TUIH requires all requests for new ICP's to be sent from the trader before electrically connecting ICPs, as discussed in **section 3.2**. No new unmetered load connections have been completed 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

No ICPs were disconnected or electrically disconnected by TUIH 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 Tuihana process for bridging control devices was examined.

#### Audit commentary

Tuihana do not bridge meters. Where a contractor is required to do this on the Tuihana network, it would be as a result of a Service Request sent by the Trader directly to the contractor.

#### 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 14 days, the time within which notification must be effected in accordance with Clause 8(3) of Schedule 11.1 begins on the 15th day after the change.*

#### Audit observation

The management of this process is discussed in the TEG contractor report.

The registry list file as of 31 August 2021 and the combined registry compliance reports for 1 March 2019 to 31 August 2021 were examined to identify any late changes to registry information during the audit period. All backdated events by event type were reviewed to determine the reasons for the late updates.

#### Audit commentary

TEG has added additional checks to their process to ensure that all updates to the registry are recorded for the correct effective date. These are detailed in the TEG contractor report. All of the updates were made on the same day as they were advised. Compliance is recorded in the TEG contractor report.

The combined audit compliance reports were analysed, and all changes were updated within the required timeframe with the exception of five network updates. These all related to the late updating of the distributed generation details.

TUIH maintains a spreadsheet of ICPs with distributed generation installed which is provided to TEG to update the registry. A check of the late network updates on the spreadsheet indicated that four were late notifications to TEG and there was no notification for ICP 0000016787WE804 when the distributed generation was installed.

TEG monitors TUIH ICPs to identify any ICPs with a profile or metering installation with an injection channel to identify ICPs with distributed generation installed and not notified to TUIH.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of Schedule 11.1 From: 01-Mar-19 To: 31-Aug-21	Five late updates to registry. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	Controls are rated as moderate because they are sufficient to ensure that the registry is updated within three business days most of the time. The audit risk rating is low as the discrepancies identified have little or no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
TUIH's notification to DG third party includes new requirement for timely notification of completed details. Missing information for ICP 0000016787WE804 has been remedied.		01/12/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
DG activities will continue to be monitored and enforced by TUIH to ensure that its third party's obligations for timely notification are met.		On-going	

#### 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 TEG contractor report. As TUIH has only one NSP there have been no NSP changes.

##### Audit commentary

Compliance is recorded in the TEG contractor report. Due to the nature of embedded networks, there is no uncertainty regarding the ICP and NSP relationships. A check of the list file confirmed compliance.

##### Audit outcome

Compliant

#### 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

TUIH does not receive direct requests for ICP identifiers, but if they were received these would be 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 manage address accuracy was examined in the TEG contractor report. The list file was analysed.

##### Audit commentary

A check of TUIH's list file found that all ICPs have unique addresses with sufficient information to allow the ICPs to be readily located.

##### 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 was examined.

### Audit commentary

TUIH confirm that all ICPs comply with this clause. They have a good understanding of this requirement and as this network was created post this requirement, this scenario is unlikely to arise.

### 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 from metering information*
- c) *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 this process is discussed in the TEG contractor report.

The list file was examined to check for the population of all required information and its alignment with the trader where appropriate e.g., distributed generation, unmetered load if known and shared unmetered load.

#### **Audit commentary**

Compliance is recorded in the TEG contractor report. Examination of the list file confirmed that ICP information has been populated correctly. The list file identified 23 ICPs with distributed generation indicated and all have the fuel type recorded and the correct installation type.

#### **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 TEG contractor report. The list file was examined to determine compliance with this clause.

#### **Audit commentary**

Compliance is recorded in the TEG contractor report. Examination of the list file found two ICPs have been created during the audit period. The pricing details were populated at the time of ICP creation.

#### **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**

TUIH do not populate GPS co-ordinates on the registry; compliance was not assessed.

#### **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 management of this process is discussed in the TEG contractor report. Examination of the registry list file found two ICPs have been created during the audit period.

#### **Audit commentary**

Compliance is recorded in the TEG contractor report. All of the ICPs were created at "ready" with a nominated retailer and single price code category code, as required by this clause.

#### **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 list file was examined.

##### Audit commentary

It is unlikely that TUIH will deal with any ICPs with a “distributor” status because they do not deal with shared unmetered load, and there are no embedded networks connected to the existing embedded 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 management of this process is discussed in the TEG contractor report. The list file was examined in relation to the use of the decommissioned status.

##### Audit commentary

Compliance is recorded in the TEG contractor report. No ICPs have been decommissioned during the audit period.

##### Audit outcome

Compliant

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

##### Code reference

Distributor audit report V13

*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**

TUIH has not created any new price category codes 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.

#### Audit commentary

TUIH has 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 on 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

TUIH updated the loss factor value for the following code during the audit period in accordance with this clause.

Loss Factor	Updated from
TUILV1	1/06/2019

There was only one loss factor per category code per month.

#### 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 2 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 2 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.*

*The notice provided to the reconciliation manager must be provided no later than 30 days prior to the intended date of creation or decommissioning.*

*If the intended date of creation or decommissioning changes the distributor must provide an updated notice as soon as possible.*

*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 1 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 examined.

### 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

TUIH 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

TUIH has only one NSP. No balancing area changes were made 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 three business days before the transfer takes effect.*

##### Audit observation

No ICPs were transferred during the audit period.

##### Audit outcome

Compliant

#### 6.8. Compliant 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 management of this process is discussed in the TEG contractor report. The NSP supply point table was examined.

#### Audit commentary

TEG monitors meter certification expiry dates for all of the networks they act as the registry agent for. Compliance is recorded in the TEG contractor report. The NSP supply point table as of September 2021 was reviewed:

Distributor	NSP POC	Description	MEP	Certification Expiry
TUIH	MTM0331	TUIHANA	AMCI	13/06/2023

#### 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:
  - the reconciliation participant for the NSP (Clause 10.25(2)(b)); and
  - no later than 5 business days after the date of certification of each metering installation, advise the reconciliation manager of
    - a) the MEP for the NSP (Clause 10.25(2)(c)(i)); and
    - b) the NSP of the certification expiry date (Clause 10.25(2)(c)(ii)).

#### Audit observation

The NSP table on the registry was examined.

#### Audit commentary

No NSPs were created 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 table on the registry was examined.

### Audit commentary

TUIH 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 TEG contractor report. The event detail report for the period from 1 March 2019 to 31 August 2021 was examined to determine whether there have been any MEP changes during the audit period.

### Audit commentary

Compliance is recorded in the TEG contractor report. 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

No ICPs have been transferred 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

No ICPs have been transferred 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 as of 31 August 2021 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 the TUIH network.

#### 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 as of 31 August 2021 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 the TUIH network.

#### 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. The calculation of loss factors was reviewed.

#### Audit commentary

TUIH 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. TUIH reviews its loss factors annually in March. As detailed in **section 5.2**, loss factors have recently been reviewed. The calculations were checked and confirmed to be correct.

#### Audit outcome

Compliant

## CONCLUSION

TUIH is responsible for one embedded network in Papamoa. Most of TUIH's compliance is reliant on the compliance of TEG & Associates (TEG), as a contractor to TUIH. Their audit report is to be submitted with this audit.

There is a minimal amount of activity on this embedded network. The processes in place to manage the code requirements are robust.

This audit found one non-compliance. The audit risk rating recommends the next audit be in 24 months and I agree with this recommendation.

## PARTICIPANT RESPONSE

TUIH welcomes the opportunity for its distributor processes to be independently audited.