

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

**LEND LEASE FUNDS MANAGEMENT
LIMITED**

Prepared by: Rebecca Elliot

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EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Lend Lease Funds Management Limited (AJML)** 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.

AJML's compliance is reliant on the compliance of TENCO, as the contractor. In this report, I have only recorded those matters where issues were discovered or where specific analysis was undertaken. TENCO's audit report will be submitted with this report.

The audit identified three non-compliances, and no recommendations were made.

The next audit frequency table indicates that the next audit be due in 24 months and I have considered this in conjunction with TENCO's comments, the strengths of controls for the non-compliances found and I recommend that the next audit be in 36 months.

The matters found are detailed in the table below:

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	One late pricing update.	Strong	Low	1	Cleared
Updating of loss category tables	5.1	21 Schedule 11.1	Three new loss categories notified late.	Strong	Low	1	Identified
Responsibility for metering information for NSP that is not a POC to the grid	6.8	10.25(1)	One meter recertification date notified to the RM more than 20 business date from the date of recertification.	Strong	Low	1	Identified
Future Risk Rating						3	

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

RECOMMENDATIONS

Subject	Section	Recommendation	Description
		Nil	

ISSUES

Subject	Section	Issue	Description
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

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

Audit commentary

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

1.2. Structure of Organisation

Not applicable

1.3. Persons involved in this audit

Auditor:

Name	Company	Role
Rebecca Elliot	Veritek Limited	Lead Auditor
Claire Stanley	Veritek Limited	Supporting Auditor

Personnel assisting in this audit were:

Name	Title	Organisation
Nick Price	General Manager	TENCO
Andrew Price	Market Operations and Compliance Manager	TENCO

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

- *remains responsible for the contractors 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

TENCO performs all AJML's responsibilities.

1.5. Supplier list

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

1.6. Hardware and Software

TENCO manages a database called END (Embedded Network Database), which contains all relevant embedded network data.

A spreadsheet is used to create ICP identifiers. The checksum is created by the "checksum" tool provided by Vector.

Salesforce hosts all the ICP information, and registry information is imported daily. A daily registry validation is performed within Salesforce and any discrepancies are managed using the salesforce dashboard.

This is detailed further in the TENCO agent report.

1.7. Breaches or Breach Allegations

AJML 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 AJML had the following NSPs.

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
AJML	DSH0011	DRESS-SMART HORNBY	ISL0331	ORON	DSH0011AJMLE	EN	01/03/20	52
AJML	DSO0011	DRESS-SMART ONEHUNGA	PEN0221	VECT	DSO0011AJMLE	EN	01/03/20	97
AJML	MSC0011	MERIDIAN SHOPPING CENTRE	HWB0331	DUNE	MSC0011AJMLE	EN	23/03/20	57

AJML has not created any new networks during the audit period. The trader changed for DSH0011 and DS0011 which resets the network start date. The parent NSP changed for MSC0011 which reset the network start date.

Status	Number of ICPs (2020)	Number of ICPs (2017)	Number of ICPs (2016)
New (999,0)	-	-	-
Ready (0,0)	-	-	-
Active (2,0)	206	208	206
Distributor (888,0)	-	-	-
Inactive – new connection in progress (1,12)	-	-	-
Inactive – electrically disconnected vacant property (1,4)	3	3	5
Inactive – electrically disconnected remotely by AMI meter (1,7)	-	-	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-
Decommissioned (3)	30	22	21

The increase in decommissioned ICPs is a correction from previous audits and counts all ICPs decommissioned and not just those decommissioned with the 3, 2 code applied as has previously been recorded.

1.9. Authorisation Received

All information was provided directly; an authorisation letter was not required.

1.10. Scope of Audit

This Distributor audit was performed at the request of AJML, to encompass the Electricity Industry Participation Code requirement for an annual 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.	TENCO
The provision of ICP information to the registry and the maintenance of that information.	
The creation and maintenance of loss factors.	

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

1.11. Summary of previous audit

AJML provided a copy of their previous audit conducted in October 2017 by Tara Gannon of Veritek Limited. The audit recorded one non-compliance described in the table below, and made no recommendations.

Table of Non-Compliance

Subject	Section	Clause	Non-compliance	Status
Changes to registry information	4.1	8 Schedule 11.1	One late status update for a decommissioned ICP.	Still existing

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TENCO contractor report. The list file as at 30/09/20 and the combined registry compliance audit reports covering the period from 31/08/17 to 30/09/20 were examined to confirm compliance.

Audit commentary

Compliance is recorded for TENCO. Examination of the files confirmed compliance.

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

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

Audit commentary

This area is discussed in a number of sections in 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 registry list file as at 30/09/2020 and the event detail report for 01/09/2017 - 30/09/2020 were examined to identify all new connections during the period and check that ICP's were created as required by this clause.

Audit commentary

The process in place is robust and has good controls in place. The four new ICP's identified were created in accordance with this clause. Compliance is recorded for TENCO.

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

Audit observation

The new connection process is discussed in the TENCO contractor report. Examination of the registry list file as at 30/09/2020 found four ICP's created during the audit period

Audit commentary

This clause requires distributors to create ICPs within three business days of the request. This clause assumes that ICP requests will be made by traders, however the process for embedded networks managed by TENCO is different and most ICP requests are made by embedded network management.

The process to create ICPs was reviewed during TENCO's audit. All ICPs checked were requested by embedded network management or created within 3 business days of request from a trader.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

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

The registry list file as at 30/09/2020 and the combined audit compliance reports for 01/09/2017 - 30/09/2020 were examined to identify all new connections during the period and check that ICP's were created as required by this clause.

Audit commentary

Compliance is recorded for TENCO. Information was provided as required by this clause for all ICP's created during the report period.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

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

The registry list file for 30/09/2020 and the combined registry compliance audit reports covering the period 01/09/2017 to 30/09/2020 were examined to determine the timeliness of the provision of the ICP information for AJML's new connections.

Audit commentary

The audit compliance report confirmed that all ICPs were populated to the registry prior to electricity being traded at the ICP.

Audit outcome

Compliant

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

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

The new connection process for populating all required registry fields was examined. The registry list for 30/09/2020 and the combined registry compliance audit reports covering the period from 1/09/2020 to 30/09/2020 were examined to determine the timeliness of the provision of the initial electrical connection date.

Audit commentary

The initial electrical connection dates were populated within 10 business days of the initial electrical connection in all instances.

Audit outcome

Compliant

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

The new connection process is discussed in the TENCO contractor report. The registry list file as at 30/09/2020 and the combined registry compliance audit reports covering 01/09/2017 to 30/09/2020 were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

The audit compliance report confirmed that all ICPs were populated to the registry prior to electricity being traded at the ICP with a trader recorded as accepting responsibility for the ICP.

Review of the registry list confirmed that a trader is recorded for all active and inactive ICPs, there are no new or ready ICPs. The registry list does not record any shared unmetered load.

Audit outcome

Compliant

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

The new connection process is discussed in the TENCO contractor report. The registry list file as at 30/09/2020 and the combined registry compliance audit reports covering 01/09/2017 to 30/09/2020 were examined to determine compliance.

Audit commentary

AJML will not electrically connect an ICP without a reconciliation participant accepting responsibility. Examination of the list file and combined audit compliance reports confirmed this.

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 is discussed in the TENCO contractor report. The combined registry compliance audit reports covering 01/09/2017 to 30/09/2020 were examined to determine compliance.

Audit commentary

TENCO's processes are robust in relation to this clause as an ICP will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP. No ICPs were at ready status 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 reconciliation participant responsible for ensuring there is a metering installation for the point of connection.

The distributor 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 mapping table on the registry was examined.

Audit commentary

No new NSPs have been connected during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.30(A)

Code related audit information

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

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

Audit observation

The NSP table on the registry was examined.

Audit commentary

No new NSPs have been 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:

xxxxxxxxxxxccc where:

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

Audit observation

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

Audit commentary

Compliance is recorded for TENCO. ICPs are created in a spreadsheet. The spreadsheet is used to create unique numbering sets for each network. Each network has its own numbering convention, usually tenancy or shop numbers incorporated into the ICP number.

The checksum is added manually from the “Checksum” system supplied by Vector where a group of ICPs is created. For the creation of a single ICP, TENCO uses the checksum facility available on the registry.

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 whether 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 TENCO contractor report. The list file with history covering the period from 01/09/2017 to 30/09/2020 was examined to identify any ICPs that had been at “new”

Audit commentary

Compliance is recorded for TENCO.

Some ICPs are created at “New” and others are created at “Ready”. ICPs that are created at “New” are changed to “Ready” once the metering details and retailer have been determined. The only other instance where ICPs will be created at “New”, is that of a new NSP going live on the same day as the ICPs. The new NSP cannot be allocated to ICPs until the following day. This has not occurred during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

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

Audit observation

Monitoring of new and ready status is discussed in the TENCO contractor report. The combined registry compliance audit reports covering the period from 01/09/2017 to 30/09/2020 were examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

Audit commentary

Non-compliance is recorded for TENCO as the process lapsed during the audit period. This did not affect any of AJML’s ICPs. Examination of the audit compliance report found no ICPs at new or ready status.

Audit outcome

Compliant

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

The list file was examined to determine compliance.

Audit commentary

AJML does not supply any embedded generators.

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.

Audit commentary

TENCO obtains permission from the trader before electrically connecting ICPs, as discussed in **section 3.2**.

No streetlights are supplied.

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 3 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 8 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 3 business days after the registry manager has advised the distributor that the ICP is ready to be decommissioned, or 3 business days after the distributor has decommissioned the ICP.

Audit observation

The management of this process is discussed in the TENCO contractor report. I also examined the registry list as at 30/09/2020 and the registry audit compliance report covering the period from 31/08/2017 to 30/09/2020 were examined, to identify late changes to registry information during the audit period.

Audit commentary

The event detail report was analysed and found:

Address events

There were five address events during the audit period, all were updated within three business days of the event date.

Network Events

There were five network events during the audit period, all were updated within three business days of the event date.

Pricing Events

There were seven pricing updates. One was updated on business day eight. Tenco advised that Contact requested a change to format of installation details, which resulted in the late pricing update. This is recorded as non-compliance below.

Status Events

There were six status events during the audit period, all were updated within 3 business days of the event date.

Audit commentary

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Feb-19 To: 14-Feb-19	One late pricing update. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as they are sufficient to prevent the late updates most of the time. The audit risk rating is deemed to be low as there was only one late pricing event.		
Actions taken to resolve the issue		Completion date	Remedial action status
The backdated pricing change was as a result of a back dated retailer request to update some Registry fields for their billing system.		2019	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Our process and controls here are strong and the above was one off event as a result of a retailer request.		N/A	

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

Code reference

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

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TENCO contractor report. The combined audit compliance reporting confirmed that all ICP's were mapped correctly.

Audit commentary

Compliance is recorded in the TENCO contractor report. The audit compliance confirmed that all ICP's had the correct NSP recorded.

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

AJML occasionally receives direct requests for ICP identifiers. These are provided immediately if the requesting party has authorisation

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 TENCO contractor report. The registry list file as at 30/09/2020 and the combined audit compliance report covering the audit period were examined.

Audit commentary

Review of combined audit compliance reports confirmed that all ICPs have readily locatable addresses. There were no duplicate addresses.

Audit outcome

Compliant

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

Code reference

Clause 3 Schedule 11.1

Code related audit information

Each ICP created after 7 October 2002 must be able to be electrically disconnected without electrically disconnecting another ICP, except for ICPs that are the point of connection between a network and an embedded network, or ICPs that represent the consumption calculated by the difference between the total consumption for the embedded network and all other ICPs on the embedded network.

Audit observation

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

Audit commentary

Compliance is recorded in the TENCO contractor report.

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 this process is discussed in the TENCO contractor report.

The registry list as at 30/09/2020 and combined audit compliance reports for the audit period from 01/09/2017 to 30/09/2020 were reviewed to determine compliance for the population of all required information and its alignment with the trader where appropriate e.g. distributed generation, unmetered load, and shared unmetered load.

Audit commentary

Compliance is recorded in the TENCO contractor report. Examination of the list file and the combined audit compliance reports confirmed that ICP information had been populated correctly. There has been no unmetered load or embedded generation added during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TENCO contractor report. The audit compliance reporting and the registry list were examined to determine compliance.

Audit commentary

The process followed by TENCO is compliant.

Audit outcome

Compliant

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

The registry list as at 30/09/2020 was examined to confirm compliance.

Audit commentary

AJML do not populate GPS co-ordinates on the registry.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

The ICP status of "Ready" must be managed by the distributor and indicates that:

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

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

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

Audit observation

The management of this process is discussed in the TENCO contractor report. The registry list file for 30/09/2020 and the combined registry compliance audit reports covering the period from 31/08/2017 to 30/09/2020 were examined.

Audit commentary

Compliance is recorded in the TENCO contractor report. The list file does not show any ICPs currently at the new or ready status.

Audit outcome

Compliant

4.10. Management of "distributor" status (Clause 16 Schedule 11.1)

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

It is unlikely that AJML 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 existing embedded networks.

The registry list file for was examined in relation to the use of the distributor status.

Audit commentary

The distributor status was not used at all during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The management of this process is discussed in the TENCO contractor report. The list file as at 30/09/2020 and combined audit compliance reports for the period 31/08/2017 to 30/09/2020 were examined in relation to the use of the decommissioned status.

Audit commentary

Compliance is recorded in the TENCO contractor report.

Three ICP's were decommissioned during the report period, and the registry was updated in accordance with this clause.

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 2 months after the date the code is entered in the table.

A price category code takes effect on the specified date.

Audit observation

I checked the price category code table for any new or changed codes during the audit period.

Audit commentary

AJML has created one new price category code during the audit period and the correct notification period was given.

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

AJML has created three new loss factors during the audit period. These were to replace earlier loss factors that had been end dated in error by a staff member. This was corrected upon discovery but caused these to be backdated.

Distributor	Loss Code	Loss Factor	Start date	Updated
AJML	AJHR1	1	1/05/2019	5/06/2019
AJML	AJMR1	1	1/05/2019	5/06/2019
AJML	AJR1	1	1/05/2019	5/06/2019

This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 5.1 With: Clause 21 Schedule 11.1 From: 01-Mar-19 To: 05-Jun-19	Three new loss categories notified late. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as they are sufficient to prevent the late updates most of the time. The audit risk rating is deemed to be low as this affected a small number of ICPs.		
Actions taken to resolve the issue		Completion date	Remedial action status
This is a one off error as a result of a loss code tidy op completed across all TENC managed networks, the Criteria should have been using EN and SB ICP's however only EN ICP's where reviewed and the loss code was incorrectly closed in Registry – as soon as we were made aware of the issue we backdated the start date for the loss code.		05/06/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Loss Code updates and changes to Registry are now only via our Market Operations and Compliance Manager and are no longer completed just via an Analyst.		September-2020	

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 2 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

AJML has updated one loss factor code during the audit period and this was notified correctly.

There was only one loss factor per loss factor 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.

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 on the registry was examined.

Audit commentary

No NSPs were 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 2 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 on the registry was examined.

Audit commentary

No NSPs were created or transferred 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 on the registry was examined.

Audit commentary

No NSPs were created 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 on the registry and the registry list with history for 01/09/2017 - 30/09/2020 were examined to determine compliance.

Audit commentary

No NSPs were created during the audit period, and no ICPs had a change of NSP 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 3 business days after the change takes effect.

Audit observation

The NSP table on the registry was examined.

Audit commentary

No balancing areas were changed during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

If a transfer of an ICP results in an ICP becoming an NSP at which an embedded network connects to a network, or in an ICP becoming an NSP that is an interconnection point, in respect of the distributor's network, the distributor must give written notice to any trader trading at the ICP of the transfer at least 1 month before the transfer.

Audit observation

The NSP table on the registry was examined.

Audit commentary

No 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 on the registry was examined.

Audit commentary

AJML has not acquired any new networks.

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 1 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 TENCO contractor report. The NSP supply point table was examined.

Audit commentary

The NSP supply point table was reviewed:

Distributor	NSP POC	Description	MEP	Certification Expiry
AJML	DSH0011	DRESS-SMART HORNBY	AMCI	22/02/2023
AJML	DSO0011	DRESS-SMART ONEHUNGA	AMCI	18/04/2023
AJML	MSC0011	MERIDIAN SHOPPING CENTRE	AMCI	7/08/2025

All three NSPs have had metering recertified during the audit period. This was checked with the Reconciliation Manager and I confirmed that two were notified within the required timeframe. NSP DSO0011 was recertified on 11/06/19 but wasn't notified to the Reconciliation Manager until 8/08/19. This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.8 With: 10.25(1) From: 11-Jun-19 To: 08-Aug-19	One meter recertification date notified to the RM more than 20 business date from the date of recertification. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as with the correct email address notifications will be provided in sufficient time to notify the Reconciliation Manager. The audit risk rating is deemed to be low as the meter was recertified – the notification to the Reconciliation Manager was late.		
Actions taken to resolve the issue		Completion date	Remedial action status
There was a delay with receiving the paperwork for this from the MEP – as soon as the paperwork was received and processed we populated this into the RM portal.		08/08/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have added a step to our process whereby on BD1 each month we send the MEP a record of all LE metering cert details with have in Tenco's CRM to allow them to review and provide updated meter paperwork to us where the steps introduced in November-2017 as referenced above have not been completed.		September-2020	

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

Code reference

Clause 10.25(2)

Code related audit information

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

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

Audit observation

The NSP table on the registry was examined.

Audit commentary

No NSPs were created during the audit period.

Audit outcome

Compliant

6.10. Not applicable 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 1 month 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

AJML has not acquired any networks.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

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

Audit commentary

Compliance is recorded in the TENCO 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

The NSP table on the registry was examined.

Audit commentary

AJML has not acquired any networks.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

The NSP table on the registry was examined.

Audit observation

AJML has not acquired any networks.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

The registry list with history for 01/09/2017 - 30/09/2020 was examined to determine compliance.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list with history for 01/09/2017 - 30/09/2020 was examined to determine compliance.

Audit commentary

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

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

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

Audit commentary

Compliance is recorded for TENCO. TENCO derives loss factors for loss category codes from the published parent network loss factors for similar installations. It is expected that ICPs on embedded networks will have the same loss factor as a similar type of connection on the parent network. All loss factors checked during TENCO's audit were correct.

Audit commentary

Compliant

CONCLUSION

AJML's compliance is reliant on the compliance of TENCO, as the contractor. In this report, I have only recorded those matters where issues were discovered or where specific analysis was undertaken. TENCO's audit report will be submitted with this report.

The audit identified three non-compliances, and no recommendations were made.

The next audit frequency table indicates that the next audit be due in 24 months and I have considered this in conjunction with TENCO's comments, the strengths of controls for the non-compliances found and I recommend that the next audit be in 36 months.

PARTICIPANT RESPONSE

Tenco on behalf of AJML have reviewed the above audit report on the 27th of February 2021 and are in agreement with the findings contained within it.

