

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**

For

**BULLER ELECTRICITY LTD (BUEL)**  
**(COMPANY # 565395)**

Prepared by: Ewa Glowacka of TEG & Associates Ltd

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## EXECUTIVE SUMMARY

This distributor audit was performed at the request of Buller Electricity (BUEL) to encompass the Authority's request for annual audits, as required in clause 11.10 of Schedule 11 of the Electricity Industry Participation Code 2010, to assure compliance with the Code. The relevant rules audited are as required by the Guidelines for Distributor Audits V7.2, issued by the Electricity Authority.

The audit period is 01/03/2020 to 31/08/2021.

At the time of this audit Buller Electricity had 4,951 ICPs (active and inactive), it created 92 new ICPs during the audit period.

The audit found 5 non-compliances, two of them were cleared during the audit, and one recommendation was made.

The company manages their processes using the NED database, which also monitors their compliance. We observed that the controls are strong and the processes in place will mitigate the majority of risks. Overall, we observed a high level of compliance and the company has a strong commitment to meet their obligations.

The last audit recorded non-compliance as the UFE information provided by the Authority indicated the UFE (Unaccounted for Electricity) is above the +/- 1% threshold, as stated in the Guideline on the calculation and use of loss factors for reconciliation purposes, dated 26/06/2018. The company reviewed their loss factor methodology and put in place additional processes to monitor UFE. The company provided a comprehensive document called "Loss Factor Methodology & Review Process".

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. Table 1 of the Guidelines for Reconciliation Participant audit provides some guidance on this matter. The Future Risk Rating score is 3 which results in an indicative audit frequency of 24 months. We agree with the recommendation.

We thank Buller Electricity's staff for their full and complete cooperation in this audit. Their response to any request for information or clarification was answered in a timely manner and each time, in depth supporting evidence was provided.

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirements to provide complete and accurate information	2.1	11.2(2)	Registry information incorrect for small number of ICPs.	Strong	Low	1	Investigating
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	7 ICPs late updates of historically missing information	Strong	Low	1	Cleared
Changes to registry information	4.1	8 of Schedule 11.1	2 late pricing updates in the registry 3 late corrections of IECD Event date in the registry did not represent physical removal of electrical equipment associated with the ICP	Medium	Low	2	Investigating
ICP location address	4.4	2 of Schedule 11.1	2 ICPs with identical address	Strong	Low	1	Cleared
Distributor to provide ICP information to the registry manager	4.6	7(1) of Schedule 11.1	3 UML ICPs do not have BUEL details in the registry	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	12months	6 months	3 months

## RECOMMENDATIONS

Subject	Section	Recommendation	Description
Changes to registry information	4.1	Review the ICP decommissioning process in relation to documentation and timeliness.	Information flow of decommissioning process

## 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.

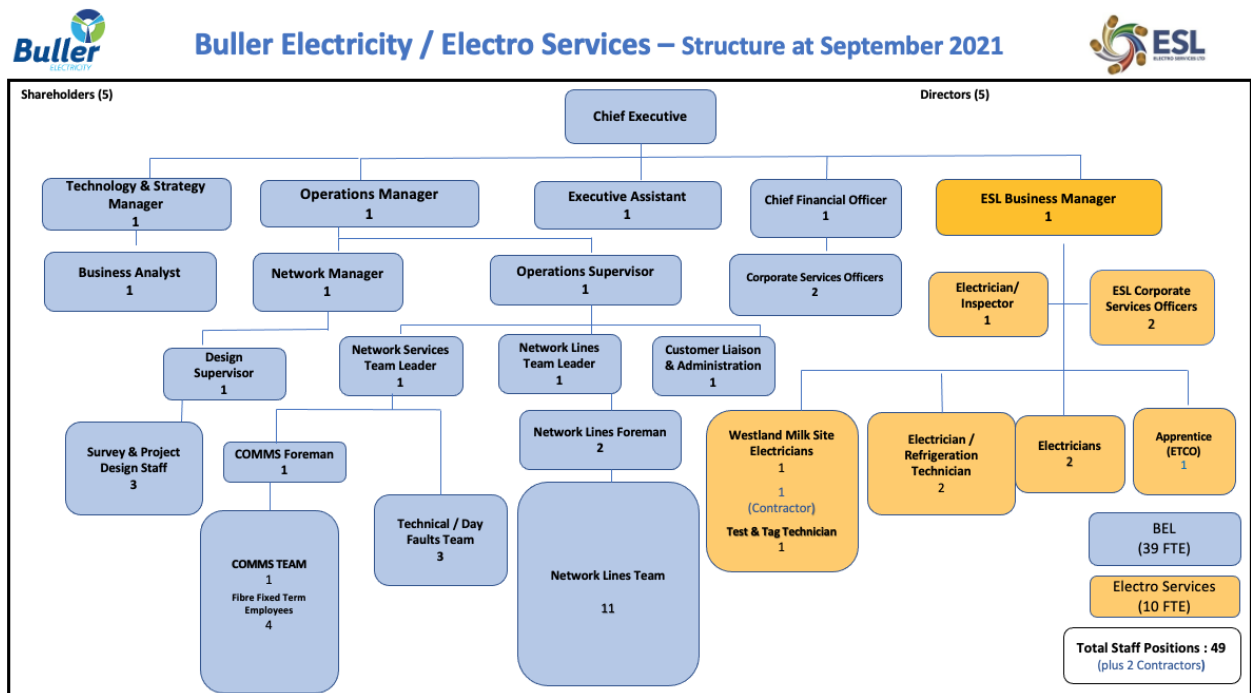
#### Audit observation

BUEL confirms that there are no exemptions in place which are relevant to the scope of this audit.

#### Audit commentary

We checked the Electricity Authority website and confirm that there are no exemptions in place.

### 1.2. Structure of Organisation



### 1.3. Persons involved in this audit

Name	Title	Company
Chris Osauskas	Technology & Strategy Manager	Buller Electricity
Ewa Glowacka	Electricity Authority Approved Auditor	TEG & Associates Ltd

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

## Audit observation

There are no contractors who assist with, or are used in, the BUEL operations that were audited.

## Audit commentary

Activities covered by the scope of this audit are conducted by Buller Electricity employees.

### 1.5. Supplier list

All activities are completed by BUEL employees.

### 1.6. Hardware and Software

BUEL uses the inhouse designed and maintained NED Database for ICP management & the vast majority of Registry Data updates.

This includes:

- The automatic updating of a local copy of the Registry Data RSIPCLIST (LISS) & RESEVENTDEL (EDA) each morning from 6AM
- The current RSICPLIST data is stored in the table = Tbl\_RSICPLIST\_Data\_Import\_Current
- The current RSEVENTDEL data is stored in the table = Tbl\_RSEVENTDEL\_Data\_Import\_Current
- The automatic checking of Registry Data for potential issues as detailed in the sheet 'RGST Data Checks Index'
- The use of a range of ICP Events to manage and record the ICP lifecycle and ICP related information:
  - NEWCONN = New Connction
  - ADDRESS = Addres Update
  - PRICE = Price Update
  - DECOM = Decommissioning
  - Automated Registry Updates for NEWCONN & ADDRESS Events
- A variety of ICP Event Process & ICP Event Process Checks

The new connections process and associated registry updates are administered using the NEWCONN ICP event module of this database. The NED Database is stored on a local shared drive in the folder F:\public\DB\_NED. All files/data stored on local drives are backed up to a local hard drive, the NAS back-up system and software. Backups are made on an hourly basis if changes have been made on the current day. Off-site overnight backups are made to a server in Auckland.



### 1.7. Breaches or Breach Allegations

We confirm that there were no breaches related to areas covered by this audit.

### 1.8. ICP and NSP Data

The table below shows NSPs located on the Buller Electricity's network and the number of active ICPs.

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
BUEL	ORO1101	OROWAITI			ROBERTSBUEL	G	01/05/08	2,183
BUEL	ORO1101	OROWAITI			ROBERTSBUEL	G	01/05/08	2,571

Status	Number of ICPs (4/10/2021)	Number of ICPs (20120)	Number of ICPs (2019)	Number of ICPs (2017)
New (999,0)	2	2	2	0
Ready (0,0)	16	1	3	0
Active (2,0)	4,754	4,683	4,673	4,629
Distributor (888,0)	0	0	0	0
Inactive – new connection in progress (1,12)	6	4	6	2
Inactive – electrically disconnected vacant property (1,4)	138	149	141	159
Inactive – electrically disconnected remotely by AMI meter (1,7)	21	12	14	16
Inactive – electrically disconnected at pole fuse (1,8)	7	6	1	1
Inactive – electrically disconnected due to meter disconnected (1,9)	2	1	1	1
Inactive – electrically disconnected at meter box fuse (1,10)	0	1	0	0
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	5	2	77	80

Inactive – reconciled elsewhere (1,5)	0	0	0	0
Decommissioned (3)	420	253	316	214

### 1.9. Authorisation Received

BUEL provided a letter of authorization to Ewa Glowacka, permitting the collection of data from other parties for matters directly related to the audit.

### 1.10. Scope of Audit

This distributor audit was performed at the request of BUEL to encompass the Authority's request for annual audits, as required in clause 11.10 of Schedule 11 of the Electricity Industry Participation Code 2010, to assure compliance with the Code. The audit was carried out remotely on 18 October 2021 due to the North Island lockdown.

The audit covers the following processes under clause 16A.23 Part 16A performed by BUEL

- (a) -The creation of ICP identifiers for ICPs
- (b) -The provision of ICP information to the registry and the maintenance of that information
- (c) - The creation and maintenance of loss factors

### 1.11. Summary of previous audit

BUEL provided a copy of their previous audit report, conducted by Rebecca Elliot of Veritek Limited in June 2020. This found 7 non-compliances. The current status of these has been updated below:

Subject	Section	Clause	Non-Compliance	Comment
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Registry information not complete and accurate in all instances.	Still exists
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Late population of the initial electrical connection date for three ICPs.	Still exists
Changes to registry information	4.1	8 Schedule 11.1	Two pricing updates, eight decommission status updates, one distributed generation update and three address events were updated more than three business days after the event date.  Seven NSP updates backdated more than eight business days.	Still exists
Notice of NSP for each ICP	4.2	7(1),(4) and (5) Schedule 11.1	Two ICPs with incorrect NSPs.	Cleared
ICP location address	4.4	2 Schedule 11.1	12 ICPs with duplicate address information.	Still exists
Provide ICP Information to the Registry manager	4.6	7(1)(m) & (p) Schedule 11.1	One ICP with an unmetered load discrepancy.	Still exists

			Seven missing initial electrical connection dates.	
Creation of loss factor	8.1	11.2	Loss factor were not accurate as indicated by reconciliation losses	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

We performed a check of the LIS files, dated 04/10/2021, and the Audit Compliance Summary Report for the audit period, and had discussions with BUEL staff to assess if all practicable steps had been taken to provide accurate information.

#### Audit commentary

BUEL uses a number of queries in the NED database. Registry Data checks which are undertaken on a daily basis are listed below

Check Description	Query Name
ICPs which have not been commissioned	Qry_RSICPLIST_ICP_Not_Commissioned_Errors
Network Attribute - General Errors	Qry_RSICPLIST_ICP_Network_Attribute_Errors
Network Attribute - POC/GXP Errors	Qry_RSICPLIST_ICP_Network_Attribute_POC_GXP_Errors
Pricing Attribute - Errors	Qry_RSICPLIST_ICP_Pricing_Attribute_Errors_A
Pricing Attribute - Errors	Qry_RSICPLIST_ICP_Pricing_Attribute_Errors_B
Network Attribute - IECD Errors	Qry_RSICPLIST_ICP_Energisation_Date_Errors
Network Attribute - DG Errors	Qry_RSICPLIST_DG_Checks_2
DG Profile Errors	Qry_RSICPLIST_DG_MEP_Checks
IECD Errors	Qry_RGST_EDA_NEWCONN_IECD_Check_3

The table below shows a summary of our findings during the audit:

Section	Registry
3.5	<ul style="list-style-type: none"><li>7 ICPs late updates of historically missing information, which were identified in the last audit (May 2020)</li></ul>
4.1	<ul style="list-style-type: none"><li>2 late pricing updates in the registry</li><li>Event Date in the registry does not represent the date that electrical installations associated with the ICP were physically removed</li><li>3 late corrections of IECD</li></ul>
4.6	<ul style="list-style-type: none"><li>3 UML ICPs do not have BUEL details in the registry</li></ul>

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref 2.1 With: 11.2(2)  From: 01-Mar-20 To: 31-Aug-21	Registry information incorrect for small number of ICPs.  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	The controls are rated as strong. The processes in place will mitigate the majority of risks. The audit risk rating is low as the incorrect information has a small or no effect on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
The Registry data is correct or is unable to be corrected (with no consequence) so no action is required to resolve the issue.		10/11/2021	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>BEL has a policy in place where Registry updates are not backdated by more than 3 Business Days (BD) except for where is allowed e.g. population of IECD date.</p> <p>The first late pricing update identified was the result of inappropriate backing dating (human error) as a replacement event (manual Registry entry). While this was immediately correctly the Registry and Distributor Audit records this as a late update.</p> <p>The functionality of the Registry does not allow replacement events to be reversed. Furthermore, prior to a previous Registry upgrade BEL requested that functionality be built into the Registry for manual updates that alerts the user to an update being backdated by more than 3 BD prior to the execution of the update, with a confirmation required to proceed. This functionality was not implemented but rather the user is now alerted that an update is backdated by more than 3 BD's. This is neither user friendly or a well-designed system.</p> <p>The second late pricing update was as a result of a Retailer request for us to reverse a previous Pricing update which was preventing them making their own update.</p> <p>While our decommissioning process has been reviewed and improved so that we will be more readily able to receive information from the field and update the Registry within the require time period, BEL is of the view that the requirement to use the physical removal data is an unnecessary and restrictive requirement. Furthermore, Distributors should have the right to reuse ICPs to re-establish connections and/or decide when an ICP is no longer required as a discretionary decision.</p> <p>IECD dates were incorrect on 3 occasions and our field staff have been made aware of the correct date to use as the IECD date on our new connection's paperwork. As the Retailer first ACTIVE event input date was delayed in the 3 cases in question BEL has unable to correct the IECD within the required time period.</p> <p>UML – BEL is of the view that it is an unnecessary requirement for distributors to populate UML details on the Registry. Furthermore, the Code states (Schedule 11.1 7(1)(m)) that this information is only required to be populated when it is known – and for the 3 ICPs in question it is considered to be unknown. Given that our UML data on the Registry is dated its accuracy is</p>	<p>1/12/2021</p>	
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uncertain and BEL requests that we are given the permission to remove this data from the Registry.		
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## 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

Compliance with these clauses was reviewed to assess if all practicable steps had been taken to provide accurate information. The registry LIS file, and the Audit Compliance reports were examined to confirm compliance. Processes were discussed with BUEL staff.

### Audit commentary

BUEL have processes in place to identify and resolve registry discrepancies. Automated daily discrepancy reports are in place. They are checked daily to ensure information is complete, accurate, and not misleading. Identified discrepancies are corrected as soon as possible.

### 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

This is a new clause that came into force on 01/02/2021. It was discussed during the audit.

### Audit commentary

BUEL staff only undertake metering work on behalf of a MEP and they inform all electricians that they should inform the retailer in the event that bridging or seal removal is required.

### **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**

This is a new clause that came into force on 01/02/2021. It was discussed during the audit.

### **Audit commentary**

We examined the Buller Electricity website and confirmed that information about Utilities Disputes is present.

BUEL has Utilities Disputes details displayed on outgoing invoices & their official compliant acknowledgement template letter.

### **Audit outcome**

Compliant



### 3. CREATION OF ICPS

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

##### Code reference

*Clause 11.4*

##### Code related audit information

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

##### Audit observation

The new connection process was examined and discussed it with BUEL's staff.

We randomly selected 10 new connection applications lodged during the audit period. We checked them from the point of application through to when the ICP identifiers were created.

##### Audit commentary

BUEL almost always deals directly with new connection applicants (electricians or future premise owners). BUEL creates new ICPs once quotations for new connections have been accepted and this typically takes the form of the payment of the required deposit by the applicant.

The creation of a new ICP in the NED Database is managed using the NED Form Frm\_ICP\_Creation. During the audit period BUEL created 72 new ICPs. The application is reviewed by BUEL's staff. The customer is provided a quote and requested to pay a 75% deposit on acceptance. Once the ICP is created, it is uploaded to the registry and an automatically generated email notification is sent to the trader nominated by the applicant requesting them to accept the nomination. The registry assigns the "New" status to the ICP because a proposed trader name is not included in the file. The ICP status is changed to "Ready" once BUEL receives a trader acceptance. The NED database is written in such a way that it precludes updating the proposed trader field in the registry unless a trader acceptance is received and recorded on the database.

##### 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

BUEL does not receive requests for new ICPs directly from traders therefore this clause is not applicable.

##### Audit commentary

This clause is not applicable.

##### Audit outcome

Not applicable

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

#### Code reference

*Clause 11.7*

#### Code related audit information

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

#### Audit observation

The new connection process for populating all required registry fields was examined and discussed with BUEL's staff. The LIS files and the Audit Compliance reports were examined to determine compliance.

#### Audit commentary

According to the new connection process an application is received for all new connections. At the time of this audit, a customer did not have an option to fill in the form on line. The form is sent via email to a generic email address or handed in in person. The process for uploading a new ICP to the registry is fully automated. During the audit period 97 new ICPs were created. All the required information for these ICPs was populated

#### 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

BUEL provided the EDA files and the Audit Compliance reports for the audit period to assess compliance. We reviewed the new connections process and discussed with BUEL's staff.

#### Audit commentary

All new connection ICPs had all information provided to the registry prior to electricity being traded at the ICP before the trader changed the status to "Active".

#### 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 was examined. The LIS files and the Audit Compliance reports for the audit period were examined to identify all ICPs for which Initial Electrical Connection dates were not updated within 10 business days of electrical connection. We sampled 10 ICPs created during the audit period.

#### Audit commentary

During the audit 97 ICPs were uploaded to the registry. Of those, 81 were electrically connected.

The Audit Compliance report identified 7 ICPs for which IECD dates were populated late during the audit period, it was uploading historic information. The lack of IECD was identified as non-compliance in the last audit (May 2020).

It is an unfortunate and “unintended” consequence of addressing previously identified non-compliance that in the following audit when the historic corrections are deemed to be late updates.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1  From: 01-Mar-20 To: 31-Aug-21	7 ICPs late updates of historically missing IECD date  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	The controls are rated as strong, good robust process exists to monitor compliance. The audit risk rating is low as this is no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	

### 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**

To assess compliance of the new connections, process the EDA files and the Audit Compliance reports were reviewed. It was discussed with BUEL's staff.

BUEL has no known shared unmetered load recorded and does not allow shared unmetered load to be connected.

10 new connection applications created during the audit period were checked to determine if compliance was met.

#### **Audit commentary**

The new connections process was examined, the process includes traders accepting responsibility for the ICP.

Once the ICP is created, it is uploaded to the registry and an automatically generated email notification is sent to the trader nominated by the applicant requesting them to accept the nomination. The registry assigns the "New" status to the ICP because a proposed trader name is not included in the file. The ICP status is changed to "Ready", once BUEL receives a trader acceptance and uploads to the registry.

All ICPs with the status "Ready" had a proposed trader recorded in the registry as having accepted responsibility.

#### **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**

To assess compliance of the new connections process the EDA files and the Audit Compliance reports were reviewed. It was discussed with BUEL's staff.

BUEL has no known shared unmetered load recorded and does not allow shared unmetered load to be connected.

10 new connection applications created during the audit period were checked to determine if compliance was met.

#### **Audit commentary**

The new connections process was examined. The process includes traders accepting responsibility for an ICP.

Once the ICP is created, it is uploaded to the registry and an automatically generated email notification is sent to the trader nominated by the applicant requesting them to accept the nomination. The registry assigns the “New” status to the ICP because a proposed trader name is not included in the file. T Once BUEL receives a trader acceptance and a request to connect and a new file is uploaded to the registry. The registry changes ICP status to “Ready”.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.31A*

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

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

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

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

*advising all traders would impose a material cost on the distributor, and*

*in the distributor’s reasonable opinion the advice would not result in any material benefit to any of the traders.*

#### **Audit observation**

The new connection process was discussed with BUEL’ staff.

#### **Audit commentary**

No temporarily electrically connected ICPs were identified. The BUEL process does not permit temporary electrical connection of ICPs.

#### **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 in the registry was examined.

#### **Audit commentary**

No new NSPs were created by BUEL during the audit period.

#### **Audit outcome**

Compliant

### **3.10. 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 in the registry was examined.

#### **Audit commentary**

No new NSPs were created by BUEL during the audit period.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 1(1) Schedule 11.1*

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

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

*xxxxxxxxxxccc where:*

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

#### **Audit observation**

We examined the new connection process and LIS files dated 04/10/2021.

#### **Audit commentary**

The ICP number is determined based on the ICP numbers in the vicinity. These were originally 7-digit BUEL account numbers with the first two digits representing the associated meter reading round. The NED database adds the correct number of leading zeros to the 7-digit account number, appends the BUEL distributor code, and then determines the appropriate check sum to complete the ICP identifier.

#### **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**

BUEL provided the LIS files. We examined them to confirm all active ICPs have a single loss category code.

#### **Audit commentary**

At the time of an ICP identifier creation, a single loss category code is assigned. The registry design prohibits the assigning of more than a single loss category to an ICP. All ICPs recorded in the registry have a single loss category code except ICPs with the status “decommissioned”.

#### **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 new connection process was examined and discussed with BUEL's staff. The registry LIS file was reviewed.

### Audit commentary

As per new connection process, once the ICP is created, it is uploaded to the registry and an automatically generated email notification is sent to the trader nominated by the applicant requesting them to accept the nomination. The registry assigns the "New" status to the ICP because a proposed trader name is not included in the file.

At the time of this audit, 2 ICPs had the "New" status in the registry. Both of them were created recently.

### Audit outcome

Compliant

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

### Code reference

*Clause 15 Schedule 11.1*

### Code related audit information

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

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

### Audit observation

The process for monitoring ICPs with "New" and "Ready" status was reviewed. The LIS files and the Audit Compliance reports were examined to determine compliance. The process was discussed with BUEL's staff.

### Audit commentary

The query in the NED database "Qry\_RSICPLIST\_ICP\_Not\_Commissioned\_Errors" is used to monitor ICPs with status "New" or "Ready" for longer than 24 months.

At the time of audit, there were no ICPs held in the registry with the status "New" or "Ready" for longer 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:*
  - *the unique loss category code assigned to the ICP*
  - *the ICP identifier of the ICP*
  - *the NSP identifier of the NSP to which the ICP is connected*
  - *the plant name of the embedded generating station.*

#### **Audit observation**

The registry files were examined.

#### **Audit commentary**

No embedded generation station with capacity greater than 10 MW was connected during the audit period.

There is hydro generation (0003146255BU6E0) connected to the Buller Electricity network with the generation capacity of 4.2 MW.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.33A(4)*

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

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

#### **Audit observation**

The new connection process was reviewed. It was discussed with BUEL's staff.

#### **Audit commentary**

Electrical connection of a point of supply is conducted on request by a trader, by an BUEL approved licensing agent, inspector or MEP.

#### **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**

This is a new clause that came into force on 01/02/2021. It was discussed during the audit.

#### **Audit commentary**

If an ICP is disconnected by BUEL (e.g. fire/safety issue etc) the retailer is informed.

The NED DECOM Event is used to manage these events.

#### **Audit outcome**

Compliant

### **3.18. Meter bridging (Clause 10.33C)**

#### **Code reference**

*Clause 10.33C*

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

*An 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**

This is a new clause that came into force on 01/02/2021. It was discussed during the audit.

#### **Audit commentary**

BUEL staff only undertake metering work on behalf of a MEP and they inform all electricians that they should inform the retailer in the event that bridging or seal removal is required.

#### **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 13<sup>th</sup> business day and be backdated to the date the change took effect.*

*In the case of decommissioning an ICP, notification must be given by the later of 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 registry updates and NSP changes was reviewed. The process was discussed with BUEL's staff.

The LIS files, Audit Compliance reports, and the EDA files for the audit period were reviewed to determine compliance.

#### Audit commentary

All updates to the registry apart from those relating to new connections and pricing are updated directly in the registry by the user.

It is BUEL policy that registry updates are not back dated by more than 3 days unless:

- there are material consequences for the company in terms of Code requirements
- the date affects another party e.g. consumer, retailer, NZX etc

#### Pricing events

The Audit Compliance Report identified 2 late price code updates out of a total of 5,746 updates. In this audit period the number of price events is much higher than previously due to new pricing implemented on 01/04/2021. 2 late updates were corrections.

- ICP 0004256528BUE91 late update was a result of a retailer request so that they could make their own update.
- ICP 0000102840BUDD6) late update was a correction of human error. Registry was manually updated on 3/5/2021 but the effective dates was not changed (human error). This error was recognised and corrected put in the process it is recorded as a late update.

#### Distributed generation

All BUEL distributed generation network updates (6) were made late with an average time to update the registry of 6.60 BD. All of them were as a result of late notification of the installation from the field.

#### Network changes

The Audit Compliance Report identified 5 late network updates, all of them related to distributed generation previously described. The percentage of compliance was 95.90%, the average business days between network event date and network event input date was 0.35

#### Address events

No late address updates were recorded in the Audit Compliance report.

#### Change of NSP

The process for NSP changes was examined. BUEL have advised that the network is fed in parallel by either one or the other NSP with no one NSP being the prevalent NSP.

#### Decommissioning Status events

No late updates of the ICP “decommissioning” status were recorded in the Audit Compliance report.

In general terms , BUEL policy is to not decommission on the registry until the time that it is considered that the ICP will no longer be required, or that it is inappropriate for the previous ICP to be reused.

We sampled 5 ICPs and observed that the Event Date in the registry did not represent the date when electrical installations associated with the ICP were physically removed. The Event Date was the same as Input Date.

Our observation is the decommissioning process is not as well managed as the new connection process. There are not many ICPs decommissioned annually on the Buller Electricity network therefore it is more challenging to handle them effectively. Our recommendation is to tighten processes around the flow of information between parties regarding decommissioning and timeliness.

#### IECD dates

IECD date was corrected for 3 ICPs (0001821150BUCFB, 0002330177BU92B, and 0001319660BUFE8) later than 3 BD. The corrections were made after discovering that discrepancy between the status “Active” assigned by retailers and IECD populated by BUEL. It was discussed during the audit . BUEL comment is below:

*An incorrect IECD date was entered within the required time period. The error was not able to be detected until the retailer changed the status to ACTIVE. As these status updates were significantly delayed the IECD could not be corrected within the require time period.*

#### **Audit outcome**

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of Schedule 11.1  From: 01-Apr-21 To: 03-May-21	2 late pricing updates in the registry 3 late corrections of IECD Event date in the registry did not represent physical removal of electrical equipment associated with the ICP Potential impact: None Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate, good processes exist to monitor compliance. Decommissioning process requires a review.  Audit risk rating as low due to minimal impact on reconciliation (small number of ICPs).		
Actions taken to resolve the issue		Completion date	Remedial action status
			Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
See comments as per Section 2.1		1/12/2021	

Recommendation	Description	Audited party comment	Remedial action
Review the ICP decommissioning process in relation to information flow and its timeliness	Information flow of decommissioning process	Process has been reviewed/improved and this will be implemented by 1/12/2021	A more formal decommissioning paperwork and process to be implemented which aligns with the new connections process

#### 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

We reviewed the LIS file and the Audit Compliance reports and the process for the creation of ICP identifiers. It was discussed with BUEL's staff.

### Audit commentary

At any point in time, ICPs on the BUEL network can be considered to be supplied from either ORO1101 or ORO1102 as these NSP/GXPs are operated in parallel and BUEL also operates their Zone Substations with 33kV & 11kV bus connectors closed. In August 2019, the Authority provided clarification on how BUEL should assign the NSP under these circumstances. The correct NSP is that which is considered to be the closest electrically and this is equivalent to the NSP connection with all 33kV & 11kV Zone Substation bus connectors open.

The Audit Compliance report identified 6 ICPs with an incorrect NSP assigned. It was discussed with BUEL staff. The company stated that NSPs assigned in the registry are correct and in each case a plausible reason why the Audit Compliance report had identified the ICPs in question was able to be identified.

### 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

This was discussed with BUEL during the audit.

### Audit commentary

Customer queries for ICP information can be received by phone call or email. Where information is requested by phone, details can be provided immediately while the customer is on the line.

### Audit outcome

Compliant

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

### Code reference

*Clause 2 Schedule 11.1*

### Code related audit information

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

### Audit observation

The process to determine correct and unique addresses was examined. The Audit Compliance reports for the audit period were reviewed to determine compliance.

### Audit commentary

The Audit Compliance Report identified 2 ICPs (0003146027BU93F and 0003146037BU392) with identical address and GPS coordinates. BUEL corrected the GPS coordinates during the audit.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: 2 of Schedule 11.1  From: 01-Mar-20 To: 31-Aug-21	2 ICPs with identical addresses and GPS coordinates were corrected during the audit  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	The controls are rated as strong, good robust processes exist to monitor compliance. The audit risk rating is low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	

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

### Code reference

*Clause 3 Schedule 11.1*

### Code related audit information

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

### Audit observation

This was discussed with BUEL during the audit.

### Audit commentary

There are no known situations where an ICP could not be de-energised without the de-energisation of another ICP. The company policy precludes such a situation.

### 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 LIS files, Audit Compliance reports, and the EDA files for the audit period were reviewed to determine compliance. A diverse sample of 10 data discrepancies was checked. It was discussed with the Connection Team.

#### **Audit commentary**

A review of the Audit Compliance Reports confirmed that some information was not populated in the registry.

#### **Unmetered load (UML)**

There have been no new connections with unmetered load during the audit period. The LIS file showed 8 "Active" ICPs with UML recorded by retailers, one of them is DUML. 3 out of 7 UML ICP entries recorded by retailers do not have load details recorded by BUEL (0001538678BUE5B, 0003443124BU608, and 0004053116BU90B). Two ICPs are supplies to Chorus equipment and one to a transmitter, Trustpower is recorded as a responsible trader. We checked the accuracy of the unmetered load details recorded by BUEL against the trader's unmetered load details. There were no discrepancies between the load details recorded for 4 ICPs.

#### **Distributed generation**

The distributed generation process was examined. BUEL requires an application for all distributed generation. All applications have to be approved before allowing distributed generation to be connected to their network but BUEL is reliant on customers following the process. BUEL has connected a total of 5 distributed generation (solar) connections in the past 12 months.

BUEL's distributed generation process is similar to the new ICP connection process. The inspectors are required to inform BUEL once an installation is inspected and ROI signed so that BUEL can update the registry. The registry is updated manually. BUEL does not hang meters on behalf of MEPs therefore due to the location of the Buller Electricity network, it could take two months to install an import/export meter.

BUEL provided documents (ROI) for 5 distributed generation installations. In all instances BUEL used the date of completion of metering as the date of DG installation, which lines up with the trader profile change to PV1 if it is reconciled as NHH. Recently IHUG changed their practice and newly installed meters are already programmed to record export volumes therefore BUEL will use ROI date as the date of DG connection to its network.

BUEL has discrepancy reporting in place to identify ICPs with a generation profile but incorrect load type.

The Audit Compliance report identified one ICP (0002967578BUE49) for which there was a mismatch between information provided by BUEL and a trader. The trader recorded the profile as RPS PV1. BUEL received no application for this installation. The trader was contacted and it appears that the profile RPS PV1 was incorrectly recorded.

#### **Audit outcome**

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: 7(1) of Schedule 11.1 From: 01-Mar-20 To: 31-Aug-21	3 UML ICPs do not have BUEL details in the registry Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong, good robust processes exist to monitor compliance. The audit risk rating is low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See comments as per Section 2.1 BUEL will use the Distributed Generation ROI date as the event data for Registry updates in the future.		1/12/2021	

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

##### Code reference

Clause 7(3) Schedule 11.1

##### Code related audit information

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

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

##### Audit observation

We reviewed the new connection process, and the Audit Compliance reports to assess compliance.

##### Audit commentary

As a part of the new connections process, BUEL assigns the actual price category code and the actual changeable capacity of the ICP at the time an ICP is created. The price category code is assigned based on capacity information given by the customer.

#### **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 LIS files were examined.

#### **Audit commentary**

GPS coordinates were mapped for 4,404 active ICPs. There are 496 active ICPs for which GPS coordinates are not populated yet. BUEL is working on it. GPS coordinates are populated for all new connections as soon as an ICP is created. ICP addresses recorded in the registry are linked to LINZ address.

#### **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 new connection process was examined. The EDA files and the Audit Compliance reports were analysed.

#### **Audit commentary**

According to the new connection process, once the ICP is created, it is uploaded to the registry and an automatically generated email notification is sent to the trader nominated by the applicant requesting them to accept the ICP. The registry assigns the “New” status to the ICP because a proposed trader name

is not included in the file. The ICP status is changed to “Ready”, once BUEL receives a trader acceptance and uploads to the registry. The process is working well and sampling confirmed that an ICP is accepted by a trader before it is made “Ready”.

#### **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 LIS files and the Audit Compliance reports were examined. The process was discussed with Vector’s staff. BUEL’s policy is to not accept shared unmetered load

#### **Audit commentary**

BUEL has no ICPs with the distributor status. There are no embedded networks connected, or shared unmetered load present.

#### **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 decommissioning process was examined. The registry files and the Audit Compliance reports were analysed.

#### **Audit commentary**

13 ICPs were decommissioned since the last audit.

ICPs which enter the ready for decommissioning status are identified and a NED DECOM event is created to ensure the status is changed to decommissioned. The automated daily discrepancy reporting also includes reporting on ICPs at the “ready for decommissioning” status.

The ICP decommissioning is requested by a customer or retailer. For retailer initiated decommissioning BUEL receives a service request. Field staff will complete the job and this is recorded. Meters are usually recovered by BUEL staff and brought back to the office to be passed to the MEP contractor. In some situations the meter is removed by the MEP contractor prior to BUEL staff arrival.

There are also distributor initiated disconnection/decommissioning for safety reasons, e.g. following damage to the electrical installation through fire or otherwise, which may later effectively turn into permanent disconnections & decommissioning, this will only be known to be the case in the future.

In general terms, BUEL policy is to not decommission on the registry until the time that it is considered that the ICP will no longer be required, or that it is inappropriate for the previous ICP to be reused.

We randomly selected 5 ICPs decommissioned during the audit period and reviewed documents provided by BUEL.

#### **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**

The Price Category Codes table in the registry was examined.

#### **Audit commentary**

8 new Price Category Codes were added to the registry during the audit period. The start date for each of them was 01/04/2021, the registry was notified on 22/01/2021.

#### **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

We examined the Loss Factor Codes table in the registry.

#### Audit commentary

9 new loss factors have been created during the audit period. Clause 21(3) of Schedule 11.1 prescribes that the date that a loss factor takes effect must not be earlier than 2 months after the date on which the loss factor is entered in the table. Effective date of new loss category codes was 01/04/2021, the registry was updated on 22/01/2021.

#### 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 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

We examined the Loss Factor Codes table in the registry.

#### Audit commentary

Two loss factors, BL1 and BL2 were updated during the audit period. Clause 22(5) of Schedule 11.1 prescribes that the date that a loss factor takes effect must not be earlier than 2 months after the date on which the loss factor is entered in the table. Effective date of new loss category codes was 01/04/2021, the registry was updated on 30/01/2021.

#### 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

We examined the NSP mapping table in the registry. Since the last audit BUEL did not create a new, or decommission, an NSP.

#### Audit commentary

Based on examination of the NSP mapping table in the registry it was confirmed that no new NSP was created and no NSP has been decommissioned since the last audit.

#### 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**

BUEL has not created a new NSP, as described in the previous section, therefore the reconciliation manager was not asked to create a unique NSP identifier.

#### **Audit commentary**

This clause is not applicable. Compliance was not assessed.

#### **Audit outcome**

Not applicable

### **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**

BUEL has not created any new NSP in the audit period.

#### **Audit commentary**

This clause is not applicable. Compliance was not assessed.

#### **Audit outcome**

Not applicable

### **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**

During the audit period BUEL did not create any new NSPs or transfer an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor.

**Audit commentary**

BUEL has not established any embedded network since the last audit and there are no plans to do it in the future. Compliance was not assessed.

**Audit outcome**

Not applicable

**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**

We examined the NSP mapping table in the registry.

**Audit commentary**

BUEL has one balancing area (ROBERTSBUELG) tabled in the registry. Examination of the NSP mapping table in the registry showed that there were no changes to the balancing area in 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**

During this audit period BUEL did not transfer any ICPs that became an NSP for an embedded network.

**Audit commentary**

This clause is not applicable. Compliance was not assessed.

**Audit outcome**

Not applicable

#### 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

During this audit period BUEL did not transfer any ICPs.

##### Audit commentary

This clause is not applicable. Compliance was not assessed.

##### Audit outcome

Not applicable

#### 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

During this audit period BUEL did not have any NSPs which they are responsible for that are not connections to the grid.

##### Audit commentary

This clause is not applicable. Compliance was not assessed.

##### Audit outcome

Not applicable

#### 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

During this audit period BUEL did not have or create any NSPs which they are responsible for that are not connections to the grid.

### Audit commentary

This clause is not applicable. Compliance was not assessed.

### Audit outcome

Not applicable

## 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 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

During this audit period, BUEL did not acquire all or part of a new network.

### Audit commentary

This clause is not applicable. Compliance was not assessed.

### Audit outcome

Not applicable

## 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

BUEL does not have any and is not responsible for any embedded networks.

#### Audit commentary

This clause is not applicable. Compliance was not assessed.

#### Audit outcome

Not applicable

### 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

BUEL did not establish any embedded networks during this audit period.

#### Audit commentary

This clause is not applicable. Compliance was not assessed.

#### Audit outcome

Not applicable

### 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

BUEL did not establish any embedded networks during this audit period.

**Audit commentary**

This clause is not applicable. Compliance was not assessed.

**Audit outcome**

Not applicable

## 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 LIS file was reviewed to identify any ICPs with shared unmetered load connected.

#### Audit commentary

There is no shared unmetered load connected to the BUEL network. BUEL does not allow shared unmetered load on its 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 LIS file was reviewed to identify any ICPs with shared unmetered load connected.

#### Audit commentary

There is no shared unmetered load connected to the BUEL network. BUEL does not allow shared unmetered load on its 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

This was discussed during the audit. The Guidelines on the calculation and the use of loss factors for reconciliation purposes published on 26/06/2018 are used to calculate loss factors on the Buller Electricity networks. After the last audit, Buller Electricity has undertaken investigative steps to ensure loss factor calculation compliance. The company provided the document titled "Loss Factor Methodology & Review Process". The company conducted, in 2020, a Revenue Assurance analysis and made this an on-going part of their standard business processes.

We reviewed the Buller Electricity website to confirm that loss factors are published.

#### Audit commentary

Buller Electricity provided their loss factor methodology and review process document from the latest review conducted in January 2021. The method of analysis and supporting information used to determine the Loss Factors from 1st April 2021 is described below.

BUEL's Loss Factor Methodology & Review Process currently consists of the following:

1. Calculate and monitor the network Loss Ratio derived from Retailer Billing and Reconciliation Manager GR-260 (Month 14 Revision) on a monthly basis. This information is included in the monthly report to the BUEL Board and Senior Management.
2. Calculate and monitor the Unaccounted for Electricity (UFE) and Loss Ratio derived from Retailer Billing & Reconciliation Manager GR-260 (Revisions 0,1,3,7,14) data on a minimum 6-monthly basis. Report this information to Senior Management and/or the BEL Board as deemed appropriate.
3. Calculation of the Technical Loss Ratio using network model data and relevant load flow analysis. This is undertaken on a 5-yearly basis, or when network changes occur which are deemed to warrant recalculation.
4. Undertake an annual review of the Loss Ratio and UFE trends prior to the end of January each year as part of the annual price setting process for delivery charges
5. Under normal circumstances Loss Factors would only be changed at the start of the Financial Year – with changes effective from 1st April

The Loss Factors which will apply from 1<sup>st</sup> April 2021 are given in the table below. It is noted that BUEL is implementing Segmented Loss Codes from 1<sup>st</sup> April 2021 where a unique Loss Code is assigned to each Price Category. The Loss Code LC\_ROC will be used for ICP 0003146255BU6E0 4.2 MW hydro generation).



While different Loss Codes will be used from 1<sup>st</sup> April 2021 the Loss Factor Consumption and Generation values will remain unchanged from their 2020/21 values. The existing BL1 & BL2 Loss Codes will be retired once all ICPs are transferred to the new Loss Codes.

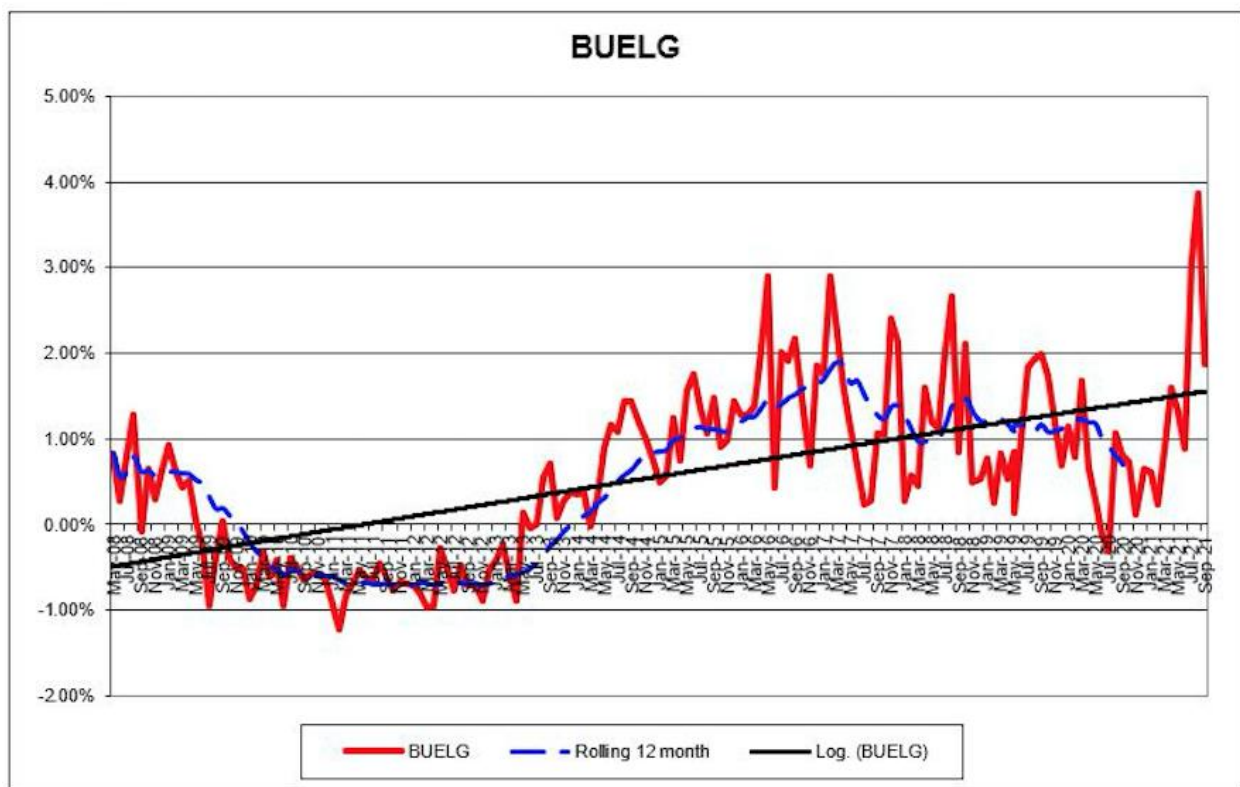
Loss Code	Loss Factor Consumption	Loss Factor Generation	Comment
LC_RSU	1.0782	1.0000	Price Category RSU – Residential Standard User
LC_RLU	1.0782	1.0000	Price Category RLU – Residential Low User
LC_G15	1.0782	1.0000	Price Category G15 – General Small ≤15kW
LC_STL	1.0782	1.0000	Price Category RSU – Streetlights
LC_G69	1.0782	1.0000	Price Category RSU – General Medium >15kW
LC_DFM	1.0782	1.0000	Price Category RSU – Dairy Farm
LC_GHH	1.0782	1.0000	Price Category RSU – General Large >69kw
LC_STK	1.0782	1.0000	Price Category RSU – Large Industrial >1,000kW
LC_ROC	1.0782	0.9964	ICP 0003146255BU6E0

In 2008 the Authority published “The Guidelines on the calculation and use of loss factors for reconciliation purposes” (draft). According to the Guidelines distributors should review Reconciliation Loss Factors (RFL) every two years or if a 12-month UFE trend is outside ±1%.

UFE is defined in the Guidelines as

*UFE is calculated from the difference between reported energy injected into a network and the reported energy extracted from the network after it has been adjusted for losses. Conceptually, it is the inevitable difference between distributors’ predictions and reported reality (volumes as measured by meters). UFE accounts for the difference between actual and calculated technical losses, and actual and estimated non-technical losses.*

The EA provided the UFE graphs for the BUEL network which shows that UFE (blue line) is within the ± 1% threshold.



We confirm that Loss Factors are published on BUEL website. We are confident that Loss Factors are complete and accurate.

#### Audit outcome

Compliant

## CONCLUSION

The audit found 5 non-compliances, two of them was cleared during the audit, and one recommendation was made.

We observed that the controls are strong and the processes in place will mitigate the majority of risks. Overall, we observed a high level of compliance and the company has a strong commitment to meet their obligations.

## PARTICIPANT RESPONSE