

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**

For

**WEL NETWORKS LIMITED**

Prepared by: Brett Piskulic

Date audit commenced: 15 January 2021

Date audit report completed: 15 March 2021

Audit report due date: 15-Mar-21

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## EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **WEL Networks Ltd (WEL)** to encompass the Electricity Industry Participation Code requirement for an audit as required by clause 11.10 of part 11. The audit was carried out at WEL's premises in Hamilton on February 25<sup>th</sup>, 2021.

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

WEL generally have robust processes in place to manage the relevant processes.

This audit found seven non-compliances and makes two recommendations. The non-compliances relate mainly to minor errors in and late updates of registry information. A new interconnection NSP was created and late notification of the metering installation certification has caused non-compliance in two sections. WEL made the notification as soon as the information was provided by the MEP.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of ten, which results in an indicative audit frequency of 12 months. I have considered this in conjunction with WEL's responses and recommend that the next audit be in 18 months as two of the non-compliances have been cleared and WEL has identified actions to address the remaining non-compliances.

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Registry information not complete and accurate in all instances.	Moderate	Low	2	Identified
Timeliness of provision of initial electrical connection	3.5	7(2A) of Schedule 11.1	95 initial electrical connection dates updated greater than ten days from the event date.	Strong	Low	1	Identified
Connection of NSP that is not point of connection to grid	3.9	10.30	Late notification of metering installation certification for new NSP (TPH0111).	Strong	Low	1	Identified
Changes to registry information	4.1	8 of Schedule 11.1	A small number of registry event updates backdated greater than three days.	Moderate	Low	2	Identified
Notice of NSP for each ICP	4.2	7(1),(4) and (5) Schedule 11.1	Two ICPs with incorrect NSP.	Strong	Low	1	Cleared
Provide information to the registry	4.6	7 (1) (m)&(p) of Schedule 11.1	Distributed generation details missing.  Three ICPs with an incorrect initial electrical connection date populated.  Two ICPs with unmetered load discrepancies.  Unmetered load not recorded for 39 private lights.	Moderate	Low	2	Identified
Responsibility for metering information when creating an NSP that is not a POC to the grid	6.9	10.25(2)	Late notification of metering installation certification for new NSP (TPH0111).	Strong	Low	1	Cleared

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Future Risk Rating						10	
Indicative Next Audit Frequency						12 months	

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

## RECOMMENDATIONS

Subject	Section	Recommendation
Distributor to provide ICP information to the registry.	4.6	Work with the traders to determine the correct values for the three ICPs with unmetered load discrepancies.
		Investigate the 39 private lights identified from the Hamilton City Council RAMM database to determine how these lights will be reconciled.

## 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

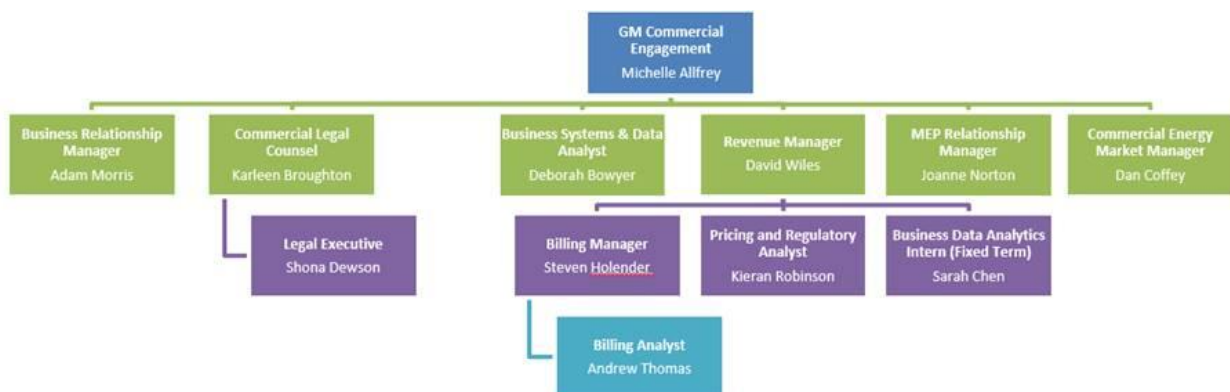
The Authority website was checked to determine whether there are code exemptions in place.

#### Audit commentary

WEL has no exemptions in place that are relevant to the scope of this audit.

### 1.2. Structure of Organisation

WEL provided a copy of the relevant part of the organisation chart:



### 1.3. Persons involved in this audit

Auditor:

**Brett Piskulic**

**Veritek Limited**

**Electricity Authority Approved Auditor**

WEL personnel assisting in this audit were:

Name	Title
Andrew Thomas	Billing Analyst
Steven Holender	Billing Manager

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

#### Code reference

*Clause 11.2A*

#### Code related audit information

*A participant who uses a contractor*

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

#### Audit observation

WEL approves field contractors to conduct connection related activities. I checked WEL's approach to the management of contractors.

#### Audit commentary

WEL has provided the list below of sub-contractors authorised to perform livening activities on their network.

Region	Contractor
Hamilton	Hank Ollington Able Electrical Wells Brian Hobern
Auckland	Sels Electrical Ltd Pat Carmody

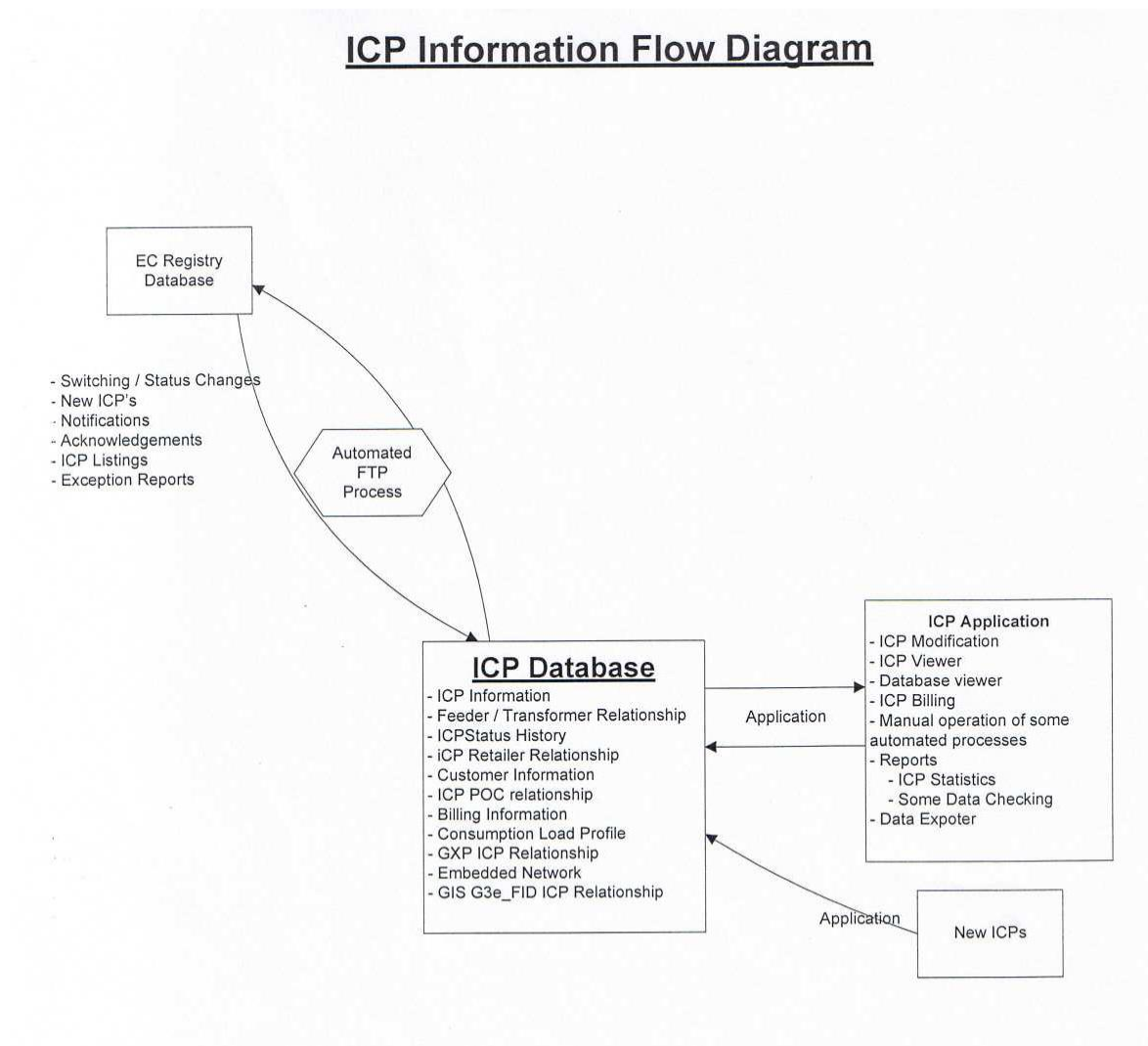


## 1.5. Supplier list

WEL has provided the list in **section 1.4** of sub-contractors authorised to perform livening activities on their network.

## 1.6. Hardware and Software

WEL provided the following diagram that details hardware and software used in the processes to be audited. There have been no changes made during the audit period.



### 1.7. Breaches or Breach Allegations

WEL has one breach allegation relevant to this audit recorded by the Electricity Authority during the audit period.

Ref	Breach Description	Clause	Date	Outcome
2003WELN1	WEL is alleged to have changed the ICP identifier for a BTS. The Code mandates that an ICP identifier for an ICP cannot be changed.	Part 11 clause 11.4 (3)	3/03/20	No breach.

### 1.8. ICP and NSP Data

The NSP mapping table was examined:

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of active ICPs
WAIK	BRI0111	BRICK STREET	HEP0331	UNET	BRI0111WAIKE	E	1/05/2008	18
WAIK	FLG0111	FLAGSHIP	WIR0331	VECT	FLG0111WAIKE	E	1/05/2008	3
WAIK	HAM0111	HAMILTON			WAIKATOWAIGK	G	1/05/2008	10,250
WAIK	HAM0331	HAMILTON			WAIKATOWAIGK	G	1/05/2008	49,990
WAIK	HLY0331	Huntly			WAIKATOWAIGK	G	10/10/2008	8,970
WAIK	HMB0111	HALF MOON BAY	PAK0331	VECT	HMB0111WAIKE	E	1/05/2008	59
WAIK	HUL0111	HULME PLACE	HEP0331	UNET	HUL0111WAIKE	E	1/05/2008	31
WAIK	JEF0111	JEFFS ROAD	OTA0221	VECT	JEF0111WAIKE	E	1/05/2008	883
WAIK	KIR0111	KIRKDALE	TAK0331	VECT	KIR0111WAIKE	E	1/05/2008	266
WAIK	MTG0111	MANGATANGI	HLY0331	WAIK	WAIKATOWAIGK	I	1/08/2017	0
WAIK	OAK0111	OAKLANDS	CBG0111	WAIP	OAK0111WAIKE	E	1/05/2008	178
WAIK	POR0111	Porchester Road	TAK0331	VECT	POR0111WAIKE	E	10/07/2009	277
WAIK	RYN0111	RYAN PLACE	WIR0331	VECT	RYN0111WAIKE	E	1/05/2008	71
WAIK	STG0111	SOUTHGATE	WEL0331	UNET	STG0111WAIKE	E	1/05/2008	110
WAIK	TPH0111	Te Pahu	HAM0331	WAIK	WAIKATOWAIGK	I	2/11/2019	0
WAIK	TWH0331	TE KOWHAI			WAIKATOWAIGK	G	1/05/2008	21,807

A new interconnection point TPH0111 was added during the audit period. WEL has not created any new embedded networks during the audit period.

There are ten embedded networks connected to the WEL network. The details for these are shown in the table below:

Distributor	NSP POC	Description	Parent POC	Balancing Area	Network Type	Start Date
DMFL	WCW0011	WESTFEILD CHARTWELL	HAM0331	WCW0011DMFLE	E	1/09/2016
DMFL	WCW0111	WESTFEILD CHARTWELL	HAM0331	WCW0111DMFLE	E	1/09/2016
KIPT	KCH0011	KIWI CENTREPLACE WEST	HAM0331	KCH0011KIPT	E	1/11/2012
KIPT	KCH0012	KIWI CENTREPLACE EAST	HAM0331	KCH0012KIPT	E	1/11/2012
KIPT	KCH0014	KIWI CENTREPLACE TOWER	HAM0331	KCH0014KIPT	E	1/11/2012
NZAL	NAT0011	500 Victoria Street Hamilton	HAM0331	NAT0011NZALE	E	1/02/2018
NZAL	NWH0011	WEL House	HAM0331	NWH0011NZALE	E	1/04/2010
TENC	KDH0011	10 WORLEY PL	HAM0331	KDH0011TENCE	E	1/06/2020
TENC	TAW0011	TE AWA SHOPPING CENTRE	TWH0331	TAW0011TENCE	E	1/11/2014
TENC	THH0011	21 Home Straight Te Rapa	TWH0331	THH0011TENCE	E	1/10/2018

There were no new embedded networks connected to the WEL network during the audit period. The network start date for 10 Worley Place was a reset start date.

The list file as at 31 December 2020 was examined and found:

Status	Number of ICPs 2020	Number of ICPs 2019	Number of ICPs 2017	Number of ICPs 2016
New (999,0)	0	0	0	0
Ready (0,0)	76	127	115	123
Active (2,0)	95,767	92,913	90,205	88,537
Distributor (888,0)	19	23	21	21
Inactive – new connection in progress (1,12)	222	182	176	102
Inactive – electrically disconnected vacant property (1,4)	1,130	1,113	1,158	1,359
Inactive – electrically disconnected remotely by AMI meter (1,7)	376	381	355	123
Inactive – electrically disconnected at pole fuse (1,8)	12	13	7	-
Inactive – electrically disconnected due to meter disconnected (1,9)	37	33	11	-
Inactive – electrically disconnected at meter box fuse (1,10)	6	3	1	-
Inactive – electrically disconnected at meter box switch (1,11)	4	1	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	0	16	28	29
Inactive – reconciled elsewhere (1,5)	2	2	2	2
Decommissioned (3)	8,709	7,963	7,149	6,717

## 1.9. Authorisation Received

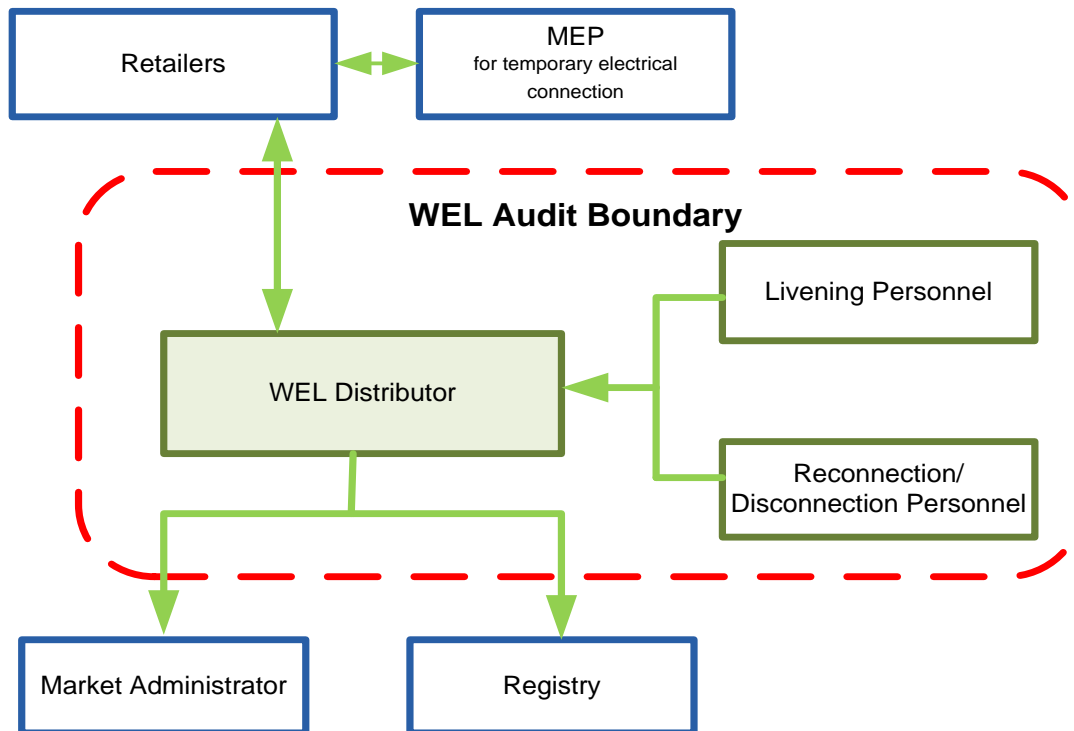
WEL provided a letter of authorisation to Veritek, permitting the collection of data from other parties for matters directly related to the audit.

### 1.10. Scope of Audit

This Distributor audit was performed at the request of **WEL Networks Ltd (WEL)** to encompass the Electricity Industry Participation Code requirement for an audit as required by clause 11.10 of part 11. The audit was carried out at WEL's premises in Hamilton on February 25<sup>th</sup>, 2021.

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

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



WEL owns and manages the traditional WEL network as well as a number of embedded networks. All activities covered by this audit are conducted at WEL's head office in Hamilton.

### 1.11. Summary of previous audit

WEL provided a copy of their previous audit report, conducted by Rebecca Elliot of Veritek Limited in September 2019. This found six non-compliances and made three recommendations. The current status of these has been updated below:

**Table of Non-Compliance**

Subject	Section	Clause	Non-compliance	Status
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Registry information not complete and accurate in all instances.	Still existing
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	Registry not updated prior to commencement of trading for one ICP.	Cleared
Timeliness of provision of initial electrical connection	3.5	7(2A) of Schedule 11.1	A small number of initial electrical connection dates updated greater than ten days from the event date.  Incorrect application of event effective date for initial electrical connection updates.	Still existing
Connection of ICP that is not an NSP	3.6	11.17	One ICP connected without a trader having accepted responsibility for it on the registry.	Cleared
Changes to registry information	4.1	8 of Schedule 11.1	Registry event updates backdated greater than three days.	Still existing
Provide information to the registry	4.6	7 (1) (m)&(p) of Schedule 11.1	Distributed generation details incorrect or missing.  Small number of ICPs with an incorrect initial electrical connection date populated.  11 LE ICPs with the incorrect NSP dedication flag.	Still existing  Still existing  Cleared

**Table of Recommendations**

<b>Subject</b>	<b>Section</b>	<b>Recommendation</b>	<b>Status</b>
Provide complete and accurate information	2.1	Ensure that registry discrepancy reporting identifies all variances and investigate these.	Cleared
Decommissioning of ICPs	4.1	Confirm with the trader if ICP 0005710055WEE58 is ready for decommissioning or not.	Cleared
Distributor to provide ICP information to the registry.	4.6	Investigate the 47 private lights identified from the Hamilton City Council RAMM database to determine how these lights will be reconciled.	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

WEL's data management processes were examined. The registry list file as of 31 December 2020 and the audit compliance reports for the period 1 September 2019 to 31 December 2020 were examined to confirm compliance.

#### Audit commentary

Information is validated between WEL's database and the registry on a daily basis, and error logs are created if any fields are different. These are reviewed daily and are investigated.

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

- incorrect pricing updates,
- two ICPs with incorrect NSP,
- distributed generation details missing,
- three ICPs with an incorrect initial electrical connection date populated, and
- two ICPs with unmetered load discrepancies.

#### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: 11.2(1) & 10.6(1)  From: 01-Sep-19 To: 31-Dec-20	Registry information not complete and accurate in all instances.  Potential impact: Low  Actual impact: Low  Audit history: Multiple  Controls: Moderate  Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
<b>Low</b>	Controls are rated as moderate as they will mitigate risk most of the time but there is room for errors to occur.  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
<p>WEL notes that that the number of registry updates and actions completed has greatly increased since the last audit, but the number of variances or perceived inaccuracies has remained low or even decreased.</p> <p>WEL reviews discrepancies on a daily basis but are reliant often on other parties such as retailers and livening agents in giving us correct information in a timely manner. We have evidence where we have pushed parties for information or to recheck information provided. This is predominant in section 4.1.</p> <p>Through the audit it is noted that we have updated information as soon as we have been given it, or corrected information once being made aware of any incorrect information.</p>	March 2021	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>WEL will continue to work with necessary parties to remind them of their obligations to provide information required for registry updates in a timely manner. This pertains mainly to section 4.1.</p> <p>We have corrected the two ICPs in question in 4.2.</p> <p>We have and corrected one of the three ICPs identified in section 4.6 for unmetered load with the remaining two under current investigation.</p>	March 2021	

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

### Code reference

*Clause 11.2(2) and 10.6(2)*

### Code related audit information

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

### Audit observation

WEL's data management processes were examined. The registry list file as of 31 December 2020 and the audit compliance reports for the period 1 September 2019 to 31 December 2020 were examined to confirm compliance.

### Audit commentary

WEL has a fully automated registry update process, which ensures all information listed in this clause is provided to the registry. A snapshot of the registry information is downloaded daily, and a comparison is made with the WEL's database. Any discrepancies identified are investigated and corrected when found. Evidence of corrections being made as required was seen when examining examples as discussed in **section 4.1**.

### 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 un-bridge the load control device or load control switch – as long as the load control switch does not control a time block meter channel.*

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

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

#### Audit observation

The WELs process for bridging control devices was examined.

#### Audit commentary

This clause was implemented alongside a number of changes made to the Code on 1 February 2021. WEL has not yet made any changes to their current process for bridging of control devices. At the time of the audit there were no examples of control devices being bridged by WEL since 1<sup>st</sup> February. The current WEL process includes notification of the MEP and trader when bridging occurs.

#### Audit outcome

Compliant

### 3. CREATION OF ICPS

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

##### Code reference

Clause 11.4

##### Code related audit information

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

##### Audit observation

The new connection process was examined in detail and is described in **section 3.2**.

A diverse characteristics sample of 30 new connection applications of the 2,966 created since 1 September 2019 were checked from the point of application through to when the ICPs were created. The sample included ICPs with:

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

##### Audit commentary

WEL creates ICPs as required by clause 1 of schedule 11.1. The sample checked confirmed that they were created compliantly.

##### Audit outcome

Compliant

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

##### Code reference

Clause 11.5(3)

##### Code related audit information

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

##### Audit observation

The new connection process was examined in detail. A diverse characteristics sample of 30 new connection applications of the 2,966 created since 1 September 2019 were checked to determine whether the ICPs had been created within three business days of a request by a trader.

##### Audit commentary

All requests for new connections are received from the customer's agent and are generally lodged via the online portal. Some are received via email and these are entered into WEL's system. Upon receipt of a completed application the portal automatically sends on the application to the nominated trader to

accept the nomination. If any applications are not able to be created within three business days a notification is sent to the applicant advising of the reason for delay. All applications pending are checked on a daily basis to ensure these are attended to in the required timeframe. The sample checked confirmed compliance.

#### **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**

A diverse characteristics sample of 30 new connection applications of the 2,966 created since 1 September 2019 were checked from the point of application through to when the ICP was created, to confirm the process and controls worked in practice.

#### **Audit commentary**

The process for updating the registry is automated for all fields. 2,966 ICPs were created during the audit period. All had the correct information populated as required by this clause.

#### **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 was examined. The audit compliance report for the period from 1 September 2019 to 31 December 2020 was examined to determine the timeliness of the provision of ICP information for new connections.

#### **Audit commentary**

The WEL system updates occur on a nightly basis. The audit compliance report confirmed that the registry was updated prior to electrical connection for all ICPs connected during the audit period.

#### **Audit outcome**

Compliant

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

#### Code reference

Clause 7(2A) of Schedule 11.1

#### Code related audit information

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

#### Audit observation

The process for populating of the initial electrical connection date was examined. The audit compliance report for the period from 1 September 2019 to 31 December 2020 was checked to determine the timeliness of the provision of ICP information for WEL's new connections.

#### Audit commentary

WEL's authorised livening agents are all required to notify WEL of ICPs made active.

A daily report is run to confirm that all ICPs made active have an initial electrical connection date recorded and if found to be missing these are investigated to ensure they are updated as soon as possible.

The audit compliance report identified 96 (3.6%) of the 2,662 ICPs connected during the audit period were updated late. Analysis of the 96 late updates found that 87 of the late updates were due late notification from the livening agents and eight were due to corrections of dates that were initially incorrect. One late update was due to the population of an historic initial electrical connection date which occurred in 2000.

#### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1  From: 01-Sep-19 To: 31-Dec-20	95 initial electrical connection dates updated greater than ten days from the event 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
<b>Low</b>	The audit risk rating is strong as WELs has robust controls in place. The audit risk rating is low this has no direct impact on reconciliation.

Actions taken to resolve the issue	Completion date	Remedial action status
<p>The audit notes that of the 96 late updates identified, 87 were due to late notifications from livening agents, and eight were due to corrections being made.</p> <p>Livening agents were pushed for weekly livening details to be given to us and these were actioned upon receipt.</p> <p>Information in the registry that was conflicting was followed up on and corrections made as soon as identified and correct information gained.</p>	March 2021	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>WEL continues to follow up with the livening agents when a livening date is not provided and our reporting indicates we should have one. Email evidence of this occurring is held.</p> <p>If we do not get the information requested we will use the retailer date as a placeholder to ensure field is populated. Note that this is also reliant on the retailer updating the ICP status to active in a timely manner to alert us to an update being required. Once the correct livening date has been provided this information is updated.</p> <p>WEL will continue to work with livening agents to remind them of the importance of providing accurate livening information in a timely manner.</p>	March 2021	

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

#### Code reference

Clause 11.17

#### Code related audit information

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

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

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

#### Audit observation

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

The registry list for 31 December 2020 and event detail report for 1 September 2019 to 31 December 2020 were examined to determine compliance. WEL has not created any new shared unmetered load during the audit period.

#### Audit commentary

Contractors are engaged by traders, who are also approved by WEL, to conduct connection and electrical connection. The new connections process includes a “trader responsibility” step. WEL then provides notification to their approved contractor to authorise electrical connection.

For all ICPs examined electrical connection occurred after acceptance by a trader.

One shared unmetered load was created during the audit period and the appropriate notification was provided.

As recorded in the previous audit the private lights recorded in the Hamilton City Council are no longer being reconciled as part of that DUMML database load. These lights have been provided to WEL and should any be shared by more than one ICP, shared unmetered load will need to be created. This is discussed further in **sections 4.6** and **7.1**.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.31*

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

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

#### **Audit observation**

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

A diverse characteristics sample of 30 new connection applications of 2,966 created since 1 September 2019 were checked to determine if the ICPs were connected at the request of the trader.

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

#### **Audit commentary**

The WEL 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. The list file confirmed that all ICPs at the “ready” status had a trader nominated.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.31A*

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

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

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

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

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

#### **Audit observation**

The new connection process was examined in **section 3.2**. The registry list for 31 December 2020 and event detail report for 1 September 2019 to 31 December 2020 were examined to determine compliance.

#### **Audit commentary**

WEL confirmed that no temporarily electrical connections ICPs were identified. The WEL 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 was reviewed.

#### **Audit commentary**

One new NSP was created by WEL during the audit period, an interconnection with the Waipa network.

NSP	NSP start date
TPH0111	02/11/2019

The metering installation certification information was not provided within the required timeframe. The metering installation was certified on 2 November 2019 and the update was made via the RM portal on 2 April 2020. WEL made the notification as soon as the information was provided by the MEP.

#### **Audit outcome**

Non-compliant

Non-compliance	Description		
Audit Ref: 3.9 With: Clause 10.30  From: 08-Nov-19 To: 02-Apr-20	Late notification of metering installation certification for new NSP (TPH0111).  Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as strong, as they are sufficient to ensure updates are on time most of the time.  The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
This is the first that has occurred so there was no formal process for this situation.		March 2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
WEL to make a documented process for this.		March 2021	

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

#### Code reference

Clause 10.30A and 10.30B

#### Code related audit information

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

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

A distributor may only electrically connect an NSP if:

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

#### Audit observation

The NSP table was reviewed.



### **Audit commentary**

One new NSP was created by WEL during the audit period, an interconnection with the Waipa network. WEL confirmed that the NSP was not temporarily electrically connected and that there is a certified metering installation.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 1(1) Schedule 11.1*

### **Code related audit information**

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

*xxxxxxxxxxccc where:*

*xxxxxxxxxx is a numerical sequence provided by the distributor,*

*xx is a code that ensures the ICP is unique (assigned by the Authority to the issuing distributor)*

*ccc is a checksum generated according to the algorithm provided by the Authority.*

### **Audit observation**

The process for the creation of ICPs was examined.

### **Audit commentary**

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

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 6 Schedule 11.1*

### **Code related audit information**

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

### **Audit observation**

The list file as at 31 December 2020 was examined to confirm all active ICPs have a single loss category code.

### **Audit commentary**

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

### **Audit outcome**

Compliant

## **3.13. Management of "new" status (Clause 13 Schedule 11.1)**

### Code reference

Clause 13 Schedule 11.1

### Code related audit information

*The ICP status of “New” must be managed by the distributor to indicate:  
the associated electrical installations are in the construction phase (Clause 13(a) of Schedule 11.1)  
the ICP is not ready for activation (Clause 13(b) of Schedule 11.1).*

### Audit observation

The ICP creation process was reviewed. The registry list for 31 December 2020 and event detail report for 1 September 2019 to 31 December 2020 were examined to determine compliance.

### Audit commentary

WEL’s new connections process is not designed to use the “new” status. All ICPs are created at the “ready” status. Examination of the list file found there was one ICP which was changed to the “new” status in error and corrected to the “ready” status within two days. There were no ICPs at the “new” status at the time of the audit.

### Audit outcome

Compliant

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

### Code reference

Clause 15 Schedule 11.1

### Code related audit information

*If an ICP has had the status of “New” or has had the status of “Ready” for 24 months or more:  
the distributor must ask the trader who intends to trade at the ICP whether the ICP should continue to have that status (Clause 15(2)(a) of Schedule 11.1)  
the distributor must decommission the ICP if the trader advises that the ICP should not continue to have that status (Clause 15(2)(b) of Schedule 11.1).*

### Audit observation

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

### Audit commentary

WEL creates all ICPs at “ready”. WEL monitors a report of ICPs at the “ready” status. Any record on this report that is older than approximately six months is investigated with the trader. These are sent every three months to the traders via email.

There are no ICPs that have been at the “ready” status for more than 24 months.

### Audit outcome

Compliant

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

### Code reference

*Clause 7(6) Schedule 11.1*

### Code related audit information

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

*The loss category code must be unique; and*

*The distributor must provide the following to the reconciliation manager:*

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

### Audit observation

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

### Audit commentary

The list file identified two ICPs with an embedded generator capacity greater than 10MW. Both ICPs have unique loss category codes in accordance with this clause.

### Audit outcome

Compliant

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

### 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

The electrical connection of streetlight circuits which are a point of connection was examined.

### Audit commentary

WEL require an application for all new streetlight connections. The ICP to which the ICPs will be connected and trader approval of the new lights is required before the streetlights will be electrically connected.

### Audit outcome

Compliant

## 4. MAINTENANCE OF REGISTRY INFORMATION

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

#### Code reference

*Clause 8 Schedule 11.1*

#### Code related audit information

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

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

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

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

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

#### Audit observation

The management of registry updates was reviewed.

The audit compliance reports and event detail report for the period from 1 September 2019 to 31 December 2020 were examined.

The management of NSP changes was examined.

#### Audit commentary

Analysis of the audit compliance and event detail reports found:

##### Address events

There were 6,304 address updates during the audit period, 6,296 (99.88%) were updated within three business days. Eight ICPs were updated later than three days after the event. All eight were checked and found to be corrections where the event date was not updated to the current date of update and therefore, they appear to be backdated.

##### Network events

The network events evaluated excluded those relating to the population of the initial electrical connection dates (discussed in **section 3.5**), NSP changes (discussed below) and the initial network events relating to the creation of ICPs.

The audit compliance report was examined and recorded three late network updates which related to corrections of the initial electrical connection date or the unmetered load details, these were backdated to correct the effective event date.

##### Pricing events

There were 19,745 pricing updates identified, 19,722 (99.88%) were updated within three business days. 23 ICPs were updated later than three days after the event. All 23 late updates were examined, and the following was found:

- 12 were backdated to the start of the month due to a change in chargeable capacity,

- four had TOU Pricing backdated to start of month after confirmation of TOU metering installed,
- three were corrected after being updated in error,
- two related to an ICP which was connected by others without WELs approval,
- one change was backdated at the request of the trader, and
- one was updated late due to human error.

### Decommissioning Status events

There were 494 status updates to decommissioned identified, 481 (97.4%) were updated within three business days. The remaining 13 ICPs were updated late, the late updates were the result of late notification of the decommissioning of ICPs.

### Change of NSP

The process of NSP changes was examined. NSP changes are updated to the registry after nine days when it is determined that the change will remain in place for 10 or more days. The audit compliance report identified 495 NSP updates that were updated after nine days. I have recorded compliance for these updates as they were made within 13 business days in accordance with clause 8 (4) (a) of Schedule 11.1.

### Addition of distributed generation

The distributed generation process was examined.

The process requires customers or their agents to submit an application using a form obtained from the WEL website. WEL processes applications and advises of approvals within five days in most cases. Following installation installers are advised to provide WEL Networks with copies of the Certificate of Compliance (CoC), Electrical Safety Certificate (ESC), Record of Inspection (RoI) and WEL Networks' test form. WEL updates their records and the registry once these documents are received. Delays in the provision of these documents result in late updates of WELs records and the registry.

The audit compliance report identified 12 ICPs where the distributed generation information was updated later than three business days.

### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.1 With: clause 8 schedule 11.1 From: 01-Sep-19 To: 31-Dec-20	A small number of registry event updates backdated greater than three days. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
<b>Low</b>	Controls are rated as moderate as they will mitigate risk most of the time but there is room for errors to occur. The risk rating is low as the volume of ICPs affected are small.

Actions taken to resolve the issue	Completion date	Remedial action status
<p>WEL notes that Address, Network and Pricing changes and updates to the electricity registry required have increased since the last audit but lateness is extremely low.</p> <p>For the events deemed late, almost all have been outside of our control and due to information required not provided to us as noted in audit findings</p>	March 2021	Identified
<p><b>Preventative actions taken to ensure no further issues will occur</b></p>	<b>Completion date</b>	
<p>WEL will continue to chase parties for information where we know work has been done and registry updates are required.</p> <p>We have worked hard in the Distributed Generation area since the last audit and have implemented all noted process changes given in the 2019 audit response.</p> <p>We will be reviewing our internal Distributed Generation process and looking to potentially reduce the time given for paperwork to be returned to us upon work completion by solar installers. We note that this may not necessarily improve the instances of late updates as it is still reliant on paperwork being returned in a timely manner. This area is difficult to police as we do not have any indication of when a solar installer has completed work. We rely on them advising us in a timely manner, but there are no consequences for them if they do not do this. While we have an option to physically disconnect a property, this is not a desirable outcome for any parties.</p>	March 2021	

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

##### Code reference

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

##### Code related audit information

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

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

##### Audit observation

The process to determine the correct NSP was examined. The accuracy of NSP information was checked using the audit compliance reports for the period 1 September 2019 to 31 December 2020.

##### Audit commentary

The process for allocating new ICPs to the correct transformer, and therefore the correct NSP, was examined and is robust. The transformer for each new connection is determined based on the ICP database and this is checked as part of the ICP creation process manually. The planning team will advise

the correct transformer if work on the network is required. GPS co-ordinates are recorded for all new connections.

The audit compliance reports identified 59 ICPs where 10% or fewer ICPs on a street have a different ICP to other ICPs and where the number of ICPs with a different NSP was less than three. All 59 ICPs were checked and 57 were confirmed to have the correct NSP assigned. There were two ICPs with the incorrect NSP assigned.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.2 With: Clauses 7(1),(4) and (5) Schedule 11.1 From: 01-Sep-19 To: 31-Dec-20	Two ICPs with incorrect NSP. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as strong because they mitigate risk to an acceptable level. The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Incorrect information populated into our GIS mapping system flowed through to the registry. This occurred with same street names located within multiple towns in the Waikato. The two ICPs with incorrect information have now been corrected.		March 2021	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We have now added pole numbers for ICPs to lessen the chance of incorrect NSP allocations occurring. Any errors will be corrected as soon as we are made aware of them		March 2021	

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

#### Code reference

Clause 11.31

#### Code related audit information

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

#### **Audit observation**

The management of customer queries was examined.

#### **Audit commentary**

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

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 2 Schedule 11.1*

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

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

#### **Audit observation**

The process to determine correct and unique addresses was examined. The registry list for 31 December 2020 was reviewed to determine compliance.

#### **Audit commentary**

WEL's ICP database does not allow duplicate addresses to be created and all new connections have GPS co-ordinates recorded. Analysis of list file found no duplicate addresses. All but 710 addresses now have the GPS co-ordinates recorded.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 3 Schedule 11.1*

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

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

#### **Audit observation**

The management of this process was discussed.

#### **Audit commentary**

WEL has required that all ICPs created since 7 October 2002 will comply with this clause. WEL's process documentation addresses this issue. There are two existing ICPs that do not meet this requirement, but these were created prior to 7 October 2002 so are exempt from this requirement.

There was an alleged breach that this clause was breached by WEL. Through the reconfiguration of a customer's supply ICPs 0000040548WEC86 and 0000037884WE3A6 are no longer be able to be disconnected independent of ICP. This was examined by the Compliance team and determined that as



ICP 0008803342WEFC was electrically connected prior to this clause so there was no breach. The trader at ICP 0008803342WEFC has an exemption in place to ensure that reconciliation can occur correctly as consumption must now be determined using subtraction.

#### **Audit outcome**

Compliant

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

##### **Code reference**

*Clause 7(1) Schedule 11.1*

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

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

- *the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)*
- *the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)*
- *the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)*
- *the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)*
- *the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)*
- *if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):*
  - a) *the unique loss category code assigned to the ICP*
  - b) *the ICP identifier of the ICP*
  - c) *the NSP identifier of the NSP to which the ICP is connected*
  - d) *the plant name of the embedded generating station*
- *the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)*
- *if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):*
  - a) *a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity*
  - b) *a blank chargeable capacity if the capacity value can be determined for a billing period from metering information collected for that billing period*
  - c) *if there is more than one capacity value at the ICP, and at least one, but not all, of those capacity values can be determined for a billing period from the metering information collected for that billing period-*
    - (i) *no capacity value recorded in the registry field for the chargeable capacity; and*
    - (ii) *either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
  - d) *if there is more than one capacity value at the ICP, and none of those capacity values can be determined for a billing period from the metering information collected for that billing period-*

- (i) the annual capacity value recorded in the registry field for the chargeable capacity; and
  - (ii) either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded
- e) the actual chargeable capacity of the ICP in any other case
- the distributor installation details for the ICP determined by the price category code assigned to the ICP (if any), which may be placeholder distributor installation details only if the distributor is unable to assign the actual distributor installation details because the capacity or volume information required to assign the actual distributor installation details cannot be determined before electricity is traded at the ICP (Clause 7(1)(i) of Schedule 11.1)
  - the participant identifier of the first trader who has entered into an arrangement to sell or purchase electricity at the ICP (only if the information is provided by the first trader) (Clause 7(1)(j) of Schedule 11.1)
  - the status of the ICP (Clause 7(1)(k) of Schedule 11.1)
  - designation of the ICP as "Dedicated" if the ICP is located in a balancing area that has more than 1 NSP located within it, and the ICP will be supplied only from the NSP advised under Clause 7(1)(b) of Schedule 11.1, or the ICP is a point of connection between a network and an embedded network (Clause 7(1)(l) of Schedule 11.1)
  - if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (Clause 7(1)(m) of Schedule 11.1)
  - if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (Clause 7(1)(n) of Schedule 11.1)
  - if the ICP is capable of generating into the distributors network (Clause 7(1)(o) of Schedule 11.1):
    - a) the nameplate capacity of the generator; and
    - b) the fuel type
  - the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).

### Audit observation

The management of registry information was reviewed. I checked all registry fields for obvious discrepancies using the audit compliance reports audit compliance report for the period from 1 September 2019 to 31 December 2020.

### Audit commentary

All ICP information was checked and confirmed compliant unless discussed below:

#### Distributed Generation

WEL have a robust approval process before allowing Distributed Generation to be connected to their network but is reliant on customers following the process. The process requires customers or their agents to submit an application using a form obtained from the WEL website. WEL processes applications and advises of approvals within five days in most cases. Following installation installers are advised to provide WEL Networks with copies of the Certificate of Compliance (CoC), Electrical Safety Certificate (ESC), Record of Inspection (RoI) and WEL Networks' test form. WEL updates their records and the registry once these documents are received.

Examination of the list file found ICPs with generation capacity have continued to grow as detailed in the table below:

Year	ICPs with distributed generation
2017	698

2019	1,102
2020	1,354

All had fuel type recorded and the correct installation type of B.

The audit compliance report identified 28 ICPs where the trader's profile indicates that distributed generation is present, but WEL has none recorded. WEL provided the following information:

- 19 ICPs have had an application received but no completion paperwork has been received to confirm generation is present,
- six ICPs where no application has been received but the profile and metering installed indicates distributed generation is present, and
- three ICPs where the completion paperwork has been received and the registry updated since the data was provided for this audit.

#### Initial Electrical Connection Date

WEL run a weekly report that identifies anomalies between the distributor, trader and MEP data. Where anomalies are identified, confirmation is sought from the living agents to confirm the data supplied.

The audit compliance report confirmed that all ICPs made active after 29 August 2013 had an initial electrical connection date populated.

The audit compliance report identified discrepancies between the initial electrical connection date and trader active date or metering certification date for 18 ICPs. Further investigation of the WEL information found the following:

- 10 ICPs where the WELs agents have confirmed that the initial electrical connection date is correct,
- three ICPs where the metering installation certification date was incorrect and has subsequently been corrected,
- three ICPs where the incorrect initial electrical connection date was recorded by WEL, I have recorded non-compliance for these ICPs, and
- two ICPs where the metering installation was certified within five days of the initial electrical connection date.

The audit compliance reports identified 10 ICPs at the status of "new connection in progress" (1,12) that have an initial electrical connection date populated. All 10 ICPs have since been updated to active by the Retailer as part of BAU. The active dates matched to the initial electrical connection date in all 10 cases.

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

#### Unmetered Load

WEL does not encourage new unmetered loads on their network. They have a well-documented policy and process for the ongoing management and notification of altered unmetered load connections. There were seven new unmetered load ICPs added during the audit period, all were installations containing communications equipment. The unmetered load details were correctly populated for these ICPs.

WEL uses the recommended format for updating the registry where possible with 329 of the 332 ICPs recorded in the recommended format. I compared the daily kWh figures based on WEL's data to the traders' daily unmetered kWh figures and found that 315 (95.7%) of 329 ICPs matched. 11 of the 17 ICPs with a load difference are DUML ICPs and the unmetered load is derived from a database. The remaining six ICPs were checked and found:

- three ICPs require further investigation to determine what the correct load is (ICPs 0000011104WE3E8, 0002622001WE87A and 0043579907WEC49),

- two ICPs where the WEL daily kWh value is incorrectly recorded as it is representing the individual kWh per light rather than the total kWh of all of the lights connected (ICPs 0000011092WE484 and 0000011094WE50B), and
- one ICP where the WEL load is correct and the trader's value has been calculated incorrectly (ICP 0000048388WE06F).

I have recorded non-compliance for the two ICPs where WEL has recorded the incorrect kWh value and recommend that WEL work with the traders to determine the correct values for the three ICPs with discrepancies.

Recommendation	Description	Audited party comment	Remedial action
Distributor to provide ICP information to the registry.	Work with the traders to determine the correct values for the three ICPs with unmetered load discrepancies.	One ICP now has the correct value. We are currently working with the traders to obtain accurate information for the last two.	Investigating

During the last audit WEL was provided with a list of 47 private lights recorded in the Hamilton City Council that are no longer being reconciled as part of that DUML database load. It was recommended that WEL should investigate these lights to determine if they should be standard unmetered load, shared unmetered load or disconnected if the customer does not want to pay for the lights. A recent check of the DUML database confirmed that 39 private lights remain which have yet to be addressed. I have recorded non-compliance for these lights as they are not recorded by WEL as unmetered load and repeat the recommendation that these be investigated to determine if they should be standard unmetered load, shared unmetered load or disconnected if the customer does not want to pay for the lights.

Recommendation	Description	Audited party comment	Remedial action
Distributor to provide ICP information to the registry.	Investigate the 39 private lights identified from the Hamilton City Council RAMM database to determine how these lights will be reconciled.	<p>We will continue to work on these but note that it is not a simple process.</p> <p>The complication lies with firstly identifying exactly where these lights are physically located, and then obtaining a responsible party to be paying for them. While an end result of disconnection may be possible should no party claim ownership/responsibility, this would then raise potential safety concerns from a lack of lighting.</p>	Investigating

### Audit outcome

Non-compliant

Non-compliance	Description
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<p>Audit Ref: 4.6</p> <p>With: Clause 7(1) Schedule 11.1</p> <p>From: 01-Sep-19</p> <p>To: 31-Dec-20</p>	<p>Distributed generation details missing.</p> <p>Three ICPs with an incorrect initial electrical connection date populated.</p> <p>Two ICPs with unmetered load discrepancies.</p> <p>Unmetered load not recorded for 39 private lights.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Low</b>	<p>Controls are rated as moderate as they will mitigate risk most of the time but there is room for errors to occur.</p> <p>The risk rating is low as the errors found have no direct impact on reconciliation.</p>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
<p>Distributed Generation details will continued to be chased up where required. We note that if a retailer has updated their profile incorrectly to reflect DG on site that isn't, this reflects against WEL as having missing details.</p> <p>The two ICPs with unmetered load discrepancies are currently being worked on with traders.</p> <p>The 39 private unmetered lights are currently being worked on.</p>		March 2021	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
<p>WEL will work to obtain missing registry information or correct registry information as soon as we are aware of it.</p>		March 2021	

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

##### Code reference

Clause 7(3) Schedule 11.1

##### Code related audit information

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

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

##### Audit observation

The management of registry information was reviewed. The audit compliance reports for the period 1 September 2019 to 31 December 2020 were checked to determine if any price codes were assigned later than 10 business days after trading commenced.

#### **Audit commentary**

There were no ICPs with price changes backdated more than 10 business days.

#### **Audit outcome**

Compliant

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

#### **Code reference**

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

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

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

#### **Audit observation**

The registry list as of 31 December 2020 was reviewed to determine compliance. WEL Network have populated GPS co-ordinates against all but 962 of their active ICPs during the audit period. I checked that the GPS coordinates used meet the NZTM2000 standard.

#### **Audit commentary**

WEL have used the NZTM2000 standard to record the GPS co-ordinates. This was confirmed by looking at the format of the GPS co-ordinates used.

#### **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**

WEL’s current process is to create all ICPs at the “ready” status.

The registry list showed 76 ICPs currently at “ready” status, none of which have been at “ready” status for more than two years.

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

#### **Audit commentary**

As noted in **section 3.2**, ICP requests come directly from customers or their agents and are generally lodged via the online portal. Some are received via email and these are entered into WEL’s system. Upon receipt of a completed application the portal automatically sends on the application to the nominated trader to accept the nomination.

The price category field in WEL’s ICP database contains a “drop down” list, which ensures each ICP can only have a single price category. Examination of the list file confirmed that all ICPs at “ready” status had a single price category assigned and proposed trader identified.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 16 Schedule 11.1*

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

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

#### **Audit observation**

Processes to manage the “distributor” status were reviewed.

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

#### **Audit commentary**

WEL has 19 ICPs that have an ICP status of “distributor.” 17 of these are points of connection between embedded networks and the WEL network. The remaining six ICPs are parent ICPs for shared unmetered load. One Distributor ICP for shared unmetered load was created during the audit period. The process for creating this ICP was compliant.

#### **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 ICPs in relation to the use of the “decommissioned” status was examined. The list file and event detail report for the period from 1 September 2019 to 31 December 2020 were examined in relation to the use of the “decommissioned” status.

#### **Audit commentary**

ICP decommissioning is managed by WEL and the process is documented. Retailers notify WEL when ICPs are “ready for decommissioning” but they do not change the registry to this status until advised by WEL that the fieldwork has been completed. WEL manages the fieldwork to ensure the electrical installations are physically removed and advise the Retailer when this work has been completed. The Retailer then updates the registry to the status “ready for decommissioning” and backdate the effective date to the actual date of the decommission. If the Retailer incorrectly updates the “ready for decommissioning” date WEL advises them to correct the date to ensure that they are able to correctly populate the decommissioning date. I checked a sample of five decommissioned ICPs and confirmed that the decommissioning dates were correctly recorded.

The timeliness of these updates is discussed in **section 4.1**.

WEL’s list file shows that there were no ICPs at “ready for decommissioning” status at the time of the audit analysis.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 23 Schedule 11.1*

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

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

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

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

#### **Audit observation**

The price category code table on the registry was examined.

#### **Audit commentary**

WEL keeps the price category table up to date and has not created any new price category codes since 1 April 2018.

#### **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

No new loss category codes have been created during the audit period.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 22 Schedule 11.1*

#### Code related audit information

*Each loss category code must have a maximum of 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

No loss factors have been updated during the audit period.

#### Audit outcome

Compliant

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

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

#### Code reference

*Clause 11.8 and Clause 25 Schedule 11.1*

#### Code related audit information

*If the distributor is creating or decommissioning an NSP that is an interconnection point between 2 local networks, the distributor must give written notice to the reconciliation manager of the creation or decommissioning.*

*If the embedded network owner is creating or decommissioning an NSP that is an interconnection point between 2 embedded networks, the embedded network owner must give written notice to the reconciliation manager of the creation or decommissioning.*

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

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

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

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

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

#### Audit observation

The NSP table was examined.

#### Audit commentary

One new NSP was created during the audit period.

NSP	Network Type	Start date
TPH0111	I	2/11/2019

WEL added a new interconnection with the Waipa Network.

Written notice was provided to all parties as required by this clause.

No NSPs were 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 one month before the NSP is electrically connected or the ICP is transferred.*

### Audit observation

The NSP table was examined.

### Audit commentary

One new NSP was created during the audit period.

NSP	Network Type	Start date
TPH0111	I	2/11/2019

WEL added a new interconnection with the Waipa Network.

Written notice was provided to all parties as required by this clause.

### Audit outcome

Compliant

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

### Code reference

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

### Code related audit information

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

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

### Audit observation

The NSP table was reviewed.

### Audit commentary

One new NSP was created during the audit period, and correct balancing area information was provided in accordance with this clause.

NSP	Network Type	Start date
TPH0111	I	2/11/2019

#### Audit outcome

Compliant

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

#### Code reference

Clause 26(4) Schedule 11.1

#### Code related audit information

*If a participant notifies the creation of an NSP, or the transfer of an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor, the distributor must give notice to the reconciliation manager at least 1 month before the creation or transfer of:*

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

#### Audit observation

The NSP table was reviewed.

#### Audit commentary

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

#### Audit outcome

Compliant

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

#### Code reference

Clause 24(2) and (3) Schedule 11.1

#### Code related audit information

*The distributor must give written notice to the reconciliation manager of any change to balancing areas associated with an NSP supplying the distributor's network. The notification must specify the date and trading period from which the change takes effect, and be given no later than 3 business days after the change takes effect.*

#### Audit observation

The NSP table was reviewed.

#### Audit commentary

No balancing area changes have occurred during the audit period for WEL's NSPs.

#### Audit outcome

Compliant

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

##### Code reference

Clause 27 Schedule 11.1

##### Code related audit information

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

##### Audit observation

The NSP table was reviewed.

##### Audit commentary

No existing ICPs became NSPs during the audit period.

##### Audit outcome

Compliant

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

##### Code reference

Clause 1 to 4 Schedule 11.2

##### Code related audit information

*If the distributor wishes to transfer an ICP, the distributor must give written notice to the Authority in the prescribed form, no later than 3 business days before the transfer takes effect.*

##### Audit observation

The NSP table was reviewed.

##### Audit commentary

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

##### Audit outcome

Compliant

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

##### Code reference

Clause 10.25(1) and 10.25(3)

##### Code related audit information

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

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

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

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

#### Audit observation

The NSP supply point table was examined and evidence of all updates made to the Reconciliation Manager via the portal.

#### Audit commentary

The NSP supply point table was reviewed:

Distributor	NSP POC	Network Type	Description	MEP	Certification Expiry
WAIK	BRI0111	EN	BRICK STREET	AMCI	17-03-27
WAIK	FLG0111	EN	FLAGSHIP	AMCI	07-02-23
WAIK	HMB0111	EN	HALF MOON BAY	AMCI	20-12-22
WAIK	HUL0111	EN	HULME PLACE	AMCI	13-09-25
WAIK	JEF0111	EN	JEFFS ROAD	AMCI	10-02-25
WAIK	KIR0111	EN	KIRKDALE	AMCI	17-10-21
WAIK	MTG0111	NP	MANGATANGI	COUP	16-04-28
WAIK	OAK0111	EN	OAKLANDS	AMCI	29-09-26
WAIK	POR0111	EN	Porchester Road	AMCI	14-05-19
WAIK	RYN0111	EN	RYAN PLACE	AMCI	27-04-26
WAIK	STG0111	EN	SOUTHGATE	AMCI	01-05-27
WAIK	TPH0111	NP	Te Pahu	AMCI	2-11-29

The NSP metering was recertified during the audit period for one NSP, JEF0111. This was advised to the Reconciliation Manager within 20 business days of this occurring.

#### Audit outcome

Compliant

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

#### Code reference

Clause 10.25(2)

#### Code related audit information

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

- assume responsibility for being the metering equipment provider (Clause 10.25(2)(a)(i)); or
- contract with a metering equipment provider to be the MEP (Clause 10.25(2)(a)(ii)); and

- no later than 20 business days after identifying the MEP advise the reconciliation manager in the prescribed form of the reconciliation participant for the NSP (Clause 10.25(2)(b)); and
- no later than 5 business days after the date of certification of each metering installation, advise the reconciliation manager of
  - a) the MEP for the NSP (Clause 10.25(2)(c)(i)); and
  - b) the NSP of the certification expiry date (Clause 10.25(2)(c)(ii)).

#### Audit observation

The NSP supply point table was reviewed.

#### Audit commentary

One new NSP was created by WEL during the audit period, an interconnection with the Waipa network.

Distributor	NSP POC	Network Type	Description	MEP	Certification Expiry
WAIK	TPH0111	NP	Te Pahu	AMCI	2-11-29

The NSP has a certified metering installation as required by this clause. The metering installation certification information was not provided within the required timeframe. The metering installation was certified on 2 November 2019 and the update was made via the RM portal on 2 April 2020. WEL made the notification as soon as the information was provided by the MEP.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.9 With: Clause 10.25(2)  From: 08-Nov-19 To: 02-Apr-20	Late notification of metering installation certification for new NSP (TPH0111). Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as strong, as they are sufficient to ensure updates are on time most of the time.  The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Action has been taken prior to audit.		March 2021	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>The creation of a new Interconnection point is a very rare occurrence. This was the first time that WEL has had to do this in the last decade and as such we had no documented process.</p> <p>We will be creating a new process with relevant time frames for future use if we create any more interconnection points.</p>	March 2021	
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#### 6.10. Obligations concerning change in network owner (Clause 29 Schedule 11.1)

##### Code reference

*Clause 29 Schedule 11.1*

##### Code related audit information

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

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

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

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

##### Audit observation

The NSP supply point table was reviewed.

##### Audit commentary

WEL have not initiated any changes of network owner.

##### Audit outcome

Compliant

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

##### Code reference

*Clause 10.22(1)(b)*

##### Code related audit information

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

##### Audit observation

The NSP supply point table was examined.

##### Audit commentary

WEL has not changed the MEP for any embedded network gate meters for which they are responsible for 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 supply point table was reviewed.

##### Audit commentary

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

##### Audit outcome

Compliant

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

##### Code reference

*Clause 6 Schedule 11.2*

##### Code related audit information

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

##### Audit observation

The NSP supply point table was reviewed.

##### Audit commentary

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

##### Audit outcome

Compliant

## 7. MAINTENANCE OF SHARED UNMETERED LOAD

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

#### Code reference

*Clause 11.14(2) and (4)*

#### Code related audit information

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

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

#### Audit observation

The registry list for 1 September 2019 to 31 December 2020 was reviewed to identify any ICPs with shared unmetered load connected. The streetlight audits of the network were assessed. Written notice was provided to all parties as required by this clause.

#### Audit commentary

WEL has two shared unmetered load “distributor only” ICPs. One new shared unmetered load ICP has been connected and five were decommissioned during the audit period.

During the last audit WEL was provided with a list of 47 private lights recorded in the Hamilton City Council that are no longer being reconciled as part of that DUML database load. It was recommended that WEL should investigate these lights to determine if they should be standard unmetered load, shared unmetered load or disconnected if the customer does not want to pay for the lights. A recent check of the DUML database confirmed that 39 private lights remain which have yet to be addressed. In **section 4.6**, I have recorded non-compliance for these lights as they are not recorded by WEL as unmetered load and have repeated the recommendation that these be investigated to determine if they should be standard unmetered load, shared unmetered load or disconnected if the customer does not want to pay for the lights.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 11.14(5)*

#### Code related audit information

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

#### Audit observation

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

### **Audit commentary**

There have been no changes to the capacity of shared unmetered load ICPs during the audit period. I checked and confirmed that all ICPs had the correct load and this load matched to the retailers recorded load.

### **Audit outcome**

Compliant



## CONCLUSION

WEL generally have robust processes in place to manage the relevant processes.

This audit found seven non-compliances and makes two recommendations. The non-compliances relate mainly to minor errors in and late updates of registry information. A new interconnection NSP was created and late notification of the metering installation certification has caused non-compliance in two sections. WEL made the notification as soon as the information was provided by the MEP.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The indicative audit frequency table indicates the next audit should be in 12 months. I have considered this in conjunction with WEL's responses and recommend that the next audit be in 18 months as two of the non-compliances have been cleared and WEL has identified actions to address the remaining non-compliances.

## PARTICIPANT RESPONSE

Of the seven non-compliance issues that were raised, almost all occurred (to varying degrees) as a result of third parties not following WELs processes or fulfilling their own compliance obligations, and were deemed as minor errors in most cases. While we will continue to refine our processes and procedures to ensure they are robust, some of the non-compliance issues raised are largely outside of WEL's control.

WEL notes that the severity of each non-compliance issue was low and the controls in place to prevent them were deemed to be moderate or strong.

We also make note that new interconnection NSP creation and late notification of the metering installation certification caused non-compliance in two sections, and that the missing information was inputted as soon as provided to us by the MEP.

WEL has committed to investigate the two recommendations contained in this report and work is currently underway on these.