

ELECTRICITY INDUSTRY PARTICIPATION CODE DISTRIBUTOR AUDIT REPORT

For

Westpower Limited



Prepared by: Steve Woods

Date audit commenced: 6 July 2021

Date audit report completed: 7 September 2021

Audit report due date: 07-Oct-21

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EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **Westpower Limited (Westpower)**, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

Westpower have good controls in place for most processes. Robust processes and prompt and accurate update of information is treated as a priority. Reporting and management of the reports is strong, data accuracy issues identified are promptly resolved.

Overall, the level of compliance is high, and controls generally found to be strong. The audit found six non-compliances and I repeat one recommendation from the last audit. The audit risk rating is nine, and the next audit frequency table indicates that the next audit be due in 12 months. I have considered this in conjunction with Westpower's responses and I recommend that the next audit is in 18 months.

Raelene and the team have made excellent progress on the areas of opportunity that were identified in the last audit.

The matters raised are shown in the tables below.

AUDIT SUMMARY

NON-COMPLIANCES

| Subject | Section | Clause | Non-Compliance | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|---|---------|------------------------|--|----------|-------------------|--------------------|-----------------|
| Provision of information on dispute resolution | 2.4 | 11.30A | Call scripts to be developed for use by Call Care. | Moderate | Low | 2 | Identified |
| Provision of the initial electrical connection date | 3.5 | 7(2A) of Schedule 11.1 | Three late updates of the initial electrical connection date. | Strong | Low | 1 | Identified |
| Registry updates | 4.1 | 8 Schedule 11.1 | Updates to registry backdated greater than 3 business days of the event. | Moderate | Low | 2 | Identified |
| Notice of NSP for each ICP | 4.4 | 2 Schedule 11.1 | 92 ICPs with insufficient details to be readily locatable. | Moderate | Low | 2 | Identified |
| Registry accuracy | 4.6 | 7(1) Schedule 11.1 | 1 ICP with distributed generation details missing. 1 ICP with incorrect unmetered load details. | Moderate | Low | 2 | Identified |
| Future Risk Rating | | | | | | 9 | |

| | | | | | | |
|----------------------------|-----------|-----------|-----------|-----------|----------|----------|
| 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 |
|------------------------|---------|--|
| Distributed generation | 4.6 | Check EIEP1 file for missing distributed generation. |

ISSUES

| Subject | Section | Recommendation | Description |
|---------|---------|----------------|-------------|
| | | Nil | |

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

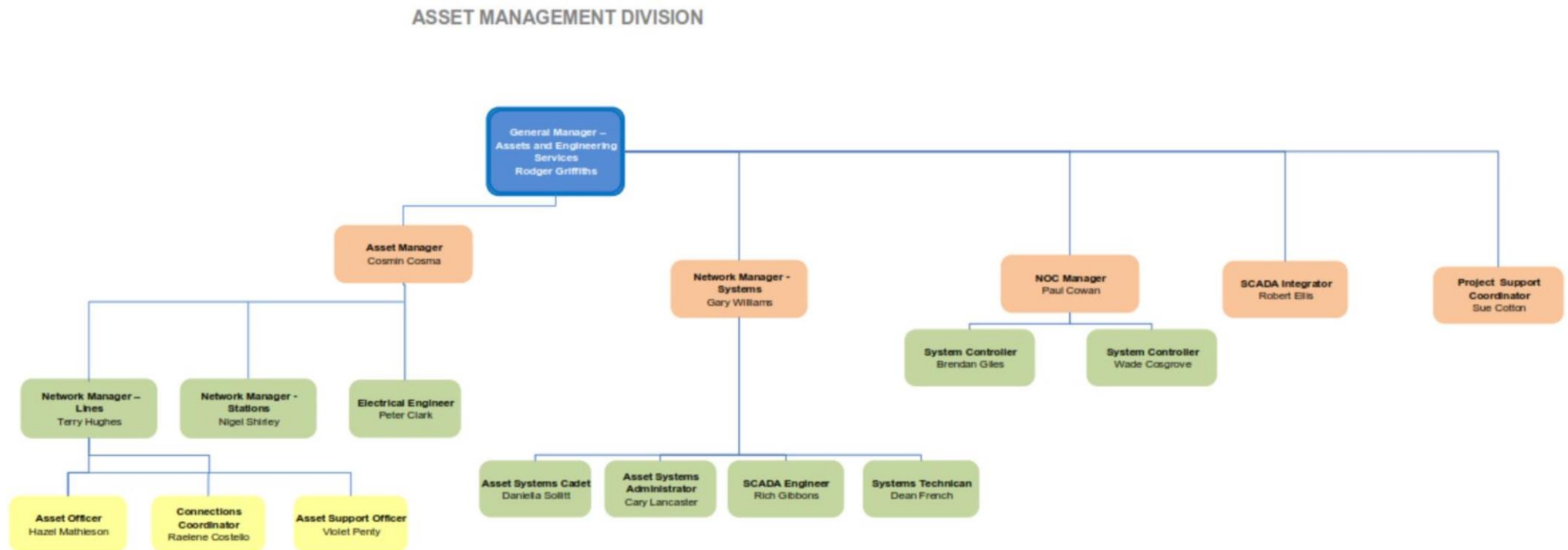
The Electricity Authority website was checked to determine whether Westpower has any Code exemptions in place.

Audit commentary

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

1.2. Structure of Organisation

Westpower provided an organisational structure.



1.3. Persons involved in this audit

Auditor:

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

Westpower personnel assisting in this audit were:

| Name | Title |
|------------------|---|
| Raelene Costello | Connections Co-ordinator |
| Rodger Griffiths | General Manager - Assets & Engineering Services |

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

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

Audit commentary

All electrical connections are carried out by Electronet on the Westpower network. Electronet are part of the same group of companies. No sub-contractors are used.

1.5. Supplier list

As mentioned above Electronet carry out all electrical connections on the Westpower network. No sub-contractors are used.

1.6. Hardware and Software

Westpower uses a variety of systems to manage their customers:

- Maximo is used as their workflow tool - all work in progress is tracked and is visible via a dashboard,
- Gentrack – customer management including interfacing with the registry, and
- ARC GIS PRO - geographic information system.

Access to systems is restricted using logins and passwords.

1.7. Breaches or Breach Allegations

The Electricity Authority confirmed that there have been no alleged breaches related to this audit scope for Westpower for the audit period.

1.8. ICP and NSP Data

Westpower has responsibility for the Westpower local network. There have been no changes during the audit period. The table below sets out the details.

| Distributor | NSP POC | Description | Balancing Area | Network Type | Start Date | No of ICPs |
|-------------|---------|-------------|----------------|--------------|------------|------------|
| WPOW | ATU1101 | ATARAU | WCOTHERWPOWG | G | 1/05/2008 | 1 |
| WPOW | DOB0331 | DOBSON | WCOTHERWPOWG | G | 1/05/2008 | 2,894 |
| WPOW | GYM0661 | GREYMOUTH | WCOTHERWPOWG | G | 1/05/2008 | 4,401 |
| WPOW | HKK0661 | HOKITIKA | WCOTHERWPOWG | G | 1/05/2008 | 4,582 |
| WPOW | KUM0661 | KUMARA | WCOTHERWPOWG | G | 1/05/2008 | 639 |
| WPOW | OTI0111 | OTIRA | WCOTIRAWPOWG | G | 1/11/2012 | 41 |
| WPOW | RFN1101 | REEFTON | WCOTHERWPOWG | G | 1/05/2008 | 814 |
| WPOW | RFN1102 | REEFTON | WCOTHERWPOWG | G | 1/05/2008 | 571 |

There are no embedded networks connected to the Westpower network.

Westpower's ICPs are summarised by status in the table below:

| Status | Number of ICPs 2021 | Number of ICPs 2020 | Number of ICPs 2018 |
|--|------------------------|------------------------|------------------------|
| New (999,0) | 55 | 34 | 9 |
| Ready (0,0) | 3 | 2 | 0 |
| Active (2,0) | 13,943 | 13,823 | 13,582 |
| Distributor (888,0) | 0 | 0 | - |
| Inactive – new connection in progress (1,12) | 24 | 17 | 20 |
| Inactive – electrically disconnected vacant property (1,4) | 752 | 755 | 777 |
| Inactive – electrically disconnected remotely by AMI meter (1,7) | 19 | 13 | 14 |
| Inactive – electrically disconnected at pole fuse (1,8) | 8 | 6 | 10 |
| Inactive – electrically disconnected due to meter disconnected (1,9) | 7 | 6 | 3 |
| Inactive – electrically disconnected at meter box fuse (1,10) | 1 | 1 | 0 |
| Inactive – electrically disconnected at meter box switch (1,11) | 1 | 1 | 1 |
| Inactive – electrically disconnected ready for decommissioning (1,6) | 10 | 8 | 8 |
| Inactive – reconciled elsewhere (1,5) | 0 | 0 | - |
| Decommissioned (3) | 1,365 | 1,335 | 1,254 |

1.9. Authorisation Received

An authorisation letter was provided.

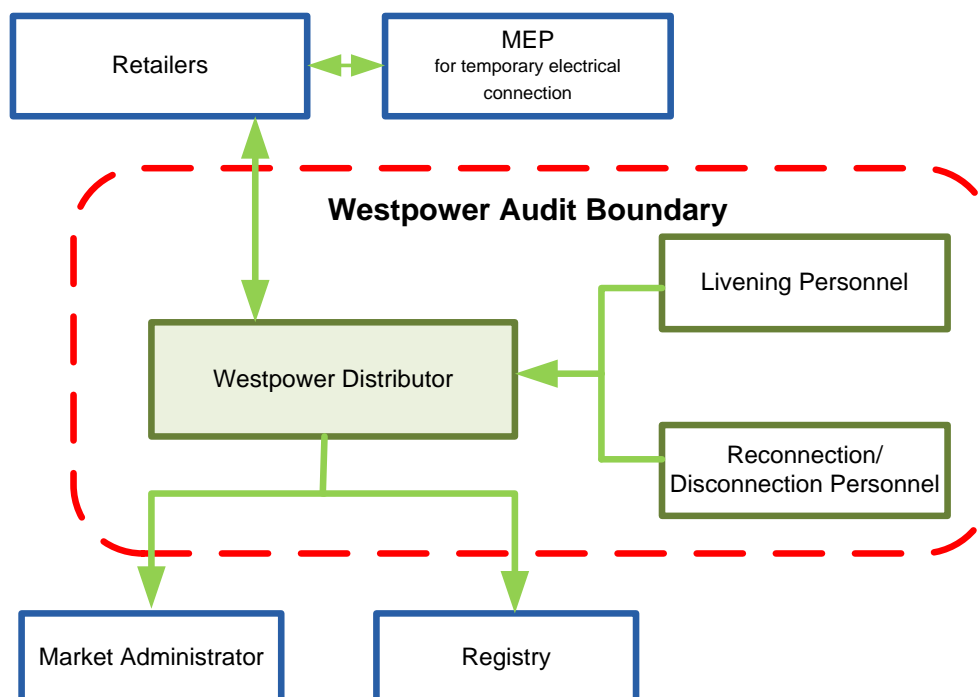
1.10. Scope of Audit

This Distributor audit was performed at the request of Westpower, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11. The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority. Due to Covid-19 restrictions, the audit was carried out remotely using Microsoft Teams on 1 September 2021 and 2 September 2021.

The table below shows the tasks under clause 11.10(4) of Part 11, which Westpower is responsible for. There are no other contractors who assist with these tasks:

| Functions Requiring Audit Under Clause 11.10(4) of Part 11 | Contractors Involved in Performance of Tasks |
|---|--|
| The creation of ICP identifiers for ICPs. | Nil |
| The provision of ICP information to the registry and the maintenance of that information. | |
| The creation and maintenance of loss factors. | |

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



1.11. Summary of previous audit

The previous audit conducted in October 2020 by Rebecca Elliot of Veritek was reviewed. The table below shows current the status of the findings from that audit.

TABLE OF NON-COMPLIANCE

| Subject | Section | Clause | Non-compliance | Status |
|--|---------|------------------------------|---|------------------------------------|
| Complete and accurate information | 2.1 | 11.2(1) | Incorrect initial electrical connection dates populated for 36 ICPs. | Cleared |
| Ready updates | 3.4 | Clause 7(2) of Schedule 11.1 | Two ICPs updated to “ready” after electrical connection. | Cleared |
| Timeliness of provision of IECED to the registry | 3.5 | 7(2A) of Schedule 11.1 | Ten late updates of the initial electrical connection date. | Still existing for different ICP’s |
| Connection of an ICP that not an NSP | 3.6 | 11.17 | Two ICPs electrically connected prior to a trader being recorded as having accepted responsibility. | Cleared |
| Connection of an ICP that is not an NSP | 3.7 | 10.31 | Two ICPs connected without agreement from the trader. | Cleared |
| Changes to registry information | 4.1 | 8 of Schedule 11.1 | Updates to registry backdated greater than 3 business days of the event. | Still existing for different ICP’s |
| ICP location addresses | 4.4 | 2 of Schedule 11.1 | 187 ICPs with insufficient details to be readily locatable. | Still existing |
| Registry accuracy | 4.6 | 7(1) Schedule 11.1 | 36 incorrect initial electrical connection dates. 1 ICP with distributed generation details missing. 1 ICP with incorrect unmetered load details. | Still existing for different ICP’s |
| Management of “decommissioned” status | 4.11 | 20 Schedule 11.1 | Two ICPs decommissioned in Gentrack but at the incorrect status in the registry. | Cleared |

| Subject | Section | Recommendation | Status |
|---------------------------------|---------|---|-------------------------------------|
| Temporary electrical connection | 3.8 | Liaise with MEPs and traders to review the temporary electrical connection process. | Still work in progress with traders |
| ICP location address | 4.4 | Liaise with MEPs and traders to get location details. | Still work in progress with traders |
| Distributed generation | 4.6 | Check EIEP1 file for missing distributed generation. | Still existing |

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(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 Part 11 is:

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

Audit observation

I walked through the process to ensure that registry information is complete, accurate and not misleading or deceptive, including viewing reports used to resolve discrepancies.

The registry list file as of 30 June 2021, and the combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were examined to confirm compliance.

Audit commentary

Westpower has robust validation processes in place. Registry notification files are checked daily, and the audit compliance reporting is used to check for discrepancies.

Audit outcome

Compliant

2.2. Requirement to correct errors (Clause 11.2(2))

Code reference

Clause 11.2(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

Westpower's data management processes were examined. The registry list file as of 30 June 2021, and the combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were examined to confirm compliance.

Audit commentary

Westpower have robust processes and procedures in place to ensure they provide correct and accurate information. Registry notification files are checked daily, and the audit compliance reporting is used to check for discrepancies. Any discrepancies found are investigated and updated as required.

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 PR-255 file was examined to determine if there were examples of load control switches on the Westpower Network. The management of removal and breakage of seals was discussed.

Audit commentary

Westpower, as a distributor, does not complete any work requiring a change of seal, the retailer will initiate any work required with a contractor.

Audit outcome

Compliant

2.4. Provision of information on dispute resolution scheme (Clause 11.30A)

Code reference

Clause 11.30A

Code related audit information

A distributor must provide clear and prominent information about Utilities Disputes:

- *on their website*
- *when responding to queries from consumers*
- *in directed outbound communications to consumers about electricity services and bills.*

If there are a series of related communications between the distributor and consumer, the distributor needs to provide this information in at least one communication in that series.

Audit observation

The Disputes Resolution information was examined for Westpower to determine compliance. The Westpower website, Twitter and Facebook accounts were checked, and correspondence to consumers provided by Westpower was examined.

Audit commentary

All of these provided clear and prominent information about Utilities Disputes for the consumer, including contact details and links to the Utilities Disputes website. The Westpower website provides the Utilities Dispute information clearly on the home page.

Westpower do not use an answer phone, all calls received during business hours are answered, staff have been provided with training and information regarding Utilities Disputes.

Call Care take inbound calls from consumers for Westpower after hours. Westpower will discuss with Call Care how information for the Utilities Disputes process can be provided.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|--|--|-----------------|------------------------|
| Audit Ref: 2.4 With: 11.30A From: 01-Apr-21 To: 30-Jun-21 | Call scripts to be developed for use by Call Care. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | The controls are recorded as moderate because Westpower provide Utility Dispute information on their website and in written communications, processes have not been established with Call Care. The impact is low as information is available but is also required for the Call Care processes. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Call scripts are being developed for Call Care. | | 30/09/2021 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Implementation of call scripts by Call Care. | | 30/09/2021 | |

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** below. Ten new connection applications of the 182 created were sampled using diverse characteristic methodology from the point of application through to when the ICP was created.

Audit commentary

The process in place is robust and has good controls in place. The sample checked in **section 3.2** below confirms this.

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. Ten new connection applications of the 182 created during the audit period were checked from the point of application through to when the ICP was created. These were selected using the diverse characteristic methodology to confirm the process and controls worked in practice.

Audit commentary

The new connections process was reviewed and is set out below:

1. An application for a connection is made online by the customer or the customer's agent. The contractor is expected to nominate the retailer. The application includes the proposed live date.
2. Westpower has an engineering approval process at this point. This determines whether the connection is simple or requires a network extension.

3. If the connection is a simple connection, the ICP is created and issued to the applicant along with a network connection agreement. The applicant sends this notification onto the nominated trader. The agreement is valid for six months. Beyond this the application will need to be assessed before it can proceed.
4. The nominated trader must provide an acceptance to Westpower before the ICP is made “ready” on the registry. There are no blanket agreements with traders in place.
5. If the connection requires a network extension, the network engineer assesses these. Once the requirements are determined, the proposal is sent to the applicant for approval. Once accepted, a deposit is paid and the ICP is created and issued to the applicant. The ICP is only made ready once the proposed trader has accepted the nomination and the network extension work is complete.

The ten new connections checked were all requested by the customer’s electrician. None of the requests were received from the trader and this clause did not apply.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

Ten new connection applications of the 182 ICPs 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

Registry population is automated, the file includes all relevant fields. Registry response information is checked to ensure the information is successfully sent. 182 ICPs were created during the audit period. All ICPs had the required information populated as required by this clause. The accuracy of this information is detailed in **section 4.6**.

Compliance is confirmed for clause 11.7 because all required information is populated in the registry.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process was examined. The registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

The process for updating the registry is automated for all fields, and the update occurs on a nightly basis. There were 182 ICPs new ICPs created and electrically connected. All 182 ICPs were created as soon as practicable and prior to electrical connection.

Audit outcome

Compliant

3.5. Timeliness of Provision of Initial electrical connection Date (Clause 7(2A) of Schedule 11.1)

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process for populating all required registry fields was examined. The registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were examined to determine the timeliness of the provision of the initial electrical connection date. All ten late updates were examined.

Audit commentary

The paperwork is returned from the field and then updated in Gentrack. The process for updating the registry is automated for all fields, and the update occurs on a nightly basis.

The Maximo system is monitored to track all work in progress. In addition to this, the audit compliance report is checked regularly to identify any ICPs electrically connected but without an initial electrical connection date populated.

There were 125 initial electrical connection date updates in the LIS report. The audit compliance report identified three late updates. These were examined and found:

- one was the result of late paperwork,
- one was the result of an oversight when the paperwork was received and not updated, and
- an incorrect date was provided by the contractor, the events were reversed to allow the trader to correct the registry.

The accuracy of the initial electrical connection dates is discussed in **section 4.6**.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|---|-----------------|------------------------|
| Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 01-Aug-20 To: 30-Jun-21 | Three late updates of the initial electrical connection date. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | The controls are recorded as strong because they mitigate risk to an acceptable level. The audit risk rating is assessed to be low as this has no direct impact on reconciliation. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| We are improving our systems and have provided extra resource to ensure paperwork is submitted in a timely manner. | | 31/12/2021 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Training is being carried out to ensure staff are aware of regulatory timeframes around energisation notifications. | | 31/12/2021 | |

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. The registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were examined.

Audit commentary

The new connection process requires applications to be approved by traders. On receipt of an email confirming approval from the trader, the proposed trader is recorded by Westpower.

When new ICPs are created in the database the registry update is held until all information required has been provided, including the proposed trader.

Review of the registry list confirmed that a trader is currently recorded for all active ICPs.

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. The registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were examined.

Audit commentary

As discussed in **section 3.2**, Westpower has a step in the new connections process to ensure a trader accepts responsibility and is recorded in the registry. There were 182 ICPs new ICPs created and 125 ICPs were electrically connected. There are no ICPs without a proposed trader recorded in the registry.

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 combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were examined.

Audit commentary

The new connection process is described in **section 3.2**. There were 182 new ICPs created and 125 ICPs were electrically connected. No requests from MEP's have been received to temporarily electrically connect an ICP.

The audit compliance report found 14 ICPs where the meter certification date was earlier than the initial electrical connection date. I examined a sample of six ICPs with meters certified earlier than the initial electrical connection date and found the initial electrical connection date matched the trader's first active date in all instances and was the date Electronet fitted the fuse.

It is possible that the MEP has temporarily electrically connected the ICP to certify the meter, without Westpower's knowledge or permission. It is also possible that the certification date is incorrect, and this has been proven to be the case with two ICPs where the photos did not match the metering installation certification date recorded.

The two ICPs that have a metering installation certification date that does not align with the photos of the meter board provided will be followed up with the MEP to correct the date they have recorded.

The code defines the initial electrical connection date to be: *"the date on which the **ICP** is initially electrically connected."*

Three ICPs have a metering installation certification date and status event date that is five days or greater than the initial electrically connected date.

The last audit contained a recommendation for Westpower to liaise with the MEPs and traders to review the temporary electrical connection process. There has been a significant improvement in this area, and Westpower now have daily reporting to identify and monitor this scenario.

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 mapping table was reviewed.

Audit commentary

Westpower has not created any new NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.30A and 10.30B

Code related audit information

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

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

A distributor may only electrically connect an NSP if:

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

Audit observation

The NSP table was reviewed.

Audit commentary

Westpower has not created any new NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

xxxxxxxxxxccc where:

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

Audit observation

The 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. The sample checked confirmed compliance.

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

The list file was examined to confirm all active ICPs have a single loss category code.

Audit commentary

Each active ICP has a single loss category, which clearly identifies the relevant loss factor. Loss factors are based on the new connection information, the GIS system automatically assigns the loss category. On occasion a unique loss factor is required and applied.

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 file as of 30 June 2021, and the combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

Audit commentary

All ICPs are created at the “new” status, and they are changed to “ready” once the trader has accepted the nomination and any network extension work required is completed. Checks of the sample of ten ICPs recorded in **section 3.2** confirmed compliance. There are no ICPs at the “new” status with an initial electrical connection date.

There are three ICPs at the “new” or “ready” status for greater than 24 months.

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 calendar 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 combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 was examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

Audit commentary

Westpower monitors any ICPs at “new” or “ready” for longer than 12 months to confirm if they are still required or not. There are three ICPs that have been at “ready” for longer than 24 months, these were examined and found:

- two ICPs have been decommissioned as they are no longer required, and
- one ICP is still required, awaiting the nominated trader to accept the ICP.

Audit outcome

Compliant

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

This requirement was discussed, and the list file was examined.

Audit commentary

Westpower has a good understanding of this requirement. Examination of the list file confirmed that they do not have any embedded generation stations with a capacity of 10MW or more that require an individual loss category code.

Audit outcome

Compliant

3.16. Electrical disconnection of a point of connection (Clause 10.30C and 10.31C)

Code reference

Clause 10.30C and 10.31C

Code related audit information

A distributor can only disconnect, or electrically disconnect an ICP on its network:

- *if empowered to do so by legislation (including the Code)*
- *under its contract with the trader for that ICP or NSP*
- *under its contract with the consumer for that ICP*

Audit observation

Processes were examined for the disconnection and electrical disconnection of ICPs and NSPs.

Audit commentary

No NSPs were disconnected or electrically disconnected during the audit period. Westpower understands their responsibilities in relation to this clause. Westpower only conducts electrical disconnection for safety, and they only conduct disconnection where ICPs are to be decommissioned.

Audit outcome

Compliant

3.17. Meter bridging (Clause 10.33C)

Code reference

Clause 10.33C

Code related audit information

A distributor may only electrically connect an ICP in a way that bypasses a meter that is in place ("bridging") if the distributor has been authorised by the responsible trader.

The distributor can then only proceed with bridging the meter if, despite best endeavours:

- the MEP is unable to remotely electrically connect the ICP*
- the MEP cannot repair a fault with the meter due to safety concerns*
- the consumer will likely be without electricity for a period which would cause significant disadvantage to the consumer*

If the distributor bridges a meter, the distributor must notify the responsible trader within 1 business day and include the date of bridging in its advice.

Audit observation

The Westpower process for bridging control devices was examined.

Audit commentary

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

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

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

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

The management of registry updates was reviewed.

The registry list for 30 June 2021 and the registry compliance audit report covering the period from 1 August 2020 to 30 June 2021 were examined. A diverse sample of a minimum of ten (or all if there were less than ten examples) backdated events by event type were reviewed to determine the reasons for the late updates.

Audit commentary

The process for updating the registry is automated for all fields, and the update occurs on a nightly basis.

The table below details the quantity and compliance of registry updates.

| Update | Date | Late | % Compliant | Average days |
|-------------|------|------|-------------|--------------|
| Address | 2018 | 0 | 100% | - |
| | 2020 | 0 | 100% | - |
| | 2021 | 0 | 100% | |
| Price codes | 2018 | 14 | 94.6% | - |
| | 2020 | 25 | 91.7% | - |
| | 2021 | 40 | 42.31 | |

| Update | Date | Late | % Compliant | Average days |
|---|------|------|-------------|--------------|
| Status | 2018 | 0 | 100% | - |
| | 2020 | 14 | 46.88% | 5.09 |
| | 2021 | 15 | 42.31 | 7.58 |
| Network (excl. new connection & Distributed Generation) | 2020 | 0 | 100% | - |
| | 2021 | 0 | 100% | |
| Distributed Generation | 2020 | 11 | 22.22% | 111.56 |
| | 2021 | 7 | 58.82 | 34.41 |
| NSP changes | 2020 | 0 | 100% | - |
| | 2021 | 0 | 100% | |

Address events

All address updates were provided within three business days.

Pricing events

Westpower do not backdate pricing requests more than three business days unless Westpower have the incorrect price code applied. The extreme sample of ten ICPs were examined and found:

- three were corrections requested by the trader,
- three were due to late data entry,
- two were due to late notification, and
- two were due to incorrect paperwork being provided, requiring further investigation.

Status events

The decommission process is described in **section 4.11**.

The combined audit compliance reporting found 15 late status updates. Five were examined and found:

- three were due to the late processing of the notification,
- one ICP was decommissioned in the field without the contractor following correct process, and no WO was issued, and
- one ICP was late due to a trader delay in updating the status.

Network events (other than NSP changes and Distributed Generation events)

All network updates were provided within three business days.

Distributed Generation events

The distributed generation process is described in **section 4.6**. The seven late distributed generation updates checked found these were all late due to late notification.

NSP changes

NSP changes are managed manually and Westpower try to avoid any NSP changes lasting for more than ten business days, so notification is not required. Review of the audit compliance reporting confirmed that no NSP changes were notified late.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|---|-----------------|------------------------|
| Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Aug-20 To: 30-Jun-21 | Some updates to registry backdated greater than 3 business days of the event. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | Controls are rated as moderate. Overall Westpower has robust controls, but the distributed generation process requires review to improve the timeliness of these updates. The audit risk rating is low as the volume of backdated events is small. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| We have extra reporting in place to provide information earlier. | | 30/06/2022 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| We are in the process of adding a DG workflow to our CIWR process to ensure timely and accurate data. | | 30/06/2022 | |

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

Code reference

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

Code related audit information

The distributor must notify the registry of the NSP identifier of the NSP to which the ICP is usually connected under Clause 7(1)(b) of Schedule 11.1.

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 combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were examined to determine compliance.

Audit commentary

The controls in place to ensure new ICPs have the correct NSP are robust, all new connections are mapped on the GIS system ensuring that the correct transformer and therefore the correct NSP is assigned.

The audit compliance reporting identified five ICPs with potentially the incorrect NSP assigned. These were examined and found all were correctly mapped.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

The management of customer queries was discussed to confirm policy.

Audit commentary

Requests for ICP identifiers are not a common occurrence, however Westpower provides this information if the requesting party has authorisation.

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The process to determine correct and unique addresses was examined. The list file as of 31 June 2021 and the combined audit compliance report covering the audit period were examined.

A diverse sample of 20 ICPs were checked to determine if they are readily locatable.

Audit commentary

Gentrack will provide a warning to the user if they are attempting to create a duplicate address, this provides an opportunity to correct or add additional information to the address. All ICPs are checked on the GIS to correctly locate them. Westpower receives regular council address updates, and these are loaded to ARC GIS.

The audit compliance report recorded three active ICPs where the address not readily locatable. These were all examined and found all were not readily locatable as they had no unit or street number or property name. Westpower examined these and have added the property name for two ICPs. ICP 0000880196WP918 is being investigated to confirm locatable details, this ICP was also on last year's report. It is a remote area, Westpower is still investigating the ICP to obtain additional information.

A check of the list file identified 91 active ICPs that had no street number and potentially insufficient details to readily locate these ICPs, they have a lot and DP number recorded. This is due to the ICP applications only having a lot and DP number and there is no process to update these once the ICP is created unless the Westpower are advised of the details at a later date by the retailer or the updated address is found when checking the GIS. Most of these ICPs were created prior to 2020.

The majority of the ICPs without sufficient location details have a meter installed. Westpower advise there is on-going work in this area following the recommendation in the last audit report to liaise with the MEP or trader to see if they can provide location details to resolve these.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|--|-----------------|------------------------|
| Audit Ref: 4.4 With: Clause 2 of Schedule 11.1 From: 01-Aug-20 To: 30-Jun-21 | 92 ICPs with insufficient details to be readily locatable. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | Controls are rated as moderate as they will mitigate risk most of the time. The audit risk rating is low as this has no direct impact on reconciliation but could affect meter readers ability to get manual reads. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| We have an on-going project to update addresses. | | 30/6/2022 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| Accurate addresses with identifiers are uploaded for all new ICPs. | | 30/6/2022 | |

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 de-energised without de-energisation of 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 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

Westpower has required that all ICPs created since 7 October 2002 will comply with this clause.

Audit outcome

Compliant

4.6. Distributors to Provide ICP Information to the Registry (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:

- *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 process for updating the registry is automated for all fields, and the update occurs on a nightly basis. Westpower has a fully automated registry update process, which ensures all information listed in this clause is provided to the registry.

The registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were reviewed to determine compliance. A sample using the typical characteristics methodology of data discrepancies or all if there were less than ten ICPs were checked.

Audit commentary

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

Initial electrical connection date

The initial electrical connection date is populated based on information returned from the field. Electronet carry out the electrical connections on the Westpower network. The Maximo system is monitored to track all work in progress. In addition to this, the audit compliance report is checked regularly to identify any ICPs electrically connected but without an initial electrical connection date populated.

182 new ICPs were created and of these 125 ICPs were electrically connected during the audit period. The audit compliance reporting identified 17 ICPs with date inconsistencies between the initial electrical connection date, the active date and the meter certification date. 14 of these had certifications earlier than the active date.

As recorded in **section 3.8**, I examined a sample of six ICPs with meters certified earlier than the initial electrical connection date and found the initial electrical connection date matched the trader's first active date in all instances and was the date Electronet fitted the fuse. It is possible that the MEP has temporarily electrically connected the ICP to certify the meter, without Westpower's knowledge, or the certification dates may be incorrect. Two ICPs have a metering installation certification date that does not align with

the photos of the meter board provided, the photos show the certification date matches the initial electrical connection date.

Three ICPs have a metering installation certification date and status event date that is five days or greater than the initial electrically connected date.

The audit compliance report confirmed that there were no missing initial electrical connection dates and there were no ICPs at “inactive - new connection in progress” with an initial electrical connection date populated.

Distributed Generation

Applications for distributed generation are made online. The application form requires the details of the inverter and any batteries if being installed. All applications are reviewed prior to approval. Westpower require that they are present at the time of electrical connection. This is not always followed and Westpower often find out much later that the distributed generation has been connected. The details are then loaded to the registry once the installation is complete.

The last audit recommended that the EIEP1 report is checked to identify any missing distributed generation. This has not been implemented and will be followed up.

| Recommendation | Description | Audited party comment | Remedial action |
|------------------------|--|---|-----------------|
| Distributed generation | Check EIEP1 file for missing distributed generation. | This has now been implemented using the EIEP1 file. | Identified |

The audit compliance report identified four active ICPs where the trader’s profile indicates distributed generation. ICP 0000606361WPE31 was identified in the High Risk database with a work certification date of 16 November 2020, confirming connection of distributed generation. Westpower confirmed that although they did provide approval for the four ICPs, they have never been advised that the distributed generation was connected.

Unmetered Load

Part 11 states the distributors must provide unmetered load type and capacity of the unmetered load to the registry “if known”.

New unmetered load connections are allowed but must be approved by the General Manager.

Westpower uses the Electricity Authority’s recommended format to populate the registry. There 171 ICPs where Westpower have a standard unmetered load recorded. These were examined and found four ICPs that had a daily 0.1kWh or greater variance with the trader’s details.

These were examined and found:

- ICP 0000444105WPAC1, 0000512100WP556 and 0000704300WPAA8 are to be followed up with the trader to correct the registry, and
- Westpower corrected ICP 0000504090WPE94, this was a rounding issue.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|--|---|-----------------|------------------------|
| Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1 From: 01-Aug-20 To: 30-Jun-21 | 1 ICP with distributed generation details missing. 1 ICP with incorrect unmetered load details. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | The controls are rated as moderate. Overall Westpower has robust controls, good progress has been made for the accuracy of the initial electrical connection dates, further monitoring is required. The audit risk rating is assessed to be low as the volume of ICPs affected is small. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Westpower will liaise with Traders and Contractors to resolve these issues. | | 31/10/2021 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| We will continue to reinforce the need to comply with our workflow and processes as per the CIWR standard. | | 31/10/2021 | |

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 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 reporting and the registry list were reviewed to determine compliance.

Audit commentary

Westpower do not use placeholder values; the price category is applied based on the application details.

There were no backdated pricing changes found that related to new connections.

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

I checked the list file for ICPs with GPS coordinates.

Audit commentary

GPS co-ordinates are not recorded.

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

Processes to manage the “ready” status were reviewed.

The registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 August 2020 to 30 June 2021 were examined.

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

Audit commentary

The status of “ready” is used once the ICP is ready for connection. The new connection process has a step to confirm the trader has taken responsibility. All ICPs only have one price category code.

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

I checked the list file to confirm compliance.

Audit commentary

The list file no “distributor” status ICPs.

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

I examined the physical process for decommissioning ICPs along with the timeliness and accuracy of registry updates.

Audit commentary

A work order is produced for all decommissioning requests. Once received back and confirmed complete the ICP is updated to decommissioned in Gentrack and this then writes to the registry overnight. Westpower also monitor ICPs that have been inactive for a long period and check with the trader if the ICP is still required or can be decommissioned.

I checked the accuracy of the decommissioning date for a sample of five ICPs and found the correct date is recorded.

There are nine ICPs with a status of “ready for decommissioning”. Eight of these are historic (2013 - 2016) and were examined during the previous audit and found all require a site visit to confirm the correct status. The site visits have not yet been completed to confirm the ICP’s are decommissioned. Additional resource is now available to assist with clearing historic events.

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

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

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

Audit commentary

There were no changes during the audit period.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

5.1. Updating table of loss category codes (Clause 21 Schedule 11.1)

Code reference

Clause 21 Schedule 11.1

Code related audit information

The distributor must keep the registry up to date with the loss category codes that may be assigned to ICPs on the distributor's network.

The distributor must specify the date on which each loss category code takes effect.

A loss category code takes effect on the specified date.

Audit observation

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

Audit commentary

There were no changes during the audit period.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

Each loss category code must have a maximum of two loss factors per calendar month. Each loss factor must cover a range of trading periods within that month so that all trading periods have a single applicable loss factor.

If the distributor wishes to replace an existing loss factor on the table on the registry, the distributor must enter the replaced loss factor on the table in the registry.

Audit observation

I checked the loss category code table for any new or changed factors during the audit period.

Audit commentary

There were no changes 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 two local networks, the distributor must notify the reconciliation manager of the creation or decommissioning.

If the embedded network owner is creating or decommissioning an NSP that is an interconnection point between two embedded networks, the embedded network owner must notify 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 notify 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:

- notify the reconciliation manager*
- notify the market administrator*
- notify each affected reconciliation participant*
- comply with Schedule 11.2.*

Audit observation

The NSP table on the registry was examined.

Audit commentary

The NSP table on the registry was examined. No NSPs were created or decommissioned during the audit period.

Audit outcome

Compliant

6.2. Provision of NSP information (Clause 26(1) and (2) Schedule 11.1)

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

If the distributor wishes to create an NSP or transfer an ICP as described above, the distributor must request that the reconciliation manager create a unique NSP identifier for the relevant NSP.

The request must be made at least 10 business days before the NSP is electrically connected, in respect of an NSP that is an interconnection point between two local networks. In all other cases, the request must be made at least one calendar month before the NSP is electrically connected or the ICP is transferred.

Audit observation

The NSP table on the registry was examined.

Audit commentary

No NSPs were created or decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

If a participant has notified the creation of an NSP on the distributor's network, the distributor must notify the reconciliation manager of the following:

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

Audit observation

The NSP table on the registry was examined.

Audit commentary

The NSP table on the registry was examined. No new balancing areas were created during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

If a participant notifies the creation of an NSP, or the transfer of an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor, the distributor must notify the reconciliation manager at least one calendar 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

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

Audit observation

The NSP table on the registry was examined.

Audit commentary

No balancing areas were changed during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

If a transfer of an ICP results in an ICP becoming an NSP at which an embedded network connects to a network, or in an ICP becoming an NSP that is an interconnection point, in respect of the distributor's network, the distributor must notify any trader trading at the ICP of the transfer at least one calendar 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 notify the market administrator in the prescribed form, no later than three business days before the transfer takes effect.

Audit observation

The NSP table was reviewed.

Audit commentary

Westpower 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))

Code reference

Clause 10.25(1)

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)).*

Audit observation

The NSP supply point table was examined.

Audit commentary

All points of connection are Grid Connected.

Audit outcome

Compliant

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

Code reference

Clause 10.25(2)

Code related audit information

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

- *assume responsibility for being the metering equipment provider (Clause 10.25(2)(a)(i)); or*
- *contract with a metering equipment provider to be the MEP (Clause 10.25(2)(a)(ii)); and*
- *no later than 20 business days after identifying the MEP advise the reconciliation manager in the prescribed form of the reconciliation participant for the NSP (Clause 10.25(2)(b)); and*
- *no later than 5 business days after the date of certification of each metering installation, advise the reconciliation manager of*
 - a) the MEP for the NSP (Clause 10.25(2)(c)(i)); and*
 - b) the NSP of the certification expiry date (Clause 10.25(2)(c)(ii)).*

Audit observation

The NSP table on the registry was examined.

Audit commentary

Westpower did not create any new NSPs during the audit period.

Audit outcome

Compliant

6.10. Obligations concerning change in network owner (Clause 29 Schedule 11.1)

Code reference

Clause 29 Schedule 11.1

Code related audit information

If a network owner acquires all or part of a network, the network owner must notify:

- *the previous network owner (Clause 29(1)(a) of Schedule 11.1)*
- *the reconciliation manager (Clause 29(1)(b) of Schedule 11.1)*
- *the market administrator (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 calendar month notification is required before the acquisition (Clause 29(2) of Schedule 11.1).

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Westpower 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 notify the reconciliation manager and the gaining MEP.

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Westpower does not have responsibility for any NSP metering.

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 market administrator 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

Westpower 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

Westpower 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 notify the registry 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 notify the registry 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

I checked the list file for any shared unmetered load.

Audit commentary

Westpower has not recorded any shared unmetered load.

I confirmed that there were no other points of connection without an ICP or shared unmetered ICP recorded.

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 notify all traders affected by that change or decommissioning as soon as practicable after the change or decommissioning.

Audit observation

I checked the list file for any shared unmetered load.

Audit commentary

Westpower does not have any shared unmetered load recorded and does not allow this to be connected.

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

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

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

Audit commentary

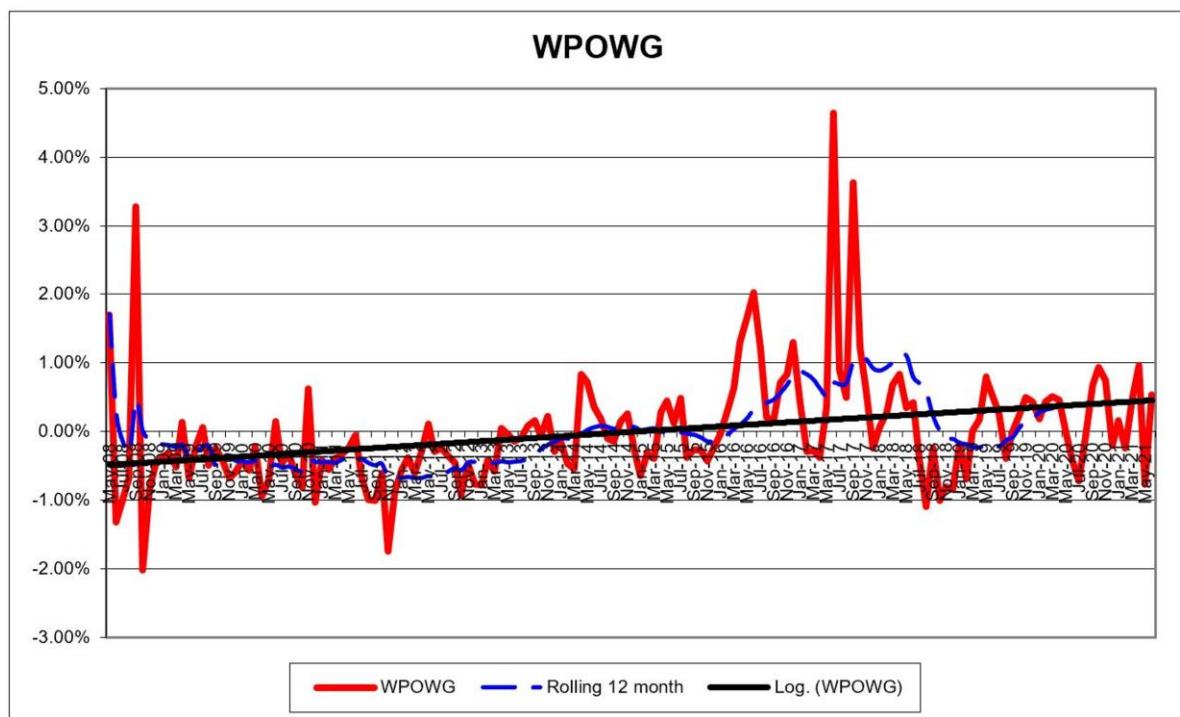
Westpower review their loss calculations regularly by comparing the sum of generated and transmitted energy against offtake energy.

They carry out regular rolling reconciliations of system losses due to the need to deal with seasonal effects and ensure revenue completeness when relying upon retailer information to generate the monthly line charge invoices.

The project that was started last year is continuing, it is to trial Power Pilot monitoring devices in representative low-voltage networks in the Greymouth area that will measure actual losses in the LV network by comparing measured energy injected from the transformer 400 V terminals against the sum of all offtake energy values measured at the network connection points for each installation. This will be used to inform future loss calculations and can be used as training data for assessing expected loss factors in other parts of the network.

It is therefore expected that the calculation of technical losses will be carried out on a more deterministic basis in the future.

The Electricity Authority provided the UFE graph below:



The UFE on Westpower's network is tracking within the accepted $\pm 1\%$ threshold.

Audit outcome

Compliant

CONCLUSION

The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

Westpower have good controls in place for most processes. Robust processes and prompt and accurate update of information is treated as a priority. Reporting and management of the reports is strong, data accuracy issues identified are promptly resolved.

Overall, the level of compliance is high, and controls generally found to be strong. The audit found six non-compliances and I repeat one recommendation from the last audit. The audit risk rating is nine, and the next audit frequency table indicates that the next audit be due in 12 months. I have considered this in conjunction with Westpower's responses and I recommend that the next audit is in 18 months.

Raelene and the team have made excellent progress on the areas of opportunity that were identified in the last audit.

PARTICIPANT RESPONSE

Westpower appreciates the rigour with which the audit was carried out and agrees with the findings.

It is pleasing to see the progress that has been made in clearing a number of issues identified in the previous audit. Westpower is committed to continual improvement in its processes, thus eliminating the causes of the remaining non-compliances that have been identified this time around.

In particular, we now have additional resource in the form of staff trained in handling the new connections process to ensure that information received and subsequently recorded on the registry is both accurate and timely. This has freed up senior staff to focus on the systems and processes themselves and to deal with any outstanding issues.

We look forward to the impacts of these changes flowing through into improved compliance and expect to see this fully demonstrated in the next audit.