

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**



For

BULLER ELECTRICITY LIMITED (BUEL)

Prepared by: Rebecca Elliot, Veritek Limited

Date audit commenced: 17 April 2020

Date audit report completed: 25 May 2020

Audit report due date: 02-Jun-20

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EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **Buller Electricity Networks (BUEL)**, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11. The audit was carried out remotely using Zoom on May 5th, 2020 due to the nationwide lockdown in response to the COVID-19 pandemic.

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

The audit found seven non-compliances and makes no recommendations.

Since the previous audit BUEL has improved a number of their processes and implemented additional discrepancy checks. This has led to an improvement in the accuracy and timeliness of registry information.

Non-compliance is recorded in **section 8.1** as the UFE information provided by the Electricity Authority indicates that UFE is above the +/- 1% threshold. BUEL conducted its annual loss factor review in January 2020 and has increased the loss factors for its two loss codes from 1st April 2020. The change is expected to bring the UFE back within the threshold.

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 eight, which results in an indicative audit frequency of 18 months. I agree with this recommendation.

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
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.	Strong	Low	1	Investigating
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Late population of the initial electrical connection date for three ICPs.	Strong	Low	1	Cleared
Changes to registry information	4.1	8 Schedule 11.1	Two pricing updates, eight decommission status updates, one distributed generation update and three address events were updated more than three business days after the event date. Seven NSP updates backdated more than eight business days.	Strong	Low	1	Identified
Notice of NSP for each ICP	4.2	7(1),(4) and (5) Schedule 11.1	Two ICPs with incorrect NSPs.	Strong	Low	1	Cleared
ICP location address	4.4	2 Schedule 11.1	12 ICPs with duplicate address information.	Strong	Low	1	Investigating
Provide ICP Information to the Registry manager	4.6	7(1)(m) & (p) Schedule 11.1	One ICP with an unmetered load discrepancy. Seven missing initial electrical connection dates.	Strong	Low	1	Investigating

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Creation of loss factors	8.1	11.2	Loss factors were not accurate as indicated by the reconciliation losses.	Strong	Medium	2	Disputed
Future Risk Rating						8	

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

RECOMMENDATIONS

Subject	Section	Description	Action
		Nil	

ISSUES

Subject	Section	Issue	Description
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

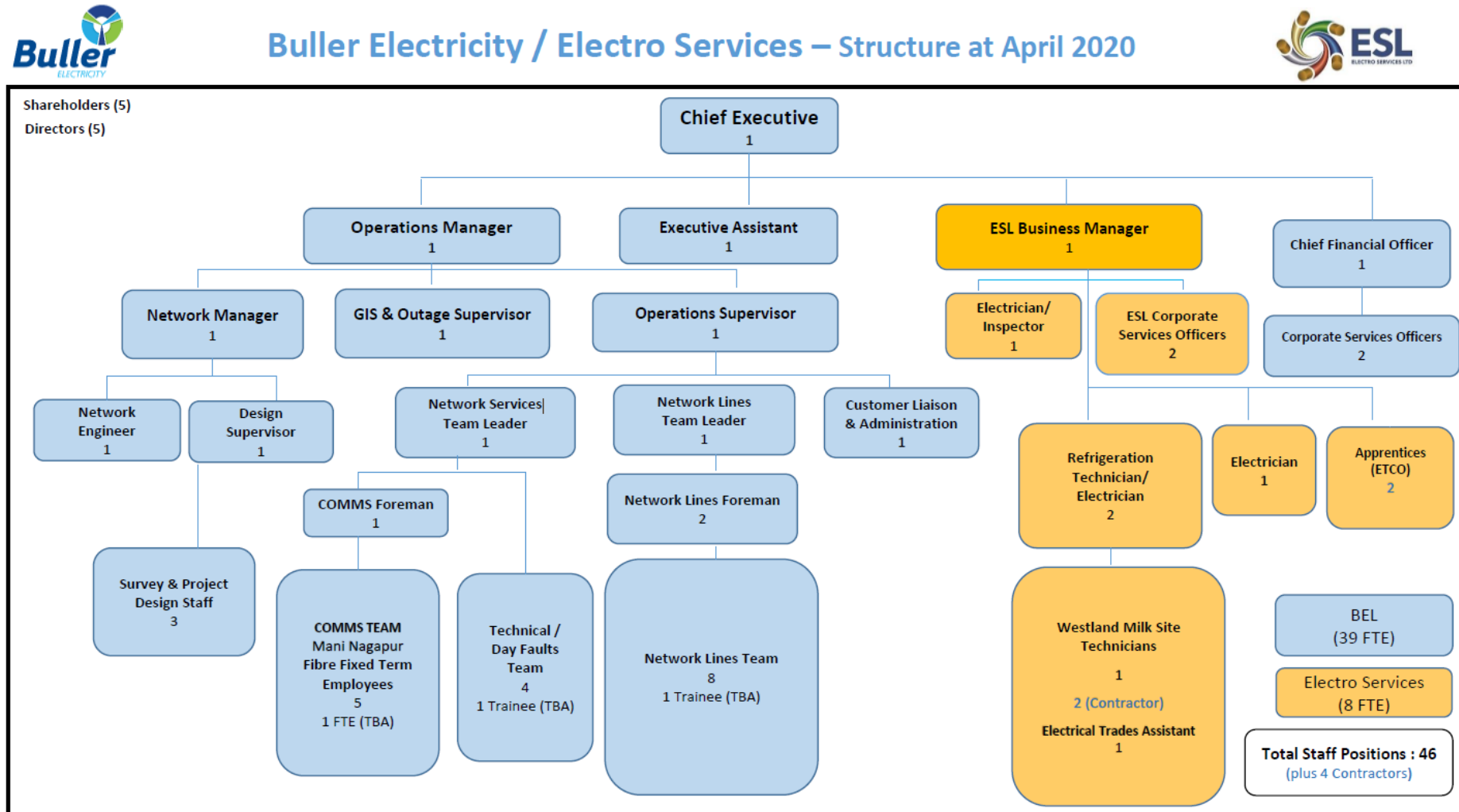
The Authority website was checked to determine whether there are any code exemptions in place.

Audit commentary

Review of exemptions on the Authority website confirmed that there are no exemptions in place relevant to the scope of this audit.

1.2. Structure of Organisation

BUEL's organisational structure was provided for the audit:



1.3. Persons involved in this audit

Auditor:

Rebecca Elliot

Veritek Limited

Electricity Authority Approved Auditor

Supporting Auditor:

Brett Piskulic

Veritek Limited

Electricity Authority Approved Auditor

BUEL personnel assisting in this audit were:

Name	Title
Chris Osauskas	Network Engineer

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

All activities are completed directly by BUEL.

1.5. Supplier list

All activities are completed directly by BUEL.

1.6. Hardware and Software

The NED Database (an MS Access database) is used for a wide range of BUEL's business functions and processes including consumer information, ICP information management, registry information management, checking and the vast majority of updates, planned outage notifications, retailer billing & network/customer billing/consumption analysis. The new connections process and associated registry updates are administered using the NEWCONN ICP event module of this database. The NED Database is stored on a local shared drive in the folder F:\public\DB_NED. All files/data stored on local drives are backed up to a local hard drive, the NAS back-up system and software. Backups are made on an hourly

basis if changes have been made on the current day. Off-site overnight backups are made to a sever in Auckland.

1.7. Breaches or Breach Allegations

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

1.8. ICP and NSP Data

BUEL owns and operates the electricity networks in the Buller district. The table below lists the relevant NSPs and their associated balancing area, and the number of active ICPs connected.

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
BUEL	ORO1101	BUEL	OROWAITI		ROBERTSBUEL	G	1/05/08	2,157
BUEL	ORO1102	BUEL	OROWAITI		ROBERTSBUEL	G	1/05/08	2,526

There are no embedded networks connected to BUEL and BUEL does not own any embedded networks. A list file detailing the ICP statuses was provided:

Status	Number of ICPs (29 Feb 20)	Number of ICPs (15 Mar 19)	Number of ICPs (3 Oct 17)
New (999,0)	2	2	-
Ready (0,0)	1	3	-
Active (2,0)	4,683	4,673	4,629
Distributor (888,0)	0	0	-
Inactive – new connection in progress (1,12)	4	6	2
Inactive – electrically disconnected vacant property (1,4)	149	141	159
Inactive – electrically disconnected remotely by AMI meter (1,7)	12	14	16
Inactive – electrically disconnected at pole fuse (1,8)	6	1	1
Inactive – electrically disconnected due to meter disconnected (1,9)	1	1	1
Inactive – electrically disconnected at meter box fuse (1,10)	1	0	0
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	2	77	80
Inactive – reconciled elsewhere (1,5)	0	0	0
Decommissioned (3)	253	316	214

1.9. Authorisation Received

An authorisation email was provided.

1.10. Scope of Audit

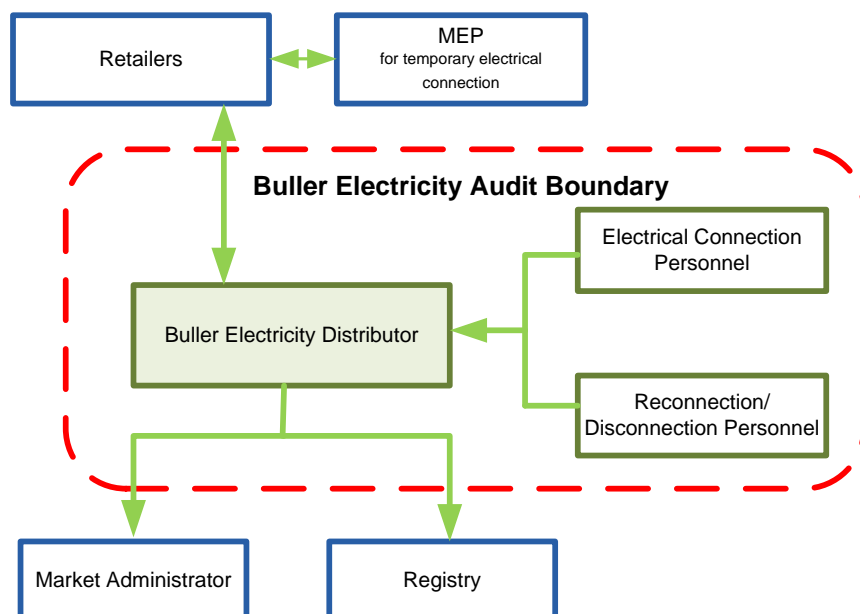
This Distributor audit was performed at the request of BUEL, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

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

The table below shows the tasks under clause 11.10(4) of Part 11, which BUEL is responsible for. There are no 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 below is shown in the diagram below:



1.11. Summary of previous audit

Buller Electricity provided a copy of their previous audit, conducted in May 2019 by Rebecca Elliot of Veritek Ltd. The current status of the matters raised are detailed in the tables 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
Requirement to correct errors	2.2	11.2(2)	Errors not corrected as soon as practicable.	Cleared
Provision of ICP Information to the registry manager	3.3	11.7	Nominated trader not provided for 8 ICPs prior to electrical connection.	Cleared
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 eight ICPs.	Cleared
Initial Energisation Date	3.5	7(2A) of schedule 11.1	Late population of the initial electrical connection date for six ICPs (15%).	Still existing
Connection of ICP that is not an NSP	3.6	11.17	Eight ICPs were connected before proposed trader information was provided to the registry.	Cleared
Connection of ICP that is not an NSP	3.7	10.31	Eight ICPs electrically connected before proposed trader permission was provided.	Cleared
Changes to registry information	4.1	8 Schedule 11.1	Three address, one network and 16 decommission status updates were updated more than three business days after the event date.	Still existing

Subject	Section	Clause	Non-compliance	Status
Provide ICP Information to the Registry manager	4.6	7(1)(m) & (p) Schedule 11.1	One ICP missing distributed generation details. Incorrect and missing initial electrical connection dates. Three price category code updates not recorded with the correct effective dates.	Still existing
Management of “decommissioned” status	4.11	20 Schedule 11.1	Decommissioning of ICPs not managed as required by this clause.	Cleared

Table of Recommendations

Subject	Section	Clause	Recommendation for improvement	Status
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Add additional validations identified above to improve data accuracy.	Cleared
Provision of ICP information to the registry	3.3	11.7	Get blanket trader acceptance agreements in place so ICPs can be created at “ready” wherever possible.	Cleared
Notice of NSP for each ICP	4.2	7(1), 7(4) and 7(5) Schedule 11.1	Confirm that the NSP allocated for the ICPs detailed is correct.	Cleared

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

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 at 29/02/2020 and the audit compliance report for the period 1/03/19 to 29/02/20 were examined to confirm compliance.

Audit commentary

BUEL uses the registry as their main data source. An RSICPLIST list and RSEVENTDTL files are automatically downloaded daily into the NED Database. Automated data & process checks are run by the NED database on a daily basis, the checks conducted are detailed in the table below:

Name of NED Query	Function in the list above which the Query performs
Qry_RSICPLIST_ICP_Not_Commissioned_Errors	ICPs that have been at the "New" or "Ready" status for more than 20 months
Qry_RSICPLIST_ICP_Network_Attribute_Errors	network attributes
Qry_RSICPLIST_ICP_Pricing_Attribute_Errors	pricing attributes
Qry_NEWCONN_RGST_Update_Checks_All	electrical connection date missing i.e. ICP is active but has no electrical connection date recorded
Qry_RGST_EDA_NEWCONN_IECD_Check_3	alignment of initial electrical connection dates against the trader's first active date
Qry_RSICPLIST_ICP_Not_Commissioned_Errors	check for any ICPs at "inactive - new connection in progress" (status 1,12) for 20 months or more

Name of NED Query	Function in the list above which the Query performs
Qry_RSICPLIST_DG_Checks_2	check for active ICPs with a profile indicating distributed generation is present e.g. RPS PV1, RPS EG1 where BUEL has no distributed generation recorded
Qry_DECOM_Process_Checks_3_B	all ICPs pending decommissioning (status 1,6).

In the previous audit it was recommended that validation checks be added for initial electrical connection dates, ICPs at “inactive - new connection in progress” (status 1,12) for 20 months or more distributed generation is present, ICPs with a profile indicating distributed generation is present e.g. RPS PV1, RPS EG1 where BUEL has no distributed generation recorded, and all ICPs pending decommissioning (status 1,6). All of these checks have now been implemented and are included in the table above.

The results of the daily checks are logged in the NED Daily Processes Log and sent to two users for actioning. Any anomalies identified are investigated and corrected daily. I viewed examples of recent daily logs.

Analysis of the list file and audit compliance report found information that was not complete and accurate. These are recorded in **sections 4.1, 4.4 and 4.6**. Specific examples are:

- some incorrect event dates for registry updates,
- one ICP with an unmetered load discrepancy,
- seven missing initial electrical connection dates, and
- 12 ICPs with duplicate address information.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2(1) From: 01-Oct-17 To: 29-Feb-20	Registry information not complete and accurate in all instances. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong as the processes currently in place will prevent future discrepancies. The audit risk rating is low as the discrepancies identified have a minor impact on other participants.		
Actions taken to resolve the issue		Completion date	Remedial action status

1. One ICP with an unmetered load discrepancy BEL is working with the existing Retailer to establish if this site is a telecom cabinet or phone box. Once this is determined the Retailer & Distributor unmetered load Registry data will be aligned.	30/6/2020	Investigating
2. Seven missing initial electrical connection dates These are historic cases dating back to 2013-14 which were not identified in previous audits. Registry has been populated with appropriate dates supported by BEL internal documents which are consistent with the first Active date. These updates were made with Registry Event Date 18/5/2020.	18/5/2020	
3. 12 ICPs with duplicate address information Power account holders are being requested to provide location details and BEL site visits will be undertaken if required.	30/6/2020	
Preventative actions taken to ensure no further issues will occur	Completion date	
The new Audit Compliance Report available from the Registry will be checked on a 3-monthly basis to supplement our own existing internal existing BEL Registry data controls/checks.	30/6/2020	

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

BUEL's data management processes were examined. The registry list file as at 29/02/20 was examined to confirm compliance.

Audit commentary

BUEL has a comprehensive suite of automated daily discrepancy reports in place. These are managed on a daily basis to ensure that information is complete and accurate and is not misleading or deceptive. Any incorrect data is corrected upon discovery. I did not identify any examples where errors were not corrected as soon as practicable.

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**. 15 new connection applications of the 33 created during the audit period were checked 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.

BUEL creates ICPS as required by clause 1 of schedule 11.1. This process is managed in ICP Creation module of the NED access database as part of the NEWCONN ICP Event (new connection process). The ICP number is determined based on the ICP numbers in the vicinity. These were originally 7-digit BUEL account numbers with the first two digits representing the associated meter reading round. The NED database adds the correct number of leading zeros to the 7-digit account number, appends the BU distributor code, and then determines the appropriate trailing check sum to complete the ICP number.

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 sample of 15 new connection applications of the 33 created since 01/03/19 were checked from the point of application through to when the ICPS were created. There were no new connections with unmetered load or distributed generation recorded, but the process of capturing these was discussed.

Audit commentary

BUEL receives all applications for new connections from customers or their agents. The application form details all the information required to create a new ICP. This information is loaded into the NED NEWCONN ICP Event. Once the ICP is created at the “New” status on the Registry an automatically generated email notification is sent to the trader nominated by the applicant with the pending ICPs details requesting them to accept the nomination. The ICP is moved to the “Ready” status once trader acceptance has been received. As no requests are received directly from the trader the 3-day rule to create ICPs is not applicable.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The new connection process for populating all required registry fields was examined. The list file was examined for all ICPs created during the audit period.

In this section I have examined the process for populating the registry, and the controls to ensure information is complete.

The accuracy of information is discussed in **section 4.6**.

Audit commentary

The new connection process is detailed in **section 3.2**. All of the information was populated as required by this clause.

In the previous audit it was recommended that BUEL get blanket trader acceptance agreements in place so ICPs can be created at “ready” wherever possible. This was to prevent issues being caused by late trader acceptance. BUEL chose to implement process changes including automatic IECD control checks in the NED Database rather than seek blanket agreements. This has resulted in there being no late trader acceptance issues during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The audit compliance report for the period was checked to determine the timeliness of the provision of ICP information for BUEL's new connections.

Audit commentary

All new connections were updated to "Ready" prior to trading.

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 manager no later than 10 business days after the date on which the ICP is initially electrically connected.

Audit observation

The audit compliance report for the period was checked to determine the timeliness of the provision of ICP information for BUEL's new connections.

Audit commentary

33 new ICPs have been created in the audit period. Of those, 27 have been electrically connected. The audit compliance report identified three ICPs where the IECD was updated later than 10 business days. All three late updates occurred prior to the implementation of process changes in how the IECD is recorded which prevent errors in the dates. BUEL has also added an IECD check to the automated daily discrepancy reporting which will identify these errors.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 21-Mar-19 To: 29-Feb-20	Late population of the initial electrical connection date for three ICPs. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	I have recorded the controls as strong in this area as the BUEL process has been improved to prevent late updates. The audit risk rating is low as the volume of ICPs affected is small.

Actions taken to resolve the issue	Completion date	Remedial action status
The cases identified occurred in March 2019 during the period of the last Audit and prior to the implementation of new checks put in place in mid-2019 as recommended in the last Audit.	30/6/2019	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
The preventive measures were put in place in mid-2019 and no further cases have occurred.	30/6/2019	

3.6. Connection of ICPs (Clause 11.17)

Code reference

Clause 11.17

Code related audit information

A distributor must, when connecting an ICP that is not also an NSP, follow the electrical 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 as at 29/02/20 and event detail report for 01/03/19 to 29/02/20 were examined to determine compliance.

Audit commentary

The new connections process was examined, and the process includes a “trader responsibility” step.

All ICPs that were electrically connected had a proposed trader recorded in the registry as having accepted responsibility.

Audit outcome

Compliant

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

The new connection process was examined and is detailed in **section 3.2**. A sample of 15 new connection applications of the 33 created since 01/03/19 were checked to determine if the ICPs were connected at the request of the trader.

Audit commentary

ICPs will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP. Trader acceptance is confirmed during the application process.

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

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 **sections 3.1** and **3.2**.

The event detail file and registry list were examined to determine compliance.

Audit commentary

No temporarily electrically connected ICPs were identified. The BUEL process does not permit temporary electrical connection of ICPs. The date that an ICP is electrically connected and metering is installed is always recorded as the IECD.

Audit outcome

Compliant

3.9. Connection of NSP that is not point of connection to grid (Clause 10.30)

Code reference

Clause 10.30

Code related audit information

A distributor must not connect an NSP on its network that is not a point of connection to the grid unless requested to do so by the reconciliation participant responsible for ensuring there is a metering installation for the point of connection.

The distributor must, within five 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

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

Audit outcome

Compliant

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

Code reference

Clause 10.30(A)

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

No new NSPs that are not points of connection to the grid were connected during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

xxxxxxxxxxccc where:

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

Audit observation

The process for the creation of ICPs was examined.

Audit commentary

The process for the creation of ICPs is detailed in **section 3.1**. 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 was examined to confirm all active ICPs have a single loss category code.

Audit commentary

Loss factors are determined from the information provided on application for a new connection.

The registry list was examined and all active and inactive ICPs have a single loss category code. Each loss category code 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 event detail file and registry list for 01/03/19 to 29/02/20 were examined to determine compliance.

Audit commentary

All ICPs are created at the “New” status until the trader accepts the nomination. The use of this status is compliant until the trader accepts the nomination. In the previous audit it was recommended that BUEL get blanket trader acceptance agreements in place so ICPs can be created at “ready” wherever possible. This was to prevent issues being caused by late trader acceptance. BUEL chose to implement process

changes including automatic IECD control checks in the NED Database rather than seek blanket agreements.

Monitoring of ICPs with the “New” and “Ready” status is discussed in **section 3.14**.

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

I checked the list file for ICPs at “New” or “Ready” for longer than 24 months to confirm that traders had been notified.

Audit commentary

The process to monitor ICPs at the “New” and “Ready” statuses is run as part of the automated daily checks. This identifies any ICPs that have been at this status for 20 months. A check is made with the trader to confirm if the ICP is still required for any ICPs identified.

No ICPs with “New” or “Ready” status were at this 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

The registry list for 01/03/19 to 29/02/20 was examined to determine compliance.

Audit commentary

No embedded generation stations with capacity greater than 10 MW were connected during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.33A

Code related audit information

- (1) A reconciliation participant may electrically connect a point of connection, or authorise the electrical connection of a point of connection, only if—*
 - (a) the reconciliation participant is recorded in the registry as being responsible for the ICP; and*
 - (b) one or more certified metering installations are in place at the ICP in accordance with this Part; and*
 - (c) in the case of an ICP that has not previously been electrically connected, the owner of the network to which the point of connection is connected has given written approval of the electrical connection.*
- (2) A reconciliation participant described in sub-clause (1)(a)—*
 - (a) may authorise the electrical connection of an ICP if—*
 - (i) a metering installation is in place at the ICP; and*
 - (ii) the metering installation is operational but not certified; and*
 - (iii) the reconciliation participant arranges for the certification of the metering installation to be completed within five business days of the ICP being electrically connected;*
 - (b) may electrically connect an ICP if the point of connection is solely for unmetered load.*
- (3) A reconciliation participant must not authorise the electrical connection of a point of connection in either of the following circumstances:*
 - (a) a distributor has electrically disconnected the point of connection for safety reasons, and has not subsequently approved the electrical connection of the point of connection;*
 - (b) electrically connecting the point of connection would breach the Electricity (Safety) Regulations 2010.*
- (4) No participant may electrically connect a point of connection or authorise the electrical connection of a point of connection, other than a reconciliation participant in the circumstances described in subclause (1), (2), or (3).*

Audit observation

Sub-clause (4) states that no participant may electrically connect a point of connection without the permission of the Reconciliation Participant. The electrical connection of street light circuits which are a point of connection was examined.

Audit commentary

The connection of street light circuits was discussed. There are no new subdivisions planned or expected in the near future therefore this is an unlikely event. BUEL understand this requirement if it were to arise.

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 8 business days after the change takes effect.

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

In the case of decommissioning an ICP, notification must be given by the later of 3 business days after the registry manager has advised the distributor that the ICP is ready to be decommissioned, or 3 business days after the distributor has decommissioned the ICP.

Audit observation

The process to manage ICP changes was examined, with the audit compliance report for the period 1/03/19 to 29/02/20 and event detail report for 01/03/19 to 29/02/20. The management of NSP changes was examined.

Audit commentary

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

Pricing events

The audit compliance report identified two late price code updates out of a total of 518 updates, 99.4% were on time. One of the late updates was caused by an error in the event date that was entered. The second was caused by a delay in confirmation of a customer requested change.

Decommissioning status events

The code changed on 1/11/18 in relation to the Distributor updating an ICP to decommissioned. The event detail report was assessed according to the code at the time of the decommissioning occurring:

- there was one ICP decommissioned prior to 1/11/18, and it was updated late, and
- 89 status updates to decommissioned after to 1/11/18, only seven (8%) were updated late; 92% were compliant.

The management of the decommissioned status is discussed in **section 4.11**.

Address events

The audit compliance report identified three late address updates out of a total of 4,824 updates, 99.9% were on time. All three were updated late due to the operator not updating the event date. The registry defaults the event to the last event date if this is not updated and therefore these updates are recorded as backdated events.

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. All other network updates were within three business days.

Change of NSP

The process of NSP changes was examined. BUEL have advised that the network is fed in parallel by either one or the other NSP with no one NSP being the prevalent NSP. This is discussed further in **section 4.2**. There were seven late NSP changes identified by the audit compliance report. All seven were updated late due to the operator not updating the event date. The registry defaults the event to the last event date if this is not updated and therefore these updates are recorded as backdated events.

Addition of distributed generation

The distributed generation process was examined. BUEL has improved its distributed generation connection process following the last audit and aligned it with the new ICP connection process. The meter installer and distributed generation inspector are required to inform BUEL once their work is completed so that BUEL can update the registry. There is discrepancy reporting in place to identify ICPs with a generation profile but incorrect load type.

The audit compliance report identified one ICP where the distributed generation information was updated later than three business days. This occurred prior to the implementation of the process improvements and was the result of late meter installer and failure of the customer to submit connection paperwork.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Mar-19 To: 05-May-20	Two pricing updates, eight decommission status updates, one distributed generation update and three address events were updated more than three business days after the event date. Seven NSP updates backdated more than eight business days. Potential impact: None Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	I have recorded the controls as strong in this area as the BUEL process has been improved to prevent late updates. The audit risk rating is low as the volume of ICPs affected is small.		
Actions taken to resolve the issue		Completion date	Remedial action status

BEL undertakes the vast majority of Registry updates correctly and on time. While some Registry updates are still input manually using the Registry web interface, the majority are now automated from our internal systems with appropriate date & error checking controls. BEL staff are clearly aware of the requirements for updating the Registry correctly as evidenced by the vast majority updates being compliant. Human error in terms of attention to detail remains and on-going issue, especially when the Registry web interface is used for updates.	18/5/2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
BEL processes and the requirements for Registry updates are to be reiterated with BEL staff. Where appropriate our internal controls will be fine-tuned to further limit the risk of human error occurring. The management of the ICP Decommissioning process is to be reviewed and improved.	30/6/2020	

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 report for the period 1/03/19 to 29/02/20.

Audit commentary

Each ICP application is checked in the GIS, and the NSP that the surrounding ICPs are connected to is the NSP allocated. The NED Database automatically checks on a daily basis that the Registry NSP assignment for each ICP is consistent with the connected distribution substation and 11kV feeder NSP assignment.

BUEL have advised that the network is fed in parallel by either one or the other NSP with the possibility that any ICP could be fed by either NSP. Following the previous audit BUEL received clarification from the Authority on the assignment NSPs. The Authority advised that ICPs should be assigned to the GXP which the feeder they are supplied from is electrically closest to. After receiving this advise a bulk update of NSP assignments was conducted on 1/10/2019 to align 3,194 ICPs to the correct NSPs. All ICPs have the dedicated/non-dedicated field recorded as "N" to indicate they can be fed from either NSP.

The audit compliance report identified two ICPs where the incorrect NSP was recorded in the registry. Both had ORO1102 and should have ORO1101. Both were corrected at the time of the audit.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.2 With: Clauses 7(1),(4) and (5) Schedule 11.1 From: 20-Aug-19 To: 28-Apr-20	Two ICPs with incorrect NSPs. 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 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
The two incorrect NSP assignments have been identified and cleared. As previously stated, any ICP on the BEL Network can be supplied from either of our 2 GXP's at any point in time under normal operating conditions. The NSPs are assigned to the be the one which is electrically closest as per the Authority's advice.		18/5/2020	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
The new Audit Compliance Report available from the Registry will be checked on a 3-monthly basis to supplement our own existing internal BEL controls/checks. The upgrading of BEL's GIS system and the later inclusion of electrical tracing functionality will allow BEL to more easily identify incorrect NSP assignments (the timeframe for this upgrade is 1-2 years)		30/6/2020	

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 examined.

Audit commentary

Requests for ICP identifiers are provided immediately on request once the address has been confirmed.

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

I checked the audit compliance report for the period from 01/03/19 to 29/02/20 to identify any ICPS with insufficient address information or duplicate addresses.

Audit commentary

BUEL advised that the registry address information has been updated for the majority of its ICPs in the past year. The updates included an increase in the number of ICPs with GPS details from 95 at the time of the last audit to 4,100 currently. GPS co-ordinates are recorded for all new connections.

The audit compliance report identified 12 duplicate addresses. At the time of the audit BUEL had corrected nine of these and was investigating the other three.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: Clause 2 Schedule 11.1 From: 01-Jan-19 To: 15-Apr-20	12 ICPs with duplicate address information. Potential impact: Low Actual impact: Low Audit history: None 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 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

A number of the duplicate address identified have been correctly updated as of 18/5/2020. For the remaining cases power account holders are being requested to provide location details and site visits will be undertaken by BEL if required.	30/6/2020	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
The new Audit Compliance Report available from the Registry will be checked on a 3-monthly basis to supplement our own existing internal BEL controls/checks.	30/6/2020	

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

For new connections, this clause is well understood and there are no shared service mains on the BUEL network.

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 one 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 report for the period from 01/03/19 to 29/02/20.

Audit commentary

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

Distributed generation

The distributed generation process was examined. BUEL has improved its distributed generation connection process following the last audit and aligned it with the new ICP connection process. The meter installer and distributed generation inspector are required to inform BUEL once their work is completed so that BUEL can update the registry. There is discrepancy reporting in place to identify ICPs with a generation profile but incorrect load type.

There were no discrepancies in distributed generation information identified by the audit compliance report.

Unmetered load

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

There have been no new connections with unmetered load during the audit period.

For the 14 active ICPs with unmetered load recorded by BUEL, the Trader also has unmetered load details populated.

I checked the accuracy of the unmetered load details recorded by BUEL against the trader's unmetered load details. There was a discrepancy between the load details recorded for one ICP. The load matched for the remaining 13 ICPs.

Initial electrical connection date

The audit compliance report identified seven ICPs which were first electrically connected between September 2013 and January 2014 where the initial electrical connection date had not been populated. This is recorded as non-compliance below. The process to capture this information prior to the deployment of the NED NEWCONN ICP process relied on individuals to update the registry and this did not occur in all instances as is evident above. The process in place now has robust controls to ensure this information is populated.

There were no incorrect initial electrical connection dates identified by the audit compliance report.

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: 05-Sep-13</p> <p>To: 05-May-20</p>	<p>One ICP with an unmetered load discrepancy.</p> <p>Seven missing initial electrical connection dates.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as strong as the processes currently in place will prevent future discrepancies.</p> <p>The audit risk rating is low as the discrepancies identified have a minor impact on other participants.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>1. One ICP with an unmetered load discrepancy BEL is working with the existing Retailer to establish if this site is a telecom cabinet or phone box. Once this is determined the Retailer & Distributor unmetered load Registry data will be aligned.</p> <p>2. Seven missing initial electrical connection dates These are historic cases dating back to 2013-14 which were not identified in previous audits. Registry has been populated with appropriate dates supported by BEL internal documents which are consistent with the first Active date. These updates were made with Registry Event Date 18/5/2020.</p>		30/6/2020	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
The new Audit Compliance Report available from the Registry will be checked on a 3-monthly basis to supplement our own existing internal existing BEL controls/checks.		30/6/2020	

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 new connection process was examined in detail. The audit compliance report for the period 1/03/19 to 29/02/20 was 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 at 29/02/20 was reviewed to determine compliance. GPS coordinates were mapped for 4,100 active ICPs and a sample of 20 ICPs were checked to determine their accuracy.

Audit commentary

BUEL advised that the registry address information has been updated for the majority of its ICPs in the past year. The updates included an increase in the number of ICPs with GPS details from 95 at the time of the last audit to 4,100 currently. BUEL record GPS co-ordinates for all new connections. The sample of 20 checked confirmed these are provided in the correct format.

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.

I examined the new connections process and reviewed the registry list file from 01/03/19 to 29/02/20 to identify that all ICPs at "ready" status had a nominated trader and a single price category recorded.

Audit commentary

BUEL moves ICPs to the "Ready" status, once they have received trader nomination acceptance. This has caused some backdating of events. In the previous audit it was recommended that BUEL get blanket trader acceptance agreements in place so ICPs can be created at "ready" wherever possible. This was to prevent issues being caused by late trader acceptance. BUEL chose to implement process changes including automatic IECD control checks in the NED Database rather than seek blanket agreements. This has resulted in there being no late trader acceptance issues during the audit period.

The registry list showed one ICP currently at "Ready" status, this ICP has not been at "Ready" status for more than two years. This ICP has 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

The registry list as at 29/02/20 was reviewed to identify ICPs at distributor status.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The registry list as at 29/02/20 was reviewed to identify ICPs at “decommissioned” and “ready for decommissioning” status.

Audit commentary

In May 2019 BUEL implemented changes to its process for the management of decommissioned ICPs. ICPs which enter the ready for decommissioning status are identified and a NED DECOM event is created to ensure the status is changed to decommissioned. BUEL has worked through an historic backlog of 77 ICPs that were in the ready for decommissioned status. There are now two of the 77 remaining which BUEL are working to resolve. The automated daily discrepancy reporting also includes reporting on ICPs at the “ready for decommissioning” status.

Late updates to decommissioned status are recorded as non-compliance 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

The price category code table on the registry was examined.

Audit commentary

No new pricing codes have been entered since 9/08/12.

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 factors 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 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 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 two 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 two embedded networks, the embedded network owner must give written notice to the reconciliation manager of the creation or decommissioning.

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

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

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

Audit observation

The NSP table was examined.

Audit commentary

No NSPs have been created or decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

No NSPs have been created or decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

No balancing area changes have occurred during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

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

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

Audit outcome

Compliant

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

No balancing area changes have occurred during the audit period for BUEL'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 one month before the transfer.

Audit observation

The NSP table was reviewed.

Audit commentary

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

BUEL 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.

Audit commentary

BUEL is not responsible for any NSPs that are not connected to the grid.

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

BUEL have not connected 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 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

BUEL 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 reviewed.

Audit commentary

BUEL is not responsible for any embedded network gate meters.

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

BUEL 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

BUEL 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 as at 29/02/20 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

Review of a registry list confirmed there is no shared unmetered load connected to the BUEL network.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list as at 29/02/20 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

Review of a registry list confirmed there is no shared unmetered load connected to the BUEL network.

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

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

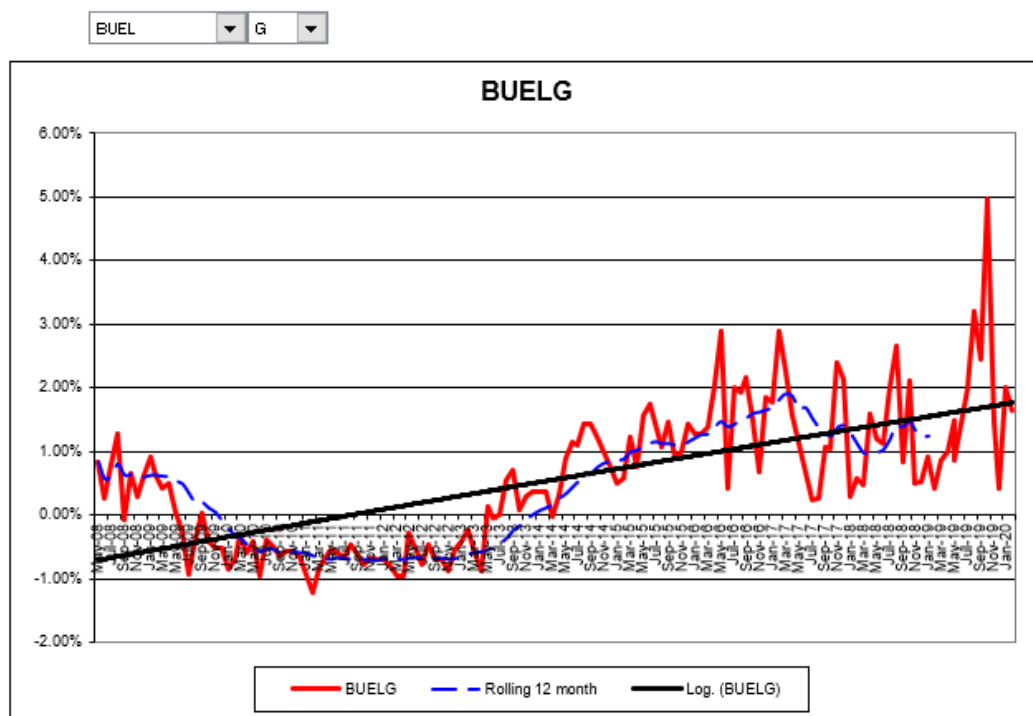
BUEL provided their loss factor review process.

Audit commentary

BUEL provided their loss factor methodology and review process document from the latest review conducted in January 2020. This follows the “Guidelines on the calculation and the use of loss factors for reconciliation purposes v2.1”.

The Electricity Authority provided the reconciliation losses which indicate UFE was tracking between 1% and 2% during the audit period and is currently sitting at around 1.2%. I have recorded non-compliance as this is above the +/- 1% threshold.

UFE% by Network calculator



The BUEL loss factor methodology and review process document identified a number of factors which have affected the losses on the BUEL network as follows:

The rolling year (12 month average) UFE shown in figure 1 has spent significant periods of time over the past 10 years outside the desired $\pm 1\%$ range. The key features of the rolling year UFE are as follows:

- Given that the BUEL Network load is approximately 50GWh per annum the R14 UFE has varied between approximately -1.5% and +3% since April 2010.
- **Period ①** – This period of decreasing and negative UFE corresponds to when the Stockton coal mine load was increasing, and the Loss Factor Consumption provided by BUEL was lagging the associated decrease in the actual Loss Ratio caused by the increasing load. Since the load increase was supplied at 33kV the associated increase in Network losses was much lower than that accounted for by the uniform Loss Factor Consumption used by BUEL.
- **Period ②** – The large swing in the UFE from negative to positive starting in 2013 is attributable to the use of an incorrect Loss Factor Generation for the KEL Rochfort hydro station as explained below.
- **Period ③** – This period of decreasing UFE is attributable to the correction of the KEL Rochfort Loss Factor Generation which was effectively made in late 2016. The wide separation between the RX UFE revisions in the later part of this period is attributable to the under reporting of the consumption at ICP 0001725930BUBFC – the reporting of this site was missed in early submissions (R0-R1) and as a result these are considered to be inaccurate.
- **Period ④** – Since late 2018 it is observed that the downward trend in UFE associated with the previous period appears to have ended and as at the end of December 2019 the UFE for all revisions is above +1%. The cause of the dramatic increase in R0 UFE over the past 4 months is unknown and will be of limited concern unless the later revisions follow suit.

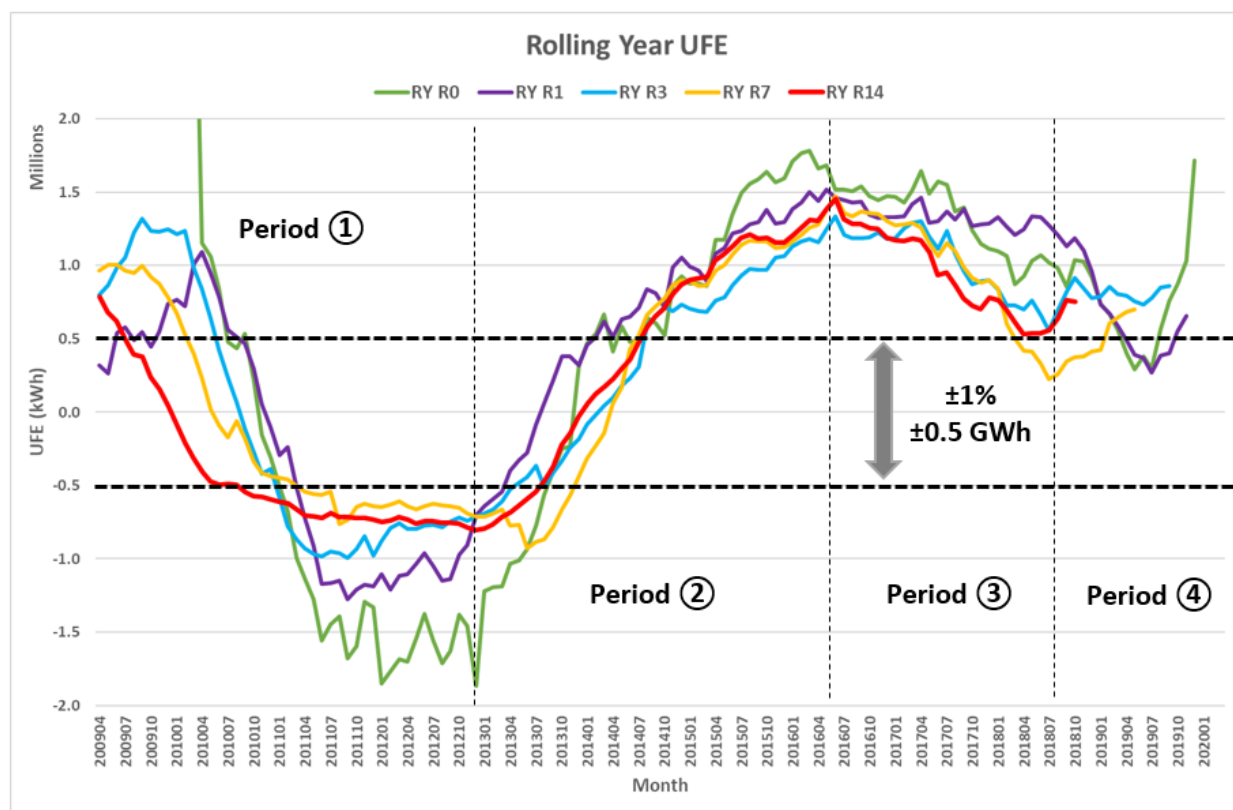


Figure 1 Rolling Year Unaccounted for Electricity (UFE)

To address the increase in UFE BUEL increased the loss factors for its two loss codes from 1st April 2020. The change is expected to bring the UFE back within the threshold. Details of the change are included in the table below:

Loss Code	Loss Factor Consumption pre 1 st April 2020	Loss Factor Consumption From 1 st April 2020	Loss Factor Generation pre 1 st April 2020	Loss Factor Generation From 1 st April 2020	Comment
BL1	1.0695	1.0782	1.0595	1.0000	All ICPs except ICP 0003146255BU6E0
BL2	1.0695	1.0782	0.9964	0.9964	ICP 0003146255BU6E0

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 8.1 With: Clause 11.2 From: 05-Sep-13 To: 05-May-20	Loss factors were not accurate as indicated by the reconciliation losses. Potential impact: Medium Actual impact: Medium Audit history: None Controls: Strong Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Medium	The controls are rated as strong because the loss factors are reviewed annually, using a compliant process. Loss factors have been revised from 01/04/20 and are expected to bring the losses to within the compliance threshold. UFE is allocated to participants; therefore there is no adverse impact on settlement; however traders may use published losses in pricing decisions, therefore the use of inaccurate loss factors could lead to incorrect pricing, which is considered to have a medium impact.		
Actions taken to resolve the issue		Completion date	Remedial action status

<p>BEL has queried the Authority on the exact criteria the Auditor should be using to access compliance and the email received in response is attached. BEL draws the Auditors attention to the following content of this email:</p> <ul style="list-style-type: none"> • The auditor will be looking at the blue line (rolling 12 month average). The information uses the latest available revision information. That means the red line shows the most recently provided data from the R1, R3, R7 and R14 revisions. The 12 month rolling average will use a combination of R7 and R14 data. • We expect the Auditor will have used the UFE information as a starting point to determine if further investigation is required. • Based on the rolling 12 month UFE average it looks like UFE is tracking between 1% and 2% and currently sitting at around 1.2%. This exceeds the 1% threshold for determining if more information is required to assess compliance. • The Auditor will be asking questions around Buller's regular loss factor reviews and when losses were last updated on the registry (and why). • Alternatively if Buller has taken no action to review and assess the accuracy of losses on its network (and the loss factors on the registry), and the 12 month average losses are on average tracking over 1% then it is likely that there is a non-compliance for not ensuring the loss factors published on the registry are complete and accurate. <p>The steps BEL has undertaken to ensure Loss Factor calculation compliance:</p> <ul style="list-style-type: none"> • BEL has previously incorrectly assigned the Generation Loss Factor for ICP 0003146255BU6E0 which caused the UFE to significantly exceed +1% for a number of years. This has been disclosed and documented in our 2019 Distributor Audit report. • BEL had fully expected the R7 & R14 rolling year UFE to permanently fall below +1% over the past year as per the previous down trend in the R7 & R14 curves. It is noted that R7 UFE was below +1% for the month range April 2018 – January 2019. At the time of the last Distributor Audit in mid-2019 R7 & R14 were in clear down trends. • Over the past 2-3 years BEL has been aware of an increasing rolling year network Loss Ratio calculated using Retailer Billing data and R7 & R14 NZX Reconciliation Manager as per the DISTSUB (GR-260) report. As the BEL network operating conditions have essentially remained unchanged since the Holcim Cement works ceased operation in mid-2016, BEL is currently of the view that the increase in the Loss Ratio is attributable to an increase in non-technical losses. • BEL undertook work in conjunction with Rod Crone Consulting in mid-2018 to investigate the cause of the 	24/5/2020	Disputed
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<p>increasing Loss Ratio. An analysis was undertaken to compare Retailer Billing data against NZX Reconciliation Manager DISTSUB (GR-260) to determine alignment on a rolling year basis. No obvious discrepancies were discovered. This comparison is now undertaken on a 3-6 months basis.</p> <ul style="list-style-type: none"> • In early 2020 BEL undertook further work in conjunction with Malcolm Souness (221b Limited) to investigate Retailer Billing and NZX Reconciliation data in attempt to identify the source of our increasing Loss Ratio and UFE. Retailer Billing data was also analysed at the ICP level (Revenue Assurance) in an attempt to identify sites which may be contributing to an increase in non-technical losses. While a number of billing errors were discovered, no significant under reporting of electricity volumes was identified that would explain the increase in the Loss Ratio and UFE over the past 2-3 years. • BEL intends to undertake further Revenue Assurance analysis work in 2020 and to make this an on-going part of our standard business process. • In January 2019 BEL determined that it was appropriate to increase the Consumption Loss Factors from 1st April 2020 as documented by the Auditor above. <p>Issues related to the management of UFE are detailed below:</p> <ul style="list-style-type: none"> • UFE trends can realistically only be observed on a rolling year basis at a 7-14 month delay. Furthermore, it is unusual for the Loss Factors to be updated more often than once a year, unless there is a known change in network operating conditions and technical losses (not the case in this situation). • BEL is also conscious of not being too reactionary in terms of making changes to the Loss Factors as we are of the view that it is more appropriate to act in a measured and delayed manner, rather than later finding ourselves in a position where we are having to unwind changes which were unnecessary in the long run. This is especially the case when the cause of increasing UFE is unknown. • Determining the source of non-technical losses is not a straightforward task for a Distributor given that we are not responsible and have limited visibility of the metering and billing processes undertaken by Retailers & Meter Equipment Providers. • It is also noted that Smart Meter penetration remains at approximately 50% of ICPs on our network. This impacts the overall quality of the meter data Retailers collect compared with other networks, and the need for manual meter reads and estimates. <p>In summary BEL has been aware of an increasing trend in the network Loss Ratio and UFE over the past 2-3 years and we have undertaken significant work to identify the cause and address this issue. While we have not been able to identify a definite cause,</p>		
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we have significantly improved our industry knowledge and business processes. BEL welcomes any advice from the Authority in terms of how we can improve our business processes and our Loss Factor compliance.		
Preventative actions taken to ensure no further issues will occur	Completion date	
BEL is of the view that our existing process for the calculation of Loss Factors is compliant.	24/5/2020	

CONCLUSION

The audit found seven non-compliances and makes no recommendations.

Since the previous audit BUEL has improved a number of their processes and implemented additional discrepancy checks. This has led to an improvement in the accuracy and timeliness of registry information.

Non-compliance is recorded in section 8.1 as the UFE information provided by the Electricity Authority indicates that UFE is above the +/- 1% threshold. BUEL conducted its annual loss factor review in January 2020 and has increased the loss factors for its two loss codes from 1st April 2020. The change is expected to bring the UFE back within the threshold.

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 seven, which results in an indicative audit frequency of 18 months. I agree with this recommendation.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The Future Risk Rating table provides some guidance on this matter and contains a future risk rating score of eight, which results in an indicative audit frequency of 18 months. I agree with this recommendation.

PARTICIPANT RESPONSE

Prior to the Audit BEL was unfortunately unaware of the existence of the Audit Compliance Report which is now available on demand from the Registry. BEL is of the view that the development of this Report has been an excellent initiative by the Authority in terms of providing Distributor's and Auditors with a transparent and consistent report on which to compliance can be assessed. The Audit Compliance Report will now be regularly used by BEL to assess our compliance in conjunction with the existing data and process checks we currently have in place.

As of 25/5/2020 Buller Electricity accepts this Distributor Audit Report except for the non-compliance detailed in Section 8.1 which we are disputing.