

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**



For



**KIWI PROPERTY GROUP (KIPT) - WITH REGARDS TO
ELECTRICITY NETWORKS OPERATING AS KIWI INCOME
PROPERTY TRUST**

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EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Kiwi Property Group (KTPT)** with regards to electricity networks trading as Kiwi Income Property Trust, 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.

Most of KIPT's compliance is reliant on the compliance of TEG and TENCO Ltd, as contractors to KIPT. TEG carries out KIPT's registry responsibilities, and some of the notifications to the Reconciliation Manager. TENCO Ltd carry out the updating of the gate metering information for the Network Supply Point table. Their audit reports are to be submitted with this audit.

This audit found five non-compliances and makes no recommendations.

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 note that TENCO Ltd will be taking over the management of all registry functions from 1 November 2019. TENCO Ltd have robust management processes in place and therefore I recommend that the next audit be in 24 months.

The matter raised is shown in the table below:

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Timeliness of Provision of Initial Electrical connection Date	3.5	7(2A) of Schedule 11.1	Three late initial electrical connection updates.	Strong	Low	1	Identified
Changes to registry information	4.1	8 Schedule 11.1	23 late updates to registry.	Moderate	Low	2	Identified
Distributors to Provide ICP Information to the Registry	4.6	7(1) of Schedule 11.1	1 missing ICP with a missing initial electrical connection date. 1 incorrect initial electrical connection date.	Moderate	Low	2	Identified
Responsibility for metering information for NSP that is not a point of connection to the grid	6.8	10.25(3)	Two meter recertifications notified late.	Strong	Low	1	Identified
Creation of loss factors	8.1	11.2	Three loss factors not created for three SB ICPs.	Strong	Low	1	Identified
Future Risk Rating						7	
Next indicative audit frequency						18 months	

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

RECOMMENDATIONS

Subject	Section	Description	Recommendation
		Nil	

ISSUES

Subject	Section	Description	Issue
		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 KIPT has any Code exemptions in place.

Audit commentary

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

1.2. Structure of Organisation

Not applicable

1.3. Persons involved in this audit

Auditor:

Rebecca Elliot

Veritek Limited

Electricity Authority Approved Auditor

Personnel assisting in this audit were:

Name	Company
Jason Happy	KIPT
Nick Price	TENCO Ltd
Ewa Glowacka	TEG & Associates

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

TEG performs all of KIPT's registry responsibilities, and some of the notifications to the Reconciliation Manager. KIPT also use TENCO EBS Ltd for the updating of the gate metering information for the Network Supply Point table, and some notifications to the Reconciliation Manager for the network establishment or decommissioning. Appropriate agreements are in place between the parties for the provision of services.

1.5. Supplier list

Contractors are recorded in **section 1.4** above.

1.6. Hardware and Software

This is covered in the agents' audit reports.

1.7. Breaches or Breach Allegations

KIPT has not had any breach allegations relevant to this audit recorded by the Electricity Authority.

1.8. ICP and NSP Data

KIPT has responsibility for 11 embedded networks. Three NSPs (KMW0011, KNA0011 and KNW0011) have changed ownership during the audit period and are therefore no longer the responsibility of KIPT. No NSPs have been decommissioned. The tables below show the relevant information:

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network Type	Start Date	Number of ICPs
APC0011	APEX MEGA CENTRE	PEN0331	VECT	APC0011KIPTE	E	1/08/2015	18
KCH0011	KIWI CENTREPLACE WEST	HAM0331	WAIK	KCH0011KIPTE	E	1/11/2012	41
KCH0012	KIWI CENTREPLACE EAST	HAM0331	WAIK	KCH0012KIPTE	E	1/11/2012	22
KCH0014	KIWI CENTREPLACE TOWER	HAM0331	WAIK	KCH0014KIPTE	E	1/11/2012	16
KPP0011	KIWI PLAZA	BPE0331	POCO	KPP0011KIPTE	E	1/05/2008	116
KRA0111	KIWI ROYAL SUN ALLIANCE CENTRE	PEN1101	VECT	KRA0111KIPTE	E	1/11/2012	40
KTW0011	KIWI TERTWO	KWA0111	CKHK	KTW0011KIPTE	E	1/02/2009	20
KWG0011	WESTGATE ZONE 7 AUCKLAND	HEN0331	UNET	KWG0011KIPTE	E	21/03/2016	28
LMC0011	Lynn Mall	HEP0331	UNET	LMC0011KIPTE	E	1/11/2012	143
NTL0011	Northland Shopping Mall	ISL0661	ORON	NTL0011KIPTE	E	1/11/2014	123
SYL0113	SYLVIA PARK	PEN0331	VECT	SYL0113KIPTE	E	31/01/2015	215

The table below can be updated from the list file:

Status	Number of ICPs 2019	Number of ICPs 2017	Number of ICPs 2016
Distributor	0	0	0
New	0	0	0
Ready	4	16	4
Active (2,0)	789	1,031	1,058
Inactive - new connection in progress (1,12)	0	0	0
Inactive – vacant (1,4)	20	23	21
Inactive - reconciled elsewhere (1,5)	0	0	0
Inactive – AMI remote disconnection (1,7)	1	0	0
Inactive – de-energised due to meter disconnected (1,9)	3	1	1
Inactive – at pole fuse (1,8)	0	0	0
Inactive – de-energised at meter box switch (1,10)	0	0	0
Inactive - at meter box switch (1,11)	0	0	0
Inactive – ready for decommissioning (1,6)	1	0	1
Decommissioned (3)	494	459	441

1.9. Authorisation Received

No letter of authorisation was required as KIPT provided all the information required.

1.10. Scope of Audit

This Distributor audit was performed at the request of KIPT, 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 scope of the audit is shown in the table below:

Functions Requiring Audit Under Clause 11.10(4) of Part 11	Contractors Involved in Performance of Tasks
The creation of ICP identifiers for ICPs.	TEG & Associates & The Embedded Network Company Ltd (TENCO)
The provision of ICP information to the registry and the maintenance of that information.	
The creation and maintenance of loss factors.	

1.11. Summary of previous audit

KIPT provided a copy of their previous audit conducted in November 2017 by Steve Woods of Veritek Limited. This report recorded one non-compliance and made no recommendations. The table below records their current status.

Non-compliances

Subject	Section	Clause	Non-Compliance	Status
Changes to registry information	4.1	8 Schedule 11.1	16 late updates to registry	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

The management of this process is discussed in the agents' reports. I also examined a registry list file to confirm compliance.

Audit commentary

Compliance is recorded for the agents. Processes are in place to take all practicable steps to ensure that information is complete and accurate. Examination of the list file confirmed compliance.

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

The management of this process is discussed in the agents' reports. I also examined a registry list file to confirm compliance.

Audit commentary

Compliance is recorded for the agents. Examination of the list file confirmed compliance.

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 is discussed in the TEG contractor report. Examination of the registry list file found new ICPS had been created during the audit period.

Audit commentary

Compliance is confirmed in the TEG contractor report. 35 new ICPS were created during the audit period in a compliant manner.

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 is discussed in the TEG contractor report. Examination of the registry list file found 18 new ICPS have been created during the audit period. I checked TEG's schedule showing request dates vs creation dates.

Audit commentary

Compliance is confirmed in the TEG contractor report. Examination of the list file confirmed compliance. All 35 ICPS were created within three business days.

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

The new connection process is discussed in the TEG contractor report. Examination of the registry list file found 35 new ICPs created during the audit period.

Audit commentary

Compliance is confirmed in the TEG contractor report. All the information was provided as required by this clause for the 35 new ICPs created during the audit period.

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 is discussed in the TEG contractor report. The “audit compliance report” was checked to identify discrepancies.

Audit commentary

Compliance is confirmed in the TEG contractor report. Examination of the audit compliance report confirmed that all 35 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 energised.

Audit observation

The new connection process is discussed in the TEG contractor report. The audit compliance report was checked for the period from 1/12/17 to 12/9/19 to determine the timeliness of the provision of the initial electrical connection date.

Audit commentary

Compliance is confirmed in the TEG contractor report. The initial electrical connection date was not updated within ten business days for three ICPs (0000001151KPEBB, 0000014454KP930 & 0000014447KPF5D). All were due to the late notification from the contractor or were identified via the discrepancy reporting and followed up.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 17-Nov-17 To: 15-Nov-18	Three late initial electrical connection updates. Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong as there is robust reporting in place to monitor and manage the population of the initial electrical connection dates. The late updates have no direct impact on reconciliation hence the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
These were noted and corrected.		15/11/18	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Changing registry service from TEG to Tenco will streamline information flow. This will reduce the possibility of future non compliance as a result of; lack of information; slow information flow; or confusion arising between service providers. Tenco also have greater resources and more robust systems, further reducing the possibility that this matter to reoccur.		1/11/19	

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

The new connection process is discussed in the TEG contractor report. The list file was examined for all ICPs at the status of "ready".

Audit commentary

Compliance is confirmed in the TEG contractor report. The 35 ICPs created during the audit period had a proposed trader recorded. All four “ready” ICPs have a proposed trader recorded.

Audit outcome

Compliant

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

The new connection process is discussed in the TEG contractor report. The event detail report was examined.

Audit commentary

Compliance is confirmed in the TEG contractor report. The registry was updated as required by this clause prior to electricity being traded, and therefore the Retailer had given their permission prior to electrical connection.

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 and is discussed in the TEG agent report. The TEG log was checked for examples of temporary electrical connection.

Audit commentary

No temporary electrical connections were identified.

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

No new NSPs have been connected during the audit period.

Audit commentary

No new NSPs have been connected during the audit period.

Audit outcome

Not applicable

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 were connected during the 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 ICP creation process is discussed in the TEG contractor report. Examination of the registry list file found 35 new ICPs had been created during the audit period.

Audit commentary

Compliance is confirmed in the TEG contractor report. All ICPs were created in a compliant 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

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

Audit outcome

Compliant

3.13. Management of “new” status (Clause 13 Schedule 11.1)

Code reference

Clause 13 Schedule 11.1

Code related audit information

The ICP status of “New” must be managed by the distributor to indicate:

- *the associated electrical installations are in the construction phase (Clause 13(a) of Schedule 11.1)*
- *the ICP is not ready for activation (Clause 13(b) of Schedule 11.1).*

Audit observation

The ICP creation process is discussed in the TEG contractor report. Examination of the registry list file found no ICPs had been created at “new” during the audit period.

Audit commentary

Compliance is confirmed in the TEG contractor report. TEG creates ICPs at “new” or “ready” depending on whether the ICP has a Trader identified. The “new” status is used correctly.

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

Monitoring of the “new” and “ready” status is discussed in the TEG contractor report. The audit compliance report was examined.

Audit commentary

This is discussed in the TEG agent report. An examination of the audit compliance report found no ICPs at the “new” or “ready” statuses 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:*
 - 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

The list file was examined. There is no embedded generation on the KIPT network that has a generation capacity greater than 10MW.

Audit outcome

Not applicable

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

Code reference

Clause 10.33A(4)

Code related audit information

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

Audit observation

Sub-clause (4) states that no participant may electrically connect a point of connection without the permission of the Reconciliation Participant.

The list file was checked to identify new connections. The process was confirmed with KIPT.

Audit commentary

KIPT obtains permission from the trader before electrically connecting ICPs.

Review of the registry list confirmed that no unmetered load is connected. KIPT does not intend to connect any other unmetered load to the network in the future.

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 14 days, the time within which notification must be effected in accordance with Clause 8(3) of Schedule 11.1 begins on the 15th day after the change.

Audit observation

The management of this process is discussed in the TEG contractor report. I also examined the audit compliance report for the period 01/12/17 to 12/09/19 to identify late updates.

Audit commentary

The audit compliance report identified the following late updates:

Pricing Changes

The compliance reporting found three late pricing updates. All three were corrections and were actioned as soon as identified.

NSP Changes

These are unlikely to occur on embedded networks and none were identified.

Distributed Generation Changes

These are unlikely to occur on KIPT embedded networks as these are mostly high-rise buildings and none were identified.

Network Event Changes other than Distributed Generation

No late network events were identified.

Address Changes

No late address changes were identified.

Status Changes

14 of 17 ICPs decommissioned prior to the code change on 1 November 2018 were updated late to the registry. Six of the 19 ICPs (31%) decommissioned post the code change were updated late. TEG updated all ICPs as soon as possible.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of Schedule 11.1 From: 11-Jan-16 To:2019-Aug-19	23 late updates to registry. 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	The controls are rated as moderate as the changes are tracked but late notification to the contractor causes events to be backdated. The overall volume of late updates is low and there were only three late pricing updates that had an impact on reconciliation therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
These have been identified and corrected.		As soon as the matter was identified.	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Changing registry service from TEG to Tenco will streamline information flow. This will reduce the possibility of future non compliance as a result of; lack of information; slow information flow; or confusion arising between service providers. Tenco also have greater resources and more robust systems, further reducing the possibility that this matter to reoccur.		1/11/19	

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

I checked the audit compliance report to identify discrepancies.

Audit commentary

Due to the nature of embedded networks there is no uncertainty regarding the ICP and NSP relationships. A check of the list file confirmed compliance.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

The management of customer queries was examined.

Audit commentary

KIPT does not receive direct requests for ICP identifiers, but if they were received these would be provided immediately.

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The list file and the audit compliance report were analysed to confirm compliance.

Audit commentary

A check of KIPT's list file found that all ICPs have unique addresses with sufficient information to allow the ICPs to be readily located.

Audit outcome

Compliant

4.5. ICP electrical disconnection (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-electrical connection 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 examined.

Audit commentary

KIPT confirm that all ICPs comply with this clause. They have a good understanding of this requirement and as these networks were created post this requirement, this scenario is unlikely to arise.

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

Audit observation

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

The list file was examined to check for the population of all required information and its alignment with the trader where appropriate e.g. distributed generation, unmetered load if known and shared unmetered load.

Audit commentary

Examination of the list file found all information was correct with the exception of:

- one missing initial electrical connection date for ICP0000001144KP959 which has a first active date of 1/04/2014; and
- the initial electrical connection date for ICP 0000006369KP530 is recorded as 29/06/2018 but the trader has since amended the first active date to 28/11/2018 and this matches the meter certification date.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: 7(1) of Schedule 11.1 From: 01-Apr-14 To: 19-Aug-19	1 missing ICP with a missing initial electrical connection date. 1 incorrect initial electrical connection date. 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 as there is reporting run daily to check for such discrepancies and these don't appear to have been identified. Two discrepancies represent a very small level of error therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Corrections to be made by Tenco as part of their start up setup		1/11/19	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Changing registry service from TEG to Tenco will streamline information flow. This will reduce the possibility of future non compliance as a result of; lack of information; slow information flow; or confusion arising between service providers. Tenco also have greater resources and more robust systems, further reducing the possibility that this matter to reoccur.		1/11/19	

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 this process is discussed in the TEG contractor report. The audit compliance report was examined to determine compliance with this clause.

Audit commentary

Compliance is recorded in the TEG contractor report. Placeholder values are not used. Examination of the audit compliance report confirmed this.

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

KIPT do not populate GPS co-ordinates on the registry; compliance was not assessed.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The management of this process is discussed in the TEG contractor report. Examination of the registry list file found 47 ICPs had a status change to "ready" during the audit period.

Audit commentary

Compliance is recorded in the TEG contractor report. All of the ICPs were created at "ready" with a nominated retailer and single price code category code, as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

It is unlikely that KIPT will deal with any ICPs with a “Distributor” status because they do not deal with shared unmetered load, and there are no embedded networks connected to existing embedded networks.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The management of this process is discussed in the TEG contractor report. The list file was examined in relation to the use of the decommissioned status.

Audit commentary

Compliance is recorded in the TEG contractor report for the correct use of statuses. 36 ICPs were decommissioned during the audit period. Timeliness of updates is 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

KIPT has not created any new price category codes during the audit period; compliance was not assessed.

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

KIPT has not created any new loss category codes 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

The loss category code table on the registry was examined.

Audit commentary

KIPT has updated eight loss factor codes during the audit period. All were notified within the required timeframe.

There was only one loss factor per category code per month.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

If the distributor is creating or decommissioning an NSP that is an interconnection point between 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.

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. 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 1 calendar month before the NSP is electrically connected or the ICP is transferred.

Audit observation

The NSP table on the registry was examined. No NSPs were created or changed 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. No balancing areas were changed 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 on the registry was examined. No NSPs were changed 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. 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 on the registry was examined. No ICPs became NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

If the distributor wishes to transfer an ICP, the distributor must notify the market administrator in the prescribed form, no later than three business days before the transfer takes effect.

Audit observation

KIPT has not acquired any new networks.

Audit outcome

Compliant

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

- *there is 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 notify 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 to confirm compliance.

Audit commentary

TENCO undertake this on behalf of KIPT. The process is discussed in their audit report. Compliance is recorded in their report.

The NSP supply point table as at October 2019 was reviewed. All NSP metering installations have current certification. Four NSPs have been recertified during the audit period. These are detailed in the table below:

Distributor	NSP POC	Description	MEP	Certification Expiry
KIPT	KPP0011	KIWI PLAZA	AMCI	4/01/2021
KIPT	KRA0111	KIWI ROYAL SUN ALLIANCE CENTRE	AMCI	13/04/2021
KIPT	KTW0011	KIWI TERTWO	AMCI	29/05/2023
KIPT	NTL0011	Northland Shopping Mall	AMCI	2/04/2020

All were notified within 20 business days of recertification with the exception of KTW0011 and NTL0011. This is recorded as non-compliance below

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.8 With: 10.25(3) From: 29-May-18 To: 26-Oct-18	Two meter recertifications notified late. Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong as TENCO are monitor NSP certification expiry dates and actively liaise with the relevant MEPs to gather this information. The late updates have no direct impact on reconciliation hence the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
All LE ICP's have current and correct metering cert dates, a couple of the updates as noted were put into the system late however meter recerts occurred well prior to the existing meter expiry date.		Throughout the whole period	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Tenco on behalf of all its clients including KIPT have submitted a proposed change to bring LE ICP metering details into Registry – our main constraint is getting meter recert details in from the MEP's on time as we are only aware of expiry dates and where they recert early and Tenco do not get notice at the time causes non-compliance – we are proactively looking to work with the 2 MEP's we use to improve the notices we receive.		Ongoing	

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 date of certification of each metering installation, advise the reconciliation participant for the NSP of the certification expiry date (Clause 10.25(2)(c)).*

Audit observation

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

Audit commentary

The NSP table on the registry was examined. No NSPs were created 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

KIPT has not acquired any networks. Three NSPs have changed ownership and it is the gaining owner who has responsibilities under this clause.

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

Audit commentary

Compliance is recorded in the TENCO contractor report. There have been no MEP changes during the audit period.

Audit outcome

Compliant

6.12. Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2)

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

The distributor must give the 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

KIPT has not acquired any networks.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

KIPT has not acquired any networks.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

The distributor must 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

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

Audit commentary

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

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

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

Audit commentary

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

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. The calculation of loss factors was reviewed.

Audit commentary

KIPT calculates loss factors to match the loss factor for a similar type of connection on the parent network. For example, if the loss factor at the LE ICP is 1.408 and the loss factor for a similar LV ICP is 1.0514 the factor for the EN ICPs will be 1.0102 ($1.408 \times 1.1.0102 = 1.0514$). All loss factors were checked and confirmed to be correct.

The SB ICP loss factors were checked. A residual loss factor needs to have an internal loss factor of 1.00 so as the RM calculations of the volume are correct. Three SB ICPs were found to have the incorrect loss factor applied.

ICP	Point of Connection	Reconciliation type	Distributor Loss Category	Loss factor
0000001100KPAF6	KRA0111	SB	KRALV1	1.0261
0000006000KP792	NTL0011	SB	NTLLV1	1.0293
0000014999KP48C	SYL0113	SB	SYLLV1	1.0107

Three new loss factors are being created. This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 8.1</p> <p>With: 11.2</p> <p>From: 01-May-08</p> <p>To: 19-Aug-19</p>	<p>Three loss factors not created for three SB ICPs.</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 these are all historic and the controls in place when creating new NSPs are robust.</p> <p>The impact on reconciliation will be small therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
To be corrected by Tenco as part of their initial setup. Completion date reflect market notice periods		1/1/20	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
<p>Changing registry service from TEG to Tenco will streamline information flow. This will reduce the possibility of future non compliance as a result of; lack of information; slow information flow; or confusion arising between service providers.</p> <p>Tenco also have greater resources and more robust systems, further reducing the possibility that this matter to reoccur.</p>		1/11/19	

CONCLUSION

Most of KIPT's compliance is reliant on the compliance of TEG and TENCO Ltd, as contractors to KIPT. TEG carries out KIPT's registry responsibilities and TENCO Ltd carry out the updating of the gate metering information for the Network Supply Point table. Their audit reports are to be submitted with this audit.

This audit found five non-compliances and makes no recommendations.

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 note that TENCO Ltd will be taking over the management of all registry functions from 1 November 2019. TENCO Ltd have robust management processes in place and therefore I recommend that the next audit be in 24 months.

PARTICIPANT RESPONSE

Kiwi Property Group is content with the findings of the report. We note our key action to change our registry service provider from TEG to Tenco effective 1/11/19 should address the minor non compliances identified.