

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

COUNTIES POWER LIMITED

Prepared by: Rebecca Elliot

Date audit commenced: 4 September 2019

Date audit report completed: 21 October 2019

Audit report due date: 28-Oct-19

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EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **Counties Power (Counties Power)**, 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 at Counties Power premises in Pukekohe, on September 24th, 2019.

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

Counties Power have continued to improve their compliance through improved reporting and focus on compliance. The reporting dashboard is used daily to manage key performance indicators and continues to be enhanced. I recommend that the registry audit compliance reporting be used to assist in the identification of other potential discrepancies.

The population of the initial electrical connection date has improved with Navision no longer populating an initial electrical connection date when a meter is replaced, and discrepancy reporting identifying any ICPs with a missing date.

I identified some NSP changes that indicate that the ICPs are not all dedicated as previously thought and this will need further investigation to ensure that this flag is applied correctly.

Management of the pricing area has been moved to the connections team and this is expected to provide the level of focus needed to improve compliance in this area. All new price category codes created during the audit period were updated to the registry compliantly.

The volume of not readily locatable addresses has continued to decrease, reducing by 50% again during the audit period. This is further evidence of Counties Power continued focus on improving compliance.

I thank Leah and team for their co-operation during the audit.

This audit found ten non-compliances and makes two recommendations. The audit risk rating score has reduced from 30 to 16. This reflects the improved controls in place and indicates that the next audit be due in 12 months. I have considered this in conjunction with Counties Power comments and recommend that the next audit be in 14 months time.

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.	Moderate	Low	2	Identified
Provision of ICP Information to the registry manager	3.3	11.7	One ICP with a missing initial electrical connection date.	Strong	Low	1	Identified
Timeliness of ICP information to the Registry Manager	3.4	7(2) of Schedule 11.1	Two ICPs not updated prior to electricity being traded.	Strong	Low	1	Identified
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	81 initial electrical connection dates not updated within ten business days.	Strong	Low	1	Identified
Connection of an ICP that is not an NSP	3.6	11.17	Two ICPs connected before a trader was recorded on the registry as accepting responsibility.	Strong	Low	1	Identified
Monitoring of "new" & "ready" statuses	3.14	15 Schedule 11.1	Traders not contacted in two instances to confirm if ICPs at the "New" status were still required.	Strong	Low	1	Cleared
Timeliness of registry updates	4.1	8 of schedule 11.1	Some price, network, status, and address changes were backdated.	Moderate	Low	2	Investigating
Notice of NSP for each ICP	4.2	7(1) Schedule 11.1	14 ICPs mapped to the incorrect NSP.	Weak	Low	3	Investigating
ICP location address	4.4	2 & 7 (1)(a) of schedule 11.1	581 ICPs with addresses that are not readily locatable.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Distributor to provide ICP information	4.6	7(1) of Schedule 11.1	<p>Eight ICPs with an incorrect initial electrical connection date populated during the audit period.</p> <p>314 ICPs created prior to part 10 with an incorrect initial electrical connection date recorded.</p> <p>Two ICPs with the incorrect unmetered load recorded.</p> <p>Dedicated flag applied to all ICPs when NSP changes indicate that not all ICPs are dedicated.</p>	Moderate	Low	2	Identified
Future Risk Rating						16	
Indicative Next Audit Frequency						12 months	

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

RECOMMENDATIONS

Subject	Section	Recommendation	Next Action
Provide complete and accurate information	2.1	Use the audit compliance report to check for initial electrical connection date accuracy.	Currently looking at ways of adding this to our current Power BI reporting tool.
		Check EIEP1 file monthly for ICPs with distributed generation present where none is expected.	

ISSUES

Subject	Section	Issue	Next Action
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

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

Audit commentary

Counties Power have no exemptions in place that are relevant to the scope of this audit.

1.2. Structure of Organisation

Counties Power provided a copy of the relevant part of the organisation chart. This can be provided to the Electricity Authority upon request.

1.3. Persons involved in this audit

Auditor:

Name	Title
Rebecca Elliot	Lead Auditor
Brett Piskulic	Supporting Auditor

Counties Power personnel assisting in this audit were:

Name	Title
Leah Sibley	Connection Manager

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit observation

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

Audit commentary

Activities covered by the scope of this audit, including fieldwork and inspection are conducted by Counties Power employees.

1.5. Supplier list

Counties Power does not use any sub-contractors.

1.6. Hardware and Software

Counties Power use the Microsoft Navision System for the management of ICPs and associated information. This updates directly to the registry on a regular basis. Counties Power uses small world GIS and also Electric office (this offers a more user-friendly view of network assets).

Counties Power have a full disaster recovery plan in place. All systems are backed up to the cloud.

1.7. Breaches or Breach Allegations

Counties Power has not had any breach allegations related to the scope of this audit recorded by the Electricity Authority during the audit period.

1.8. ICP and NSP Data

Counties Power has responsibility for the Counties district area, consisting of three NSPs and one interconnection point. All have the same balancing area. This is discussed further in **section 4.6**.

The table below lists the relevant NSPs, and their associated balancing areas. There have been no changes during the audit period.

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
COUP	BOB0331	BOMBAY			BALAREACOUPG	G	1/05/2008	4,562
COUP	BOB1101	BOMBAY			BALAREACOUPG	G	1/05/2008	27,313
COUP	GLN0332	GLENBROOK			BALAREACOUPG	G	1/05/2008	11,497
COUP	MTG0111	MANGATANGI	BOB0331	COUP	BALAREACOUPG	I	1/05/2008	-

There are no embedded networks connected on the Counties Power network.

Counties Power provided a list file of all ICPs as at 31/08/19. A summary of this data by “ICP status” is as follows.

Status	Number of ICPs 2019	Number of ICPs 2018	Number of ICPs 2017
Distributor (888)	0	0	0
New (999)	7	100	100
Ready (000)	182	298	346
Active (2,0)	43,372	42,383	41,608
Inactive - new connection in progress (1,12)	96	30	60
Inactive – electrically disconnected vacant property (1,4)	683	687	717
Inactive – electrically disconnected remotely by AMI meter (1,7)	30	0	0
Inactive – electrically disconnected at pole fuse (1,8)	10	10	3
Inactive – electrically disconnected due to meter disconnected (1,9)	44	51	10
Inactive – electrically disconnected at meter box fuse (1,10)	7	6	0
Inactive – electrically disconnected at meter box switch (1,11)	4	0	2
Inactive – electrically disconnected ready for decommissioning (1,6)	1	6	150
Inactive – reconciled elsewhere (1,5)	0	0	0
Decommissioned (3)	4,263	3,972	3,481

1.9. Authorisation Received

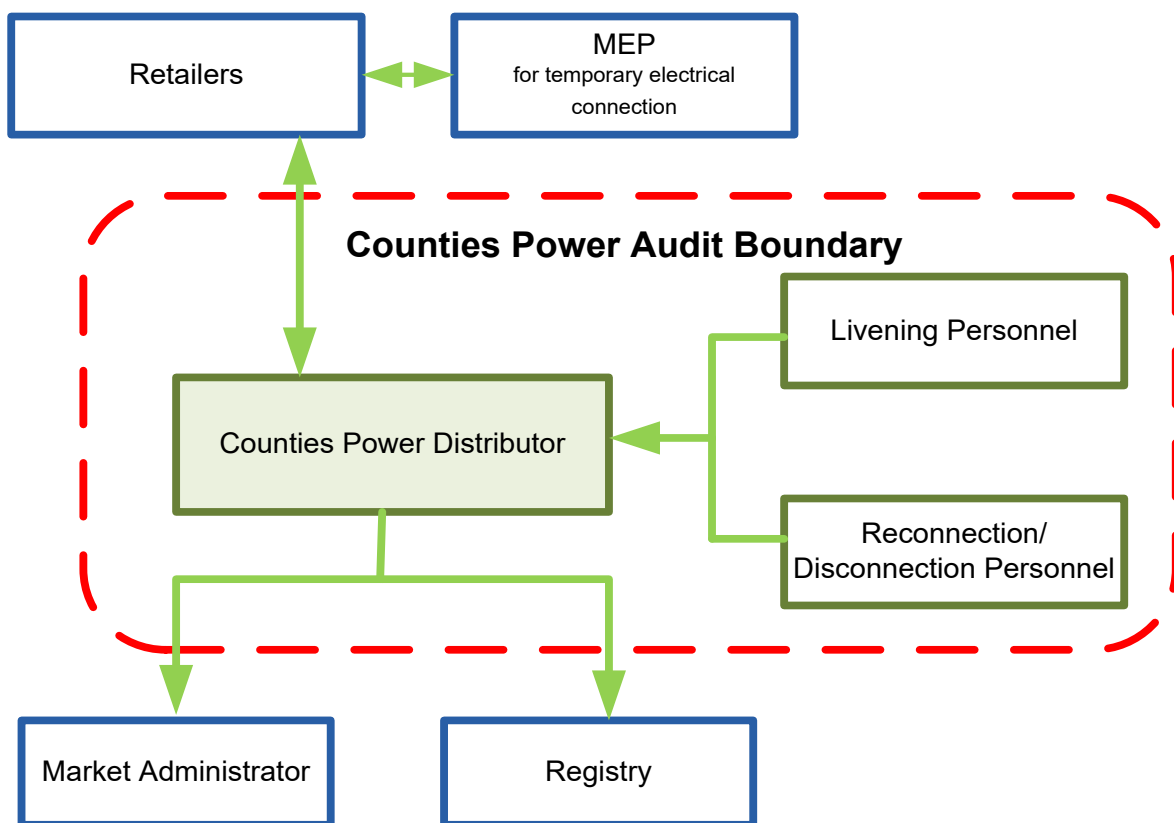
Counties Power provided a letter of authorisation to Veritek, permitting the collection of data from other parties for matters directly related to the audit.

1.10. Scope of Audit

This Distributor audit was performed at the request of **Counties Power (Counties Power)**, 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 at Counties Power's premises in Pukekohe, on September 24th, 2019.

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

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



1.11. Summary of previous audit

Counties provided a copy of their previous audit report, conducted by Rebecca Elliot of Veritek Limited in October 2018. This found 14 non-compliances and made six recommendations. The current status of these has been updated below:

Table of Non-Compliance

Subject	Section	Clause	Non-compliance	Status
Audit required if participant makes material change	1.12	16A.11	Material change audit not undertaken prior to Navision upgrade.	Cleared
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) and 10.6(2)	Errors not corrected as soon as practicable.	Cleared
Timeliness of ICP information to the Registry Manager	3.4	7(2) of Schedule 11.1	Two ICPs not updated prior to electricity being traded.	Still existing
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	55 initial electrical connection dates not updated within ten business days.	Still existing
Connection of an ICP that is not an NSP	3.6	11.17	Two ICPs connected before a trader was recorded on the registry as accepting responsibility.	Still existing
Monitoring of “new” & “ready” statuses	3.14	15 Schedule 11.1	Traders not contacted in all instances to confirm if ICPs at the “New” status were still required.	Still existing
Electrical connection of a point of connection	3.16	10.33A(4)	Streetlight circuits electrically connected without permission being gained from the trader.	Cleared
Timeliness of registry updates	4.1	8 of schedule 11.1	Some price, network, status, and address changes were backdated.	Still existing
Notice of NSP for each ICP	4.2	7(1) Schedule 11.1	14 ICPs mapped to the incorrect NSP.	Still existing
ICP location address	4.4	2 & 7 (1)(a) of schedule 11.1	1,016 ICPs with addresses that are not readily locatable.	Still existing

Subject	Section	Clause	Non-compliance	Status
Distributor to provide ICP information	4.6	7(1) of Schedule 11.1	166 ICPs with an incorrect initial electrical connection date populated.	Still existing
Management of “decommissioned” status	4.11	20 Schedule 11.1	One ICP decommissioned but not updated on the registry.	Cleared
Maintenance of price category codes	4.12	23 Schedule 11.1	Three new price categories not notified two months in advance of coming into effect.	Cleared

Table of Recommendations

Subject	Section	Recommendation	Status
Requirement to provide complete and accurate information	2.1	Identify any IECD date misalignments when compared with the Retailer’s first active date. Develop reporting to identify potential distributed generation installed where Counties Power is not the MEP and check with the customer and Retailer if distributed generation is present.	Cleared
Participants may request distributors to create ICPs	3.2	Formalise trader acceptance of ICPs notified by Counties.	Cleared
Notice of NSP for each ICP	4.2	Establish a process to compare NSP allocation between Navision and GIS.	Cleared
Distributors to Provide ICP Information to the Registry manager	4.6	Remove DUML load values and populate unmetered load details with “DUML” Liaise with the Retailer and customer to confirm the correct UML load.	Cleared Still existing
Maintenance of price category codes	4.12	Document process for new price category creation.	Cleared
Creation of loss factors	8.1	Review loss factors as soon as possible.	In progress

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

Counties Power data management processes were examined. The list file as at 31/8/19 and audit compliance report for the audit period of 1/9/18- 31/8/19 were examined to confirm compliance.

Audit commentary

Counties Power use their Power BI report dashboard to monitor and manage the registry updating processes on a daily basis. It monitors critical information and identifies potential data discrepancies. This includes checks for any active ICPs with no electrical connection date recorded, duplicate addresses and monitors any ICPs created more than 24 months that are still at the “New” or “Ready” statuses. The reporting suite continues to be enhanced as required and this now includes checks for status mismatches, distributed generation details, missing initial electrical connection dates. I recommend that the audit compliance reporting be used to check for initial electrical connection date accuracy. I also recommend that the EIEP1 file is also used to monitor ICPs with distributed generation where none is expected. The incidence of this occurring is low as Counties Power are also the MEP for most ICPs on their network, but as identified in **section 4.6**, one ICP was found to have distributed generation recorded but no application has been received.

Recommendation	Description	Audited party comment	Remedial action
Provide complete and accurate information	Use the audit compliance report to check for initial electrical connection date accuracy. Check EIEP1 file monthly for ICPs with distributed generation present where none is expected.	Currently looking at ways of adding this to our current Power BI reporting tool.	Investigating

The issue identified in the last audit where an updated meter event was incorrectly populating the initial electrical connection date has been fixed. The examination of the list file and audit compliance report found no examples of this occurring during the current audit period.

Examination of the list file and event detail reports found event dates were populated correctly with one exception. This is where there is a change of initial electrical connection date. This is populated when the metering paperwork being loaded. Where there is a change to the meter start date the operator missed changing the initial electrical connection date in Navision. The process has been updated to check for this. This is discussed further in **section 4.6**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: Clauses 11.2(1) and 10.6(1) From: 16-Aug-18 To: 31-Aug-19	Registry information not complete and accurate in all instances. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as all but a few discrepancies are being captured. The use of the audit compliance report would move this to strong. The risk rating is low as the number of discrepancies found were small in relation to the volume of ICPs.		
Actions taken to resolve the issue		Completion date	Remedial action status
Investigated and resolved any issues as they were found during the audit.		27/09/2019	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Continue to review data and utilise the EA reports to find these discrepancies. Looking at updating our current BI report to highlight these as well as reviewing and identifying the root causes to prevent these in the future.		01/12/2019	

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

Counties Power data management processes were examined. The list file as at 31/8/19 and audit compliance report for the audit period of 1/9/18- 31/8/19 were examined to confirm compliance.

Audit commentary

As described in **section 2.1**, Counties Power have a robust reporting suite that checks for potential errors and these are reviewed on a daily basis. Any errors identified are corrected as soon as practicable as is evident in the body of this report.

Audit outcome

Compliant

3. CREATION OF ICPS

3.1. Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

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

A diverse characteristics sample of ten new connection applications of the 779 created since 1/09/2018 were checked from the point of application through to when the ICPs were created. The sample included ICPs with:

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

There are no embedded networks on the Counties Power network therefore there were no LE ICPs created.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The new connection process was examined in detail. A diverse characteristics sample of ten new connection applications of the 779 created since 1/09/2018 were checked to determine whether the ICPs had been created within three business days of a request by a trader.

Audit commentary

Counties Power receives the majority of new connection applications from electricians with requests from Retailers being a rare occurrence, and this clause only applies to those applications received from Retailers.

All ICPs are created at the “Ready” status on receipt of an ‘Application for Network Connection’ from a retailer, a customer, or their agent (normally the electrician). All applications are checked to confirm that an ICP does not already exist for the address and the network capacity is checked prior to creation. Any new connections that require network extension are not created until the network field work is completed. This is communicated to the applicant. An ICP is issued to the customer and notified at the same time to the nominated trader. Counties Power have requested that all traders promptly advise if they are not going to accept a nomination. If this is the case, the applicant is contacted and requested to provide a new trader. The new trader is then updated to the registry and notified. To electrically connect the ICP, retailers send a service request for metering and electrical connection.

The sample of new connections checked were all requested by electricians, but I note that all were created within the required timeframe.

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 for all ICPs created and the audit compliance reporting for 1/9/18 to 31/8/19 were examined.

Audit commentary

The process for updating the registry is automated for all fields and occurs on a nightly basis for new ICPs. There were 674 electrically connected new connections and all but three ICPs had the required information provided. These ICPs are active in the registry but have no initial electrical connection date recorded. These were reviewed and found two have subsequently been populated as part of BAU. ICP 1099576904CN1EC is one of the ICPs created as part of the deconsolidation project Counties Power has underway. This is where ICPs were consolidated to be one ICP rather than separate points of connection. For example, a farm with a house, a pump and utility shed were consolidated to be one ICP with multiple meters recorded. These are now being returned to individual ICPs to reflect that they are separate points of connection. In this instance the meter has yet to be certified for this ICP, but the trader has made it active for 1/4/19. Counties Power have now populated the initial electrical connection date. The one missing initial electrical connection date is recorded as non-compliance.

Timeliness of provision of information is discussed in **sections 3.4** and **3.5** below.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.3 With: Clause 11.7 From: 01-Apr-19 To: 03-Oct-19	One ICP with a missing initial electrical connection date. Potential impact: Low Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as Counties Power has robust reporting in place to monitor this. The one missing initial electrical connection date was due to the metering not being recertified. The risk rating is low as the only one ICP was found to have a missing initial electrical connection date recorded.		
Actions taken to resolve the issue		Completion date	Remedial action status
Corrected this ICP on date of audit		24/09/2019	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Continue to utilise existing reporting.		10/10/2019	

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process was examined. The registry list for 31/08/19 and the registry compliance audit report for 01/09/18 to 31/08/19 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

Navision writes to the registry throughout the day. Any file rejections are highlighted in the report dashboard and investigated. All but two ICPs were updated to the registry prior to electricity being traded. Examination of these found both were created prior to electrical connection in Navision but these failed to get to the registry due to technical issues. Any such incidents identified are alerted to IT to resolve.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of schedule 11.1 From: 21-Dec-18 To: 14-Jan-19	Two ICPs not updated prior to electricity being traded. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as reporting is in place to identify this and this is monitored daily. The risk rating is low as the volume of ICPs affected is small.		
Actions taken to resolve the issue		Completion date	Remedial action status
No action could be taken here.		24/09/2019	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Continue to monitor rejected files.		10/10/2019	

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The registry list for 31/08/19 and the registry compliance audit report for 01/09/18 to 31/08/19 were examined to determine the timeliness of the provision of ICP information for new connections. A diverse sample of ten ICPs were examined.

Audit commentary

The initial electrical connection date is updated as part of the new connection process and as Counties Power often act as the metering agent as well as the livening agent, the majority of ICPs electrically connected are known and updated accordingly. The reporting dashboard highlights any ICPs which have been made active for which there is no date populated. The issue raised in the last audit of the incorrect event date being applied to these updates has been resolved and the effective event date matches the initial electrical connection date.

There were 995 initial electrical connection date updates in the event detail report. The audit compliance report identified 81 (8%) late updates. A sample of ten late updates were examined and found eight related to ICPs created as a result of the deconsolidation project. The remaining two were due to historical data cleansing. In all instances they were historical and therefore are required to be backdated to be accurate.

The accuracy of initial electrical connection date is discussed further in **section 4.6**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of schedule 11.1 From: 01-Apr-08 To: 31-Aug-19	81 initial electrical connection dates not updated within ten business days. Potential impact: Low Actual impact: Low Audit history: Three times previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as reporting is in place to identify this and this is monitored daily. The risk rating is low as the volume of ICPs affected is small.		
Actions taken to resolve the issue		Completion date	Remedial action status
No action could be taken here.		24/09/2019	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Continue to monitor current reporting.		10/10/2019	

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

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

The registry list for 31/08/19 and the audit compliance report for 01/09/18 to 31/08/19 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

As discussed in **section 3.2**, Counties Power notify traders of ICP nominations and traders advise if they wish to reject. Review of the registry list confirmed that a trader is recorded for all active and inactive ICPs, and a proposed trader is recorded for all "Ready" ICPs.

This clause requires that a distributor must not connect an ICP across which unmetered load is shared unless a trader is recorded in the registry as accepting responsibility for the shared unmetered load. Counties Power does not allow or intend to allow any new shared unmetered load connections. Review of a registry list confirmed there is no shared unmetered load connected to any Counties Power ICP.

As discussed in **section 3.4**, two ICPs were updated to "Ready" on the registry after they were connected. ICP 1099578060CNEDF and ICP 1099578052CN9A2 did not write up to the registry until after they were electrically connected and therefore a trader was not recorded in the registry prior to connection.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: Clause 11.17 From: 21-Dec-18 To: 14-Jan-19	Two ICPs connected before a trader was recorded on the registry as accepting responsibility. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as reporting is in place to identify this and this is monitored daily. The risk rating is low as the volume of ICPs affected is small.		
Actions taken to resolve the issue		Completion date	Remedial action status
No action could be taken here.		24/09/2019	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Continue to monitor rejected files.		10/10/2019	

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

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

A diverse characteristics sample of ten new electrically connected ICPs of the 674 electrically connected were checked to determine if the ICPs were connected at the request of the trader.

The registry lists as at 31/8/19 was reviewed to confirm that all active ICPs had a trader recorded.

Audit commentary

As discussed in **section 3.2**, Counties Power notify traders of ICP nominations and traders advise if they wish to reject.

Analysis the list file confirmed that all ICPs with “ready” status had a proposed retailer recorded. The two ICPs that appear to have been backdated connected in the registry both had trader acceptance and therefore meet the requirements of this clause.

Audit outcome

Compliant

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

Code reference

Clause 10.31A

Code related audit information

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

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

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

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

Audit observation

The new connection process was examined in **section 3.2**. The registry list for 31/08/19 and the registry compliance audit report for 01/09/18 to 31/08/19 were examined to determine.

Audit commentary

The majority of new connections are permanent connections. Analysis found no temporarily electrically connected sites that did not have trader permission as required by this clause.

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 examined.

Audit commentary

No new embedded NSPs have been created by Counties Power 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 embedded NSPs have been created by Counties.

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

Counties Power uses Navision to create ICP identifiers for connections on its networks. The ICP number is based on a sequential account number from Navision. Once the unique number is assigned to the customer, a two-letter code “CN” is added.

A diverse sample of ten new ICPs were checked. All were created in the appropriate format.

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

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

The list file as at 31/08/19 was examined to confirm all active ICPs have a single loss category code.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

Audit observation

The ICP creation process was reviewed. The registry list for 31/08/19 was examined to determine compliance.

Audit commentary

ICPs are created at the “Ready” status and the “New” status is not normally used by Counties. Examination of the list file found seven ICPs at the “New” status. The monitoring of ICPs at this status is discussed in **section 3.14**. The timeliness of updates to the registry are discussed in **section 3.4**.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

Audit observation

The process to monitor ICPs at “new” and “ready” status was reviewed. The registry list as at 31/08/19 and the audit compliance report for 01/09/18 to 31/08/19 were examined to determine compliance.

Audit commentary

Counties Power monitor the aging of ICPs at the “New” and “Ready” status via the reporting dashboard. Traders are contacted to confirm if ICPs are still required.

94 of the 96 ICPs at the “New” status found in the last audit have been addressed. The two at the “New” status were examined and both were not in Navision, so these hadn’t been identified in the reporting dashboard. These have since been confirmed as no longer required and have been decommissioned-set up in error. The audit compliance reporting will assist in capturing all such ICPs going forward. This report identified the two ICPs at the “New” discussed above, and eight ICPs at the “Ready” statuses for more than 24 months. I checked all of the ICPs at “Ready” and confirmed that had been confirmed as required and these all related to the ICP deconsolidation project.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.14 With: Clause 15 of schedule 11.1 From: 16-Aug-18 To: 31-Aug-19	Traders not contacted in two instances to confirm if ICPs at the “New” status were still required. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, with the reporting dashboard and the audit compliance reporting in place, the aging of ICPs has a good level of visibility. The risk rating is low this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
Decommissioned the ICP’s		24/09/2019	Cleared
Preventative actions taken to ensure no further issue will occur		Completion date	
Decommissioned the ICP’s		24/09/2019	

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

The loss category code must be unique; and

The distributor must provide the following to the reconciliation manager:

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

Audit observation

This requirement was discussed and the registry list as at 31/08/19 was examined to determine compliance.

Audit commentary

Counties Power has no embedded generation of greater than 10MW connected to its network. Counties Power embedded generation application form has a field to record the capacity to ensure any new generation connections greater than 10MW are identified.

There has been no new embedded generation greater than 10MW added during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.33A(4)

Code related audit information

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

Audit observation

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 streetlight circuits which are a point of connection was examined.

Audit commentary

The process to connect streetlights has been reviewed. These are included in the developer's package. Field operations liaise directly with Auckland Transport to confirm that the items of load are accepted and confirm which ICP the items of load are to be recorded against before streetlights are connected.

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

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

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

The management of registry updates was reviewed.

The registry list file, audit compliance reporting and the audit compliance report for 01/09/18 to 31/08/19 were reviewed to determine compliance. A diverse sample of a minimum of ten (or all if there were less than ten examples) backdated events by event type were reviewed to determine the reasons for the late updates.

The management of NSP changes was examined.

Audit commentary

The majority of updates are made in the Navision system and these then write to the registry every few hours. The audit compliance report was analysed to identify backdated event updates, and found:

Address events

92.37% of all address updates were made on time with an average time to update the registry of 1.82 days. There were 177 late address updates. The sample checked of these found that if the address update is undertaken at the same time as the metering paperwork is loaded to the ICP. In these instances, the MEP nomination was late in the registry and this then caused the metering paperwork to be backdated and by default the address update. This is recorded as non-compliance below.

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.

Overall compliance of network updates was 97.93% with an average of 4.13 days to update the registry. All late updates related to the population of distributed generation or a change to the proposed trader which occurred prior to the first active date and therefore can be ignored. The compliance reporting specifically measures distributed generation updates, so I have included these findings below as a subset of general network updates.

Distributed Generation

The distributed generation process is described in **section 4.6**. 84.62% of all distributed generation network updates were made on time with an average time to update the registry of 39.28 days. There were 20 late network updates. The sample checked of these found that 18 of the 20 checked were late due to errors with the file flowing to the registry. This requires IT intervention and this caused these files to be late. ICP 1099578642CN509 was late due to a late MEP nomination, and the distributed generation could not be added to the ICP until the metering was loaded. ICP 0001781171CN792 was late due to late paperwork being returned. The late updating of the distributed generation details is recorded as non-compliance.

NSP Changes

All ICPs on the Counties Power Network are recorded as dedicated so no NSP changes are expected and examination of the audit compliance report found no late NSP changes. However, reviewing ICPs with potentially mismatched NSPs found examples of NSP changes occurring, suggesting that at least some of the ICPs on the Counties Power Network are not dedicated. This is discussed further in **section 4.2**.

Pricing Changes

The management of pricing changes has been moved to the connection's team from August 2019. All updates made are checked manually to confirm they have been applied from the correct event date. Counties Power will continue to backdate pricing events, but only if it is found that the customer has been billed incorrectly.

Examination of the compliance reporting found 2,157 (4.27%) late pricing updates of a total of 50,471 pricing updates. The average time to update the registry late was eight days. The sample checked of these found that they were delayed due to the previous process in place where pricing updates were undertaken as and when resource allowed. The late pricing event updates are recorded as non-compliance below.

Decommissioning Status Events-

The decommissioning process is discussed in **section 4.11**. 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 were 89 ICPs decommissioned prior to 1/11/18. 82 (92%) of these were updated late with an average of 100 days after the event to update these.
- There were 87 ICPs decommissioned after 1/11/18. Only eight were updated late. 91% were compliant with an average of five business days to update.

The late updating of 90 decommissioning events is recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 16-Aug-18 To: 31-Aug-19	Some price, network, status, and address changes were backdated. Potential impact: Medium Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as controls are sufficient to mitigate risk most of the time but there is room for errors to occur. The risk rating is low as these events have no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
No action could be taken here.		24/09/2019	Investigating
Preventative actions taken to ensure no further issue will occur		Completion date	
Changes to the ownership of the pricing update processes should now reduce some of these events. Also reviewing current process for address changes however most of the address changes occurred during meter changes and updating the ICP's from Lot/DP to a street number.		10/10/2019	

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 audit compliance reporting identified 47 active ICPs where 10% or fewer ICPs on a street have a different NSP and there are fewer than three ICPs with a different NSP. A typical sample of 22 ICPs were examined.

Audit commentary

For all new ICPs the transformer is identified from the GIS system. The transformer is then selected in Navision which then assigns the NSP based on this. Navision has been changed so that the NSP can no longer be selected and is driven by the transformer selected.

The sample checked found that eight were correctly mapped. 14 (63% error rate of the sample checked) were found to have been incorrectly mapped. These have been corrected. This appears to have occurred when a change of NSP has occurred for a group of ICPs but at the time the ICP is at an inactive status and so the NSP change is not applied. Then if the ICP returns to an active status it will be recorded against the incorrect NSP. The incorrect NSP is recorded as non-compliance below.

The changing of an NSP for an ICP indicates that the ICPs are not all dedicated as they are currently recorded on the registry as dedicated. This is recorded as non-compliance in **section 4.6**.

The incorrect NSP allocation for the 14 ICPs sampled is recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.2 With: Clause 7(1) Schedule 11.1 From: 16-Aug-18 To: 31-Aug-19	14 ICPs mapped to the incorrect NSP. Potential impact: Low Actual impact: None Audit history: Once Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as weak as changes of NSP to ICPs are applied to active ICPs only resulting in incorrect NSPs being recorded against any ICPs that subsequently return to an active status. The risk rating is low as Counties Power has one balancing area and therefore an incorrect NSP has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
An investigation was completed, it was found our system was only updating ICP's in a status of "active". This meant that if a temporary change of NSP occurred and an ICP status changed during the 14days then it would mis-match.		23/09/2019	Investigating
Preventative actions taken to ensure no further issue will occur		Completion date	
Review of NSP vs ICP allocation, looking at adding this to current BI Reporting.		01/02/2019	

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

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

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The process to determine correct and unique addresses was examined and the audit compliance report was examined.

Audit commentary

As detailed in **section 3.2**, Navision will flag if an ICP already exists at an address. The reporting dashboard deployed monitors ICP duplication and any addresses which do not have either a street number or property name.

The audit compliance report recorded 581 active ICPs where the address is not readily locatable. This is a continued year on year reduction. All are historic. These are monitored as part of the reporting suite and worked on as resource allows to make them readily locatable. A check of 20 of these found that these were able to be made readily locatable by either replacing the lot number with the street number or adding property details.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: Clause 2 Schedule 11.1 From: 16-Aug-18 To: 31-Aug-19	581 ICPs with addresses that are not readily locatable. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as they will mitigate risk most of the time but there is room for errors to occur. The risk rating is low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
We currently have an ongoing programme of work to get these addresses updated. We monitor this using a Power BI report.		24/09/2019	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Most addresses are historical, continue to monitor power BI report.		24/09/2019	

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

Code reference

Clause 3 Schedule 11.1

Code related audit information

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

Audit observation

This was examined as part of the new connection process and proof of process was checked as part of the sample of 20 new connections examined.

Audit commentary

This requirement is well understood by personnel involved in livening and there are no known instances of shared service mains on the Counties Power network.

I reviewed a sample of ten new connections and in all cases the ICP has an individual service line and connection point to the network pole or pillar.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

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

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

Audit observation

The management of registry information was reviewed. The registry list as at 31/08/19 and the audit compliance report for the audit period from 1/09/18 to 31/9/19 were reviewed to determine compliance. A typical sample of data discrepancies were checked.

Audit commentary

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

Distributed Generation

Customers apply to Counties Power for all distributed generation via an online form. These are passed to the metering group to process the application. Only those inverters on the approved list will be approved. Once approved the customer is notified, a note of the application is made on the customer's account in Navision. Distributed generation is not installed until the service request is received from the trader to change the metering. Once this is complete the registry is updated. The timeliness of the updates to the registry is detailed in **section 4.1**.

Examination of the list file found 768 ICPs with generation capacity recorded. All had an installation type of "B" and the fuel type and generation capacity recorded.

I checked the distributed generation information populated on the registry against the paperwork provided for a sample of ten ICPs and found that information aligned in all instances.

The list file identified 236 active ICPs where Counties Power have indicated distributed generation is present, but the trader's profile does not indicate this. One trader has a known issue with the population of distributed generation profiles. Once their ICPs are excluded 25 ICPs remain. A typical sample of ten of these were checked and confirmed that distributed generation was present, and the trader has the incorrect profile applied.

The audit compliance report identified five ICPs where the trader's profile indicates distributed generation is present, but Counties Power has none recorded. These were all checked and found:

ICP	MEP	Profile	Energy flow	Settlement	DG present?
0002544120CN35C	COUP	RPS PV1	X	-	No
0001757089CN504	COUP	RPS PV1	X	-	No
0003606100CNC1	COUP	RPS PV1	X	-	No
0003342162CN362	COUP	RPS PV1	X	-	No
1099560064CNA34	ARC	RPS PV1	I	Y	Yes

For those ICPs where Counties Power are the MEP, they confirmed that no distributed generation is installed. For ICP 1099560064CNA34 where they are not the MEP, no application for distributed generation has been received, Counties Power are checking with the Retailer and the customer to confirm if distributed generation is installed. In **section 2.1** I recommend that Counties Power check the EIEP1 file for any ICPs where distributed generation is present, but none is expected as an additional check to identify these.

Initial Electrical Connection Date

995 ICPs have had the initial electrical connection date updated between 1/09/18 and 31/08/19. The audit compliance reporting identified 20 ICPs with date inconsistencies between the initial electrical connection date, the active date and the meter certification date. These were checked:

ICP	Meter certification date	Initial Electrical Connection date	First Active date	Comments
1099578093CN208	21/06/2019	21/06/2019	26/06/2019	Counties Power date is correct.
1099578420CN07B	04/06/2019	04/06/2019	19/06/2019	Counties Power date is correct.
1099577918CN9FF	08/05/2019	03/05/2019	08/05/2019	Counties Power date is incorrect. The date for the meter certification was corrected but the correction of the initial electrical connection date was missed. A check has been put in place to ensure that the initial electrical connection date is modified at the same time as the meter certification date change.
1099576670CNAB4	01/03/2019	01/03/2019	01/04/2019	Counties Power date is correct.
1099576693CNCCE	19/02/2019	19/02/2019	01/04/2019	Counties Power date is correct.
1099576704CN7E7	15/02/2019	15/02/2019	01/04/2019	Counties Power date is correct.
1099576703CNA2D	15/02/2019	15/02/2019	01/04/2019	Counties Power date is correct.

ICP	Meter certification date	Initial Electrical Connection date	First Active date	Comments
1099576902CN063	22/02/2019	22/02/2019	01/04/2019	Counties Power date is correct.
1099578081CN820	24/01/2019	21/01/2019	24/01/2019	Counties Power date is incorrect. This is the same issue where the initial electrical connection date was missed being changed when the meter certification date was changed.
1099577084CNC0F	21/08/2018	16/08/2018	21/08/2018	Counties Power date is incorrect. This is the same issue where the initial electrical connection date was missed being changed when the meter certification date was changed.
1099577969CN0E7	05/12/2018	05/12/2018	06/12/2018	Counties Power date is correct.
1099577595CNFE2	18/09/2018	18/09/2018	19/09/2018	Counties Power date is correct.
1099577865CNAFD	04/12/2018	01/12/2018	04/12/2018	Counties Power date is incorrect. This is the same issue where the initial electrical connection date was missed being changed when the meter certification date was changed.
1099577920CNC13	22/11/2018	21/11/2018	21/11/2018	Counties Power date is incorrect. This is the same issue where the initial electrical connection date was missed being changed when the meter certification date was changed.
1099577924CND19	19/11/2018	16/11/2018	19/11/2018	Counties Power date is incorrect. This is the same issue where the initial electrical connection date was missed being changed when the meter certification date was changed.
1099577784CN30D	13/11/2018	06/11/2018	06/11/2018	Counties Power date is correct.
1099577862CN737	08/11/2018	08/11/2018	12/11/2018	Counties Power date is correct.
1099577543CN32F	19/12/2018	28/09/2018	28/09/2018	Counties Power date is correct.
1099577671CN751	17/09/2018	17/09/2018	18/09/2018	Counties Power date is correct.
1099577650CN641	30/08/2018	30/08/2018	03/09/2018	Counties Power date is correct.

The initial electrical connection date was confirmed to be correct for 13 of the 20 ICPs. The date was incorrect for seven ICPs and this was due in all instances to a correction to the first active date and meter certification date, but the initial electrical connection date wasn't corrected. The process has been changed and a step put in place to check that all dates are corrected in these instances. The use of the audit compliance reporting will assist in identifying such discrepancies. Overall the level of accuracy is very high. The incorrect initial electrical connection dates is recorded as non-compliance below.

The audit compliance report identified 20 ICPs that are not yet active, but Counties Power have an initial electrical connection date recorded. These were examined and found all were electrically connected. Two ICPs were found to have the incorrect date recorded. ICP 1099575874CNF55 is part of the deconsolidation project and the initial electrical connection date has been corrected to 25/01/2019. ICP 1099578684CN369 has been made active and the meter is certified for 3/09/2019 but the initial electrical connection date is recorded as 3/08/2019. This is being investigated.

314 ICPs that were created pre-Part 10 (29/8/13) coming into effect have had an initial electrical connection date populated incorrectly. A sample of 20 ICPs using the typical case methodology were examined and found that the initial connection date related to a metering certification update. This was due to a system issue where a metering update event also incorrectly populated an initial electrical connection date for the meter change. This was due to a Navision problem which was populating an initial electrical connection date when a meter change occurred. This has been corrected and none have occurred during the audit period.

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

The incorrect population of initial electrical connection dates is recorded as non-compliance below.

Unmetered Load

Counties Power allows standard unmetered load but does not allow shared unmetered connections to their network. Review of the registry list confirmed that there was no shared unmetered load and there has been one new unmetered load connected during the audit period. All have loads recorded in the recommended format and the load aligns with the Retailers load.

There are three active ICPs with UML flag set to Y, and no distributor unmetered details populated. These were checked and found for two ICPs that the unmetered load is populated in Navision but not in the field that populates this information to the registry. The trader has removed the unmetered load from the remaining ICP as it has been confirmed that no unmetered load exists. The missing unmetered load details are recorded as non-compliance below.

I reviewed the 130 active ICPs which Counties Power has populated distributor unmetered load details. The distributor unmetered load details were in the expected format and I compared the daily kWh with the Retailer's figure and found that these matched to within 0.1kWh in all but nine ICPs:

ICP	Unmetered load details - Distributor	Calculated daily unmetered kWh based on distributor information	Daily Unmetered kWh populated by retailer	Unmetered Load Details - Retailer
0001508428CNF93	Telecom Cabinet	1.3	5.5	0230;24.0;Telecom cabinet
0005853310CNDA0	Telecom Cabinet	1.3	5.5	0230;24.0;Telecom cabinet
0099553946CN16E	Telecom Cabinet	18.0	5.5	0230;24.0;Telecom cabinet
1099569132CN617	Radio Repeater	0.4	11.04	0460;24;RadioRepeater
1099571627CNB16	MONITORINGBOX	0.0	0.92	0.23;4;MONITORINGBOX
1099573821CNFD2	Pay Phone	0.4	0.22	0018;12.0;Payphone 12hr with WiFi
1099573825CNED8	Pay Phone	0.4	0.22	0009;24.0;Payphone 24hr no WiFi
1099576456CNC69	CAMERA	0.1	2.4	100;24;SPEED CAMERA
1099576458CNFF2	CAMERA	0.1	2.4	100;24;SPEED CAMERA

Seven of these were identified in the last audit. These were examined and found that Counties Power has corrected their load details to match the traders for two ICPs. They are checking with the trader in relation to the remaining seven loads to confirm which are correct. The two ICPs with incorrect unmetered load details (now corrected) are recorded as non-compliance.

Dedicated vs non-dedicated flag

In the last audit the control room confirmed that the dedicated flag has been correctly set to "Y". In this audit I found examples of NSP changes occurring (discussed in **section 4.2**), this indicates that not all ICPs are dedicated as recorded on the registry. This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1 From: 16-Aug-18 To: 31-Aug-19	Eight ICPs with an incorrect initial electrical connection date populated during the audit period. 314 ICPs created prior to part 10 with an incorrect initial electrical connection date recorded. Two ICPs with the incorrect unmetered load recorded. Dedicated flag applied to all ICPs when NSP changes indicate that not all ICPs are dedicated. Potential impact: Low Actual impact: Unknown Audit history: Multiple Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as they will mitigate risk most of the time but there is room for errors to occur. The risk rating is low as the errors found will have either no or a small impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
All ICP's where corrected where they could be during the audit		24/09/2019	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
Reporting is already in place to monitor all new ICP's which move into an active status without an energisation date entered		24/09/2019	

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

The management of registry information was reviewed. The registry list and audit compliance report for 01/09/18 to 31/08/19 were reviewed to determine compliance.

Audit commentary

Counties Power can confirm these details in most cases prior to electrical connection of the ICP. If any changes are required these are updated as soon as possible. No ICPs were identified in the audit compliance report with potential price changes relating to post electrical connection. Placeholder values are not used.

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 31/08/19 was reviewed to determine compliance.

Audit commentary

Counties Power have populated GPS co-ordinates. I confirmed that the correct standard has been used. GPS co-ordinates are recorded for all but a few ICPs.

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 registry list showed 176 ICPs currently at “ready” status, eight have been at “ready” status for more than two years. This is discussed further in **section 3.14**.

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

Audit commentary

Counties Power Navision system will only allow one price category; therefore, the requirement to ensure that an ICP has a single price category will always be met. This was confirmed by checking the list file. The application form requires the Price Category to be specified, no ICPs are created without a Price Category.

Traders have been advised to reject any ICPs that they do not wish to accept. If this is the case, the applicant is contacted and requested to provide a new trader. The new trader is then updated to the registry and notified. To electrically connect the ICP, retailers send a service request for metering and electrical connection to Counties Power to action.

ICPs at the “Ready” status for more than 24 months are discussed in **section 3.13**.

The timeliness of updates to ready is discussed in **section 3.4**.

The records of ten recently created ICPs were examined and compliance is confirmed.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

Processes to manage the “distributor” status were reviewed.

The registry list and event detail report for 01/09/18 to 31/08/19 were reviewed to identify ICPs at the “distributor” status and check compliance.

Audit commentary

Examination of the Counties Power list file found no ICPs with an ICP status of “Distributor as there are no embedded networks or any shared unmetered load connected on the Counties Power network.

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 31/08/19 were reviewed to identify ICPs at the “decommissioned” or “ready for decommissioning” status.

A diverse sample of ten “decommissioned” ICPs was examined. I also examined a diverse sample of ten ICPs at “ready for decommissioning” status.

Audit commentary

Requests for decommissioning are received from the property owner and sometimes directly from traders. A site verification process is followed to ensure that electrical installations associated with ICPs are physically removed before the decommissioned status is used.

Examination of the list file found only one ICP pending decommissioning. This was examined and found that the trader has uploaded a subsequent event preventing Counties Power from processing the decommissioning for the correct effective date. Counties Power are working with the trader to correct this so the decommissioning can be processed.

The timeliness of updates to the registry is discussed in **section 4.1** above.

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

Six new price codes were uploaded on 21/12/18 with an effective date of 1/04/2019. These were notified more than two months of the price code coming into effect.

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

Counties Power keep the loss category table up to date and have 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 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

Counties Power does not have any loss category codes with more than one loss factor. No loss factors have been changed since 1 April 2011. The loss factor review process is discussed in **section 8.1**.

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 examined.

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 1 month before the creation or transfer of:

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

Audit observation

The NSP table was reviewed.

Audit commentary

Counties Power 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.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

Counties Power is not responsible for any metering installations in accordance with this clause.

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 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 supply point table was reviewed.

Audit commentary

Counties Power 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

Counties Power have not initiated any changes of network owner.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The NSP supply point table was examined.

Audit commentary

Counties Power do not own any embedded networks therefore there have been no changes of MEP for embedded 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

Counties Power 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

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

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

The registry list for 01/09/18 to 31/08/19 was reviewed to identify any ICPs with shared unmetered load connected. The streetlight audits of the network were assessed.

Audit commentary

Counties Power does not intend to allow any new shared unmetered load connections. Review of a registry list confirmed there is no shared unmetered load connected to any Counties Power ICPs.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list for 01/09/18 to 31/08/19 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

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

Audit outcome

Compliant

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.*

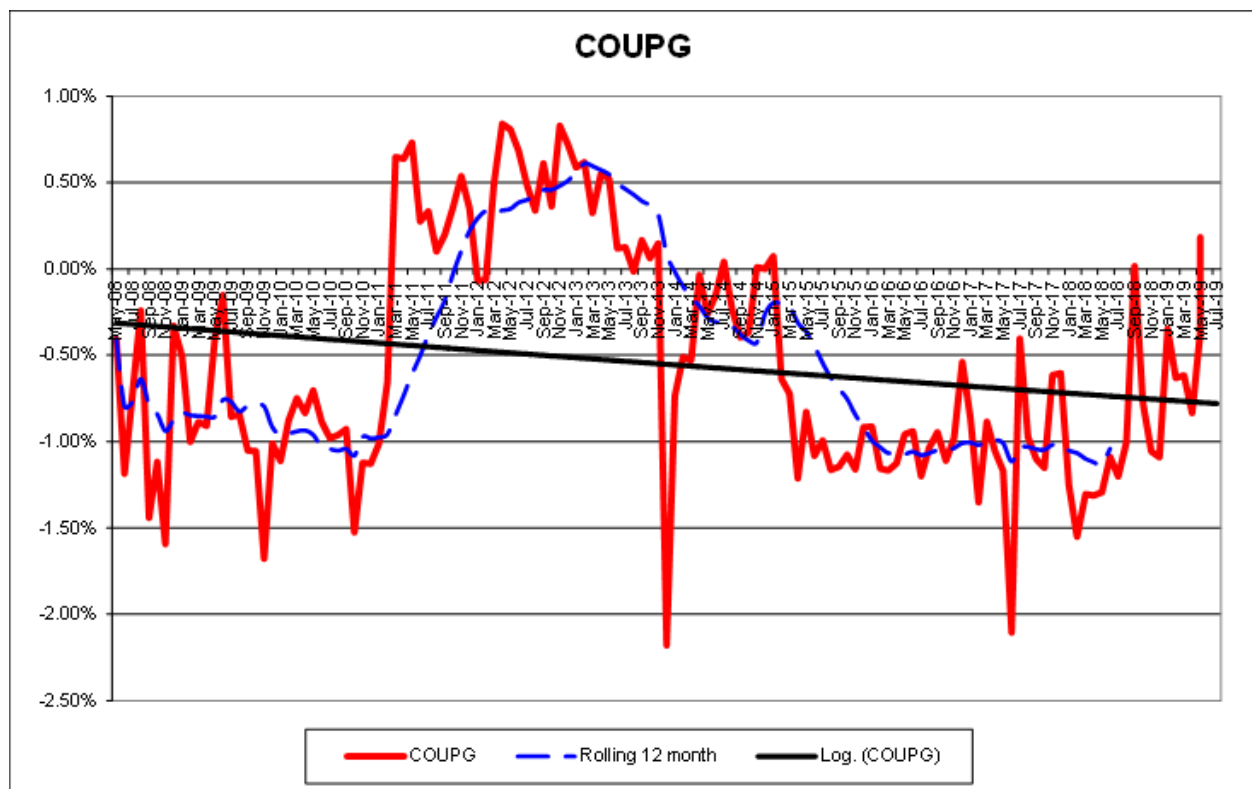
Audit observation

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

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

Audit commentary

The EA provided the following UFE graph indicating that losses for Counties Power are running within the +/- 1% threshold but I note that UFE is trending downwards suggesting losses may be too high:



Counties Power have a documented loss factor methodology and losses are being reviewed and will be adjusted based on this process.

Audit outcome

Compliant

CONCLUSION

Counties Power have continued to improve their compliance through improved reporting and focus on compliance. The reporting dashboard is used daily to manage key performance indicators and continues to be enhanced. I recommend that the registry audit compliance reporting be used to assist in the identification of other potential discrepancies.

The population of the initial electrical connection date has improved with Navision no longer populating an initial electrical connection date when a meter is replaced, and discrepancy reporting identifying any ICPs with a missing date.

I identified some NSP changes that indicate that the ICPs are not all dedicated as previously thought and this will need further investigation to ensure that this flag is applied correctly.

Management of the pricing area has been moved to the connections team and this is expected to provide the level of focus needed to improve compliance in this area. All new price category codes created during the audit period were updated to the registry compliantly.

The volume of not readily locatable addresses has continued to decrease, reducing by 50% again during the audit period. This is further evidence of Counties Power continued focus on improving compliance.

I thank Leah and team for their co-operation during the audit.

This audit found ten non-compliances and makes two recommendations. The audit risk rating score has reduced from 30 to 16. This reflects the improved controls in place and indicates that the next audit be due in 12 months. I have considered this in conjunction with Counties Power's comments and recommend that the next audit be in 14 months time.

PARTICIPANT RESPONSE

Counties Power have reviewed this report and provided comments in the body of the report. No further commentary was provided.