

ELECTRICITY INDUSTRY PARTICIPATION CODE DISTRIBUTOR AUDIT REPORT

For

ELECTRA

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EXECUTIVE SUMMARY

This distributor audit was performed at the request of Electra (ELEC) as required by clause 11.10 of Part 11, to assure compliance with the Electricity Industry Participation Code 2010. The relevant rules audited are as required by the Guidelines for Distributor Audits V7.2 issued by the Electricity Authority

Compliance practices appear to have improved in some areas from the last audit, particularly correcting location addresses, ICP to NSP mapping and management of the new status. for example. The endeavour put into registry information clean-up was evident. The gains achieved during this audit period need to be consolidated and controls developed further in order to improve future compliance outcomes. The new audit compliance summary report was introduced during the audit and it is suggested that it can be used as part of the routine compliance monitoring being developed. The new connection application and ICP creation processes operate well.

The audit found 7 non-compliances an improvement of 3 from the last audit.

The main issues identified during this audit were:

1. Timeliness of the population of and missing Initial Electrical Connection Date
2. Missing information in the registry for UML and distributed generation
3. A high number of ICPs with inactive ready for decommission status

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. Table 1 of the Guidelines for Reconciliation Participant audit provides some guidance on this matter. The Future Risk Rating score is 15 which results in an indicative audit frequency of 12 months. We agree with this result.

We thank Electra's staff for their full and complete cooperation in this audit.

Audit period was 26 May 2019 to 24 October 2019

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)	Some information in the registry inaccurate and requires correction or is not populated at all	Moderate	Low	2	Identified
Requirement to correct errors	2.2	11.2(2)	Incorrect data is identified for some registry fields and corrected but, in some cases, it is identified late and results in backdating transactions in the registry. The IECD needs to be updated at within the required time frame	Moderate	Low	2	Identified
Timeliness of provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Initial Electrical Connection Date (IECD) is not recorded for 47.4% of new ICPs. Some IECD populated in the registry are incorrect	Weak	Low	3	Identified
Changes to registry information	4.1	8 of Schedule 11.1	A number of registry information updates were greater than 3 business days from the event date.	Moderate	Low	2	Identified
ICP location address	4.4	2 of Schedule 11.1	For 551 ICPs the address descriptions do not allow ICPs to be readily located	Moderate	Low	2	Identified
Distributor to provide ICP	4.6	7(1)(m)(o) (p) of	Incorrect or missing information in the	Moderate	Low	2	Identified

information to the registry manager		Schedule 11.1	registry for ICP addresses, UML, distributed generation and IECD				
Management of “decommissioning” status	4.11	20 of Schedule 11.1	A high number of ICPs (302) with inactive ready for decommission status in the registry. A number of these have been in this status for over 5 years.	Moderate	Low	2	Identified
Future Risk Rating						15	

Future risk rating	1-2	3-6	7-9	10-19	20-24	25+
Indicative audit frequency	36 months	24 months	18 months	12 months	6 months	3 months

RECOMMENDATIONS

Subject	Section	Recommendation	Description
			Nil

ISSUES

Subject	Section	Issue	Description
			Nil

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

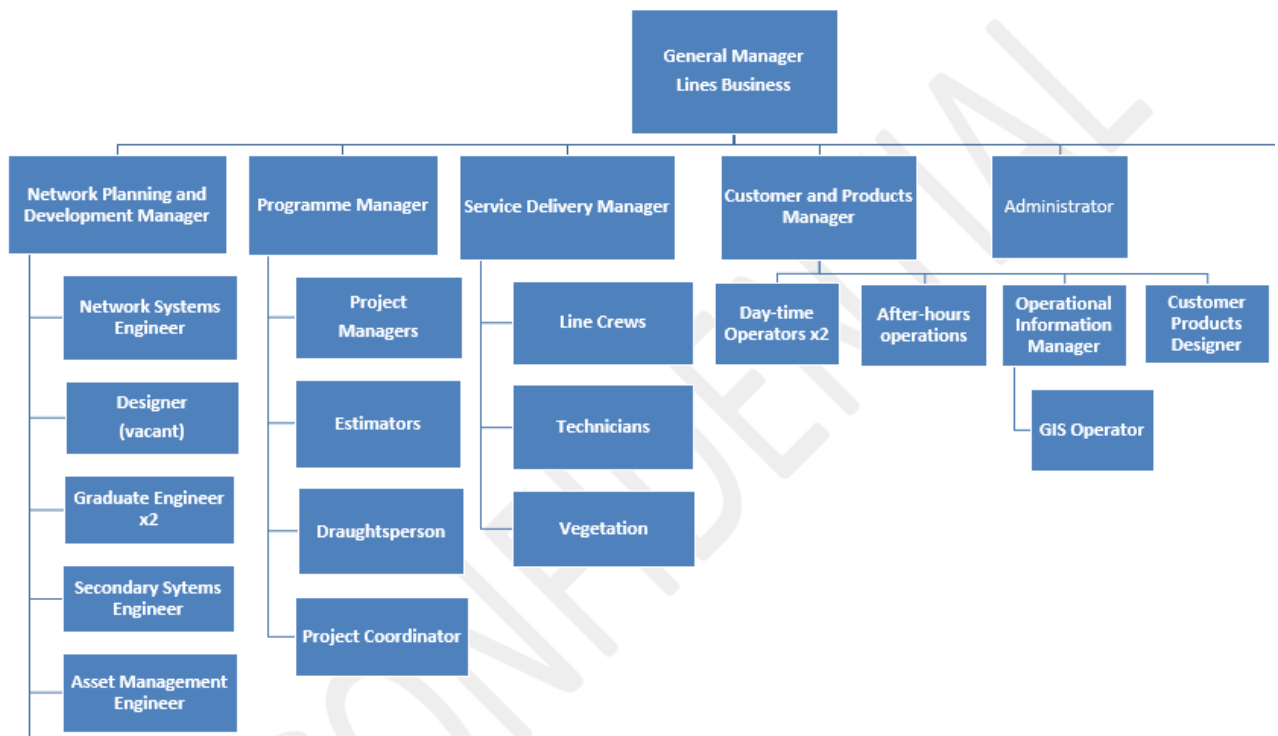
Audit observation

It was discussed with Electra and it was confirmed that there are no exemptions in place which are relevant to the scope of this audit.

Audit commentary

As above.

1.2. Structure of Organisation



1.3. Persons involved in this audit

Name	Title	Company
Mark Branagh	Network Planning Engineer	Electra
Anahwim Arreola	GIS Operator	Electra
Leon van Greuning	Operation Information Manager	Electra
Allan Borcoski	Electricity Authority Approved Auditor	Borcoski Energy Services Ltd

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 contractors 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

There are no contractors who assist with, or are used in, the Electra operations that were audited.

Audit commentary

During the audit, we did not identify any contractors which assist Electra to meet their obligations relevant to the scope of this audit.

1.5. Supplier list

WindMil software is provided by Milsoft Utility Solutions.

1.6. Hardware and Software

WindMil is used to store information about network configurations and the location of ICPs.

1.7. Breaches or Breach Allegations

No breaches or alleged breaches were recorded.

1.8. ICP and NSP Data

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
ELEC	MHO0331	MANGAHAO			MHO0331ELECGN	GN	1/05/11	17,205
ELEC	PRM0331	PARAPARAUMU			PRM0331ELECGN	GN	1/05/08	27962

Status	Number of ICPs (29/10/19)	Number of ICPs (03/05/19)	Number of ICPs (2018)	Number of ICPs (2017)
New (999,0)	1	17	4	12
Ready (0,0)	32	56	47	61
Active (2,0)	45,167	45,009	44,602	44,305
Distributor (888,0)	0	0	0	0
Inactive – new connection in progress (1,12)	35	25	40	22
Inactive – electrically disconnected vacant property (1,4)	771	734	768	776
Inactive – electrically disconnected remotely by AMI meter (1,7)	126	118	66	78
Inactive – electrically disconnected at pole fuse (1,8)	9	4	3	2
Inactive – electrically disconnected due to meter disconnected (1,9)	13	10	8	5
Inactive – electrically disconnected at meter box fuse (1,10)	3	3	1	0
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	302	406	386	332
Inactive – reconciled elsewhere (1,5)	0	0	0	0
Decommissioned (3)	2,365	2,201	2,136	2,120

1.9. Authorisation Received

Electra provided a letter of authorisation to the auditors permitting the collection of data from other parties for matters directly related to the audit.

1.10. Scope of Audit

The audit covers the following processes under clause 16A.23 of Part 16A, performed by Electra, as listed below:

- (a) -The creation of ICP identifiers for ICPs
- (b) -The provision of ICP information to the registry and the maintenance of that information
- (c) - The creation and maintenance of loss factors

The audit was carried out on the Electra premises, at cnr Bristol Street & Exeter Street in Levin, on 30–31 October 2019. We have followed the Guidelines for Distributor Audits version 7.2, published by the Authority, as at the report date.

1.11. Summary of previous audit

The previous audit was conducted in 28/05/2018 by Ewa Glowacka of TEG & Associates. A number of non-compliances were identified. They are listed below:

Subject	Section	Clause	Non Compliance	Comment
Audit required if participant makes material changes	1.12	16A.11(1)	Material change audit not conducted	Not applicable
Requirement to provide complete and accurate information	2.1	11.2(1)	Some information in the registry still must be corrected or populated	Still exists
Requirement to correct errors	2.2	11.2(2)	Incorrect data is corrected but, in some cases, it is identified late and results in backdating transactions in the registry	Still exists
Timeliness of provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	The Initial Electrical Connection Date was not recorded before 10 business days in the registry for 215 (88.8%) new connection ICPs created since the last audit	Still exists
Management of “new” status	3.13	13 of Schedule 11.1	Incorrect application of “new” status	Cleared

Changes to registry information	4.1	8 of Schedule 11.1	Some updates to network, pricing information were done later than 3BD.	Still exits Improved
Notice of NSP for each ICP	4.2	7(4) of Schedule 11.1	22 ICPs had incorrect NSP assigned	Cleared
ICP location address	4.4	2 of Schedule 11.1	For 469 ICPs the address descriptions do not allow ICPs to be readily located	Still exits Improved
Distributor to provide ICP information to the registry manager	4.6	7(1) of Schedule 11.1	Incorrect or missing information in the registry for UML, Initial Electrical Connection Date, NSPs	Still exits Improved
Management of "decommissioning" status	4.11	20 of Schedule 11.1	The date of notification from trader of decommissioning is used as an event date instead an actual date when equipment was physically removed.	Still exits Improved

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

A check of the Audit Compliance Summary Report 2019 for the audit period, the LIS file 29 October 2019. We discussed with Electra staff what processes were in place to ensure accurate information was provided to the registry.

Audit commentary

There was significant improvement in the accuracy of data uploaded into the registry at ICP creation, for example location addresses, ICP to NSP mapping and management of the ready status. However, the most significant issue is Electra not be able to populate the Registry with the Initial Electrical Connection Date (IECD) in the timeframe. This then becomes a discrepancy in the registry (potentially a non-compliance) that then requires significant effort to resolve at a later date.

There are also other data accuracy issues such UML and distributed generation records.

During the audit Electra was introduced to the Audit Compliance report. It is suggested that Electra make use of this report to assist with dealing with this issue until a more robust resolution is found to address this.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2(1) From: 26-May-19 To: 24-Oct-19	Some information in the registry inaccurate and requires correction or is not populated at all Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls recorded controls as moderate as some elements have improved since the last audit due to additional exception reporting and data correction plans implemented. Audit risk rating is assessed as low due to the steps above reducing the number of ICPs affected. Minor impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
The Audit compliance report is run on a weekly basis.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Items in the Audit compliance report are validated against the previous report to check on the progress against the previous report		Ongoing	

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

A check of the Audit Compliance Summary Report 2019 for the audit period, the LIS file 29 October 2019. We discussed with Electra staff what processes were in place to identify incorrect information in their systems and the registry, and the process to correct that data as soon as practicable.

Audit commentary

There has been good progress during the audit period in correcting historical data discrepancies in the registry in the areas of addresses, decommissioning ICPs in the ready state for more than 24 months, distributed generation capacity and fuel type, IECD, and ICP to NSP mapping. Exception reporting has been developed to identify discrepancies in these areas and the efforts to correct registry information have been noted. However, there are still significant data discrepancies in registry information. For example, there are still a significant number of addresses that need some additional information added to make them useful. Over 40% of IECD dates were not populated for ICPs connected during the audit period. These will then have to be identified in exception reporting and followed up and corrected. We found a significant number of distributed generation ICPs had the incorrect installation type populated in the registry with fuel type or capacity also missing. There were also UML ICPs with no load details.

Whilst improvement has been evident in this area during the audit period, there are still significant data discrepancies in registry data that need to be addressed. It is important that the effort and gains achieved during the audit period are continued. In the case of IECD capturing this date at the time of ICP connection needs to be addressed. It is suggested the exception reporting needs to be broadened to capture more of the registry data discrepancies.

The Audit Compliance Summary report was introduced to Electra during the audit. It is suggested this will be a useful tool to use as part of the monitoring and exception reporting process.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 2.2</p> <p>With: 11.2(2)</p> <p>From: 26-May-19</p> <p>To: 24-Oct-19</p>	<p>Incorrect data is identified for some registry fields and corrected but, in some cases, it is identified late and results in backdating transactions in the registry. The IECD needs to be updated at within the required time frame to avoid it becoming a data correction problem and non-compliant</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate because some processes are not fully developed. Audit risk rating is recorded as low because there is a minor impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
The Audit compliance report is run on a weekly basis.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Items in the Audit compliance report are validated against the previous report to check on the progress against the previous report		Ongoing	

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 connections process was reviewed and discussed with Electra staff

Audit commentary

Retailers apply to Electra for new ICP connections to the network via email. Electra monitor the email inbox constantly. The application is logged in a spreadsheet along with ICP information such as customer, address, retailer and request date. Electra check the proposed connection in the GIS system to confirm the physical location address and if network assets and capacity are available. If no work is required to connect the ICP and the retailer has provided all information required, then it will be approved. The ICP will be created and loaded into WindMil along with the other information required to be uploaded to the registry. The retailer is notified with the ICP (by email). The retailer will then engage an Electra approved contractor to make the connection to the network.

If work is required to establish a new connection, then the customer via the retailer will be asked to contact an Electra approved contractor to prepare a quote for the work to be completed. Once the customer agrees and pays a deposit for the work to go ahead, the connection is approved and the ICP is created and issued as per the standard process.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The Audit Compliance Report, LIS report 29 October 2019 and EDA report were checked for the audit period and discussed with Electra staff. The new connections process was also checked.

Audit commentary

New ICPs and their attributes are recorded in WindMil. A 7 pm daily file updates the registry with the new ICP information.

We checked 12 ICPs that were randomly selected from ICPs created during the audit period to confirm Electra populated the registry with ICPs prior to commencement of trading. There were no issues found and most ICPs were uploaded to the registry the day they were created.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

The distributor, within 3 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 Audit Compliance Report, LIS report 29 October 2019 and EDA report were checked for the audit period and discussed with Electra staff. The new connections process was also checked.

Audit commentary

The new connection process is documented and followed by Electra.

Retailers apply to Electra for new ICP connections to the network. The application is logged in a spreadsheet along with ICP information such as customer, address, retailer and request date. WindMil is also populated with the information required to be uploaded to the registry. The retailer provides all the information Electra requires to establish a new ICP so once that information is processed by Electra, an ICP is created in the registry and assigned the status of ready. We checked 12 ICPs that were randomly selected from ICPs created during the audit period to confirm Electra responded to the retailer with the ICP within 3 business days. There were no issues found and most ICP requests were respond to in the same day.

Audit outcome

Compliant

3.4. 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 Audit Compliance Report, LIS report 29 October 2019 and EDA report were checked for the audit period and discussed with Electra staff. The new connections process was also checked.

Audit commentary

New ICPs and their attributes are recorded in WindMil. A 7 pm daily file updates the registry with the new ICP information

12 new ICPs were randomly selected and data checked both in WindMil and the registry and no issues were found.

Audit outcome

Compliant

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The Audit Compliance Report, LIS report 29 October 2019 and EDA report were checked for the audit period and discussed with Electra staff.

1. 152 ICPs were made active in the registry during the audit period
2. 72 ICPs (47.4%) of those ICPs had no IECD populated in the registry
3. Of the IECDs populated in the registry during the audit period 13 were input more than 10 days after the IECD date
4. 3 ICPs have IECD dates that differ from the metering commissioning date.

Audit commentary

The Electra authorised new connection contractors no longer install metering., and this work is now completed by a separate contractor. The Electra contractor tries to co-ordinate the physical network connection with the metering contractor, but this cannot always be achieved.

Electra has implemented a work completion reporting process with its contractors however there is no consistency of report delivery as one contractor provides same day reports and another provides monthly reports. Hence the delays in updating the IECD in the registry for some ICPs. Exception reporting is then used to identify the missing IECDs and update them. There is evidence of batch updates of IECD dates occurring.

Retailers manage the physical new connection work engaging the authorised connection contractor and arranging the metering; however, it does not provide any completion information to Electra. To improve this situation Electra now requires the retailer to nominate the authorised

contractor they intend to use so Electra can follow up the completion information. This was implemented during the audit period.

We checked 12 randomly selected ICPs that had been recently connected and found 5 ICPs where Electra had not received any information from a contractor at the time. 1 ICP had the incorrect date provided, the permanent connection date rather than the temporary connection was made prior. The remaining 6 ICPs had the IECD provided in the contractor report and were updated in the registry as required. The IECD information is entered into WindMil and is uploaded to the registry with the daily file.

During the audit Electra was introduced to the Audit Compliance report. It is suggested that Electra make use of this report to assist with exception reporting in this area.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 26-May-19 To: 24-Oct-19	Initial Electrical Connection Date (IECD) is not recorded for 47.4% of new ICPs. Some IECD populated in the registry more than 10 days after the event Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as weak. Whilst improvements have been made such as exception reporting and improving contractor reporting it has yet to significantly improve timeliness and quality of data. Impact on settlement outcomes is minor therefore audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Run the new Audit Compliance report on a weekly basis.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Requirement in the ICP request process added for the Retailer to provide the details of their livening agent. This will allow Electra to follow up with the nominated person			

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 LIS file 29 October 2019, EDA file for the audit period were checked and the new connection process was reviewed and discussed with Electra staff.

Audit commentary

Retailers apply to Electra for new connections and ICPs. This ensures the proposed retailer is recorded in the registry at the time of the initial upload of an ICP to the registry.

Audit outcome

Compliant

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

The new connection process was reviewed and discussed with Electra staff.

Audit commentary

Retailers apply to Electra for new connections and ICPs. This request inherently provides Electra with the request to connect the ICP to the network. Once the connection to the network is approved by Electra it issues the ICP to the retailer permitting the retailer to engage one of Electra's approved and authorised contractors to connect and live the ICP onto the network.

Shared unmetered load is not allowed to be connected onto the Electra network.

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

This was discussed with Electra staff.

Electra has not been asked to temporarily electrically connect any installation.

Audit commentary

ICPs are not electrically connected to the network by Electra staff. Electra authorise approved contractors to carry out connection work on its network. Retailers issue the job requests to the authorised contractor to connect and live ICPs onto the network.

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 5 business days of connecting the NSP that is not a point of connection to the grid, advise the reconciliation manager of the following in the prescribed form:

- *the NSP that has been connected*
- *the date of the connection*
- *the participant identifier of the MEP for each metering installation for the NSP*
- *the certification expiry date of each metering installation for the NSP.*

Audit observation

A check of the NSP table in the registry shows that Electra did not have any NSP on its network that was not a point of connection to the grid during the audit period

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 10.30(A)

Code related audit information

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

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

Audit observation

A check of the NSP table in the registry confirmed Electra did not have any NSP on its network that is not a point of connection to the grid during this audit period.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

A check of the Audit Compliance Summary Report the LIS file 29 October 2019 and new connection process was completed. This area was also discussed with Electra staff.

Audit commentary

A MS Access database tool is used to create a unique sequential number combined with the distributor code “EL” to create each ICP Identifier on the Electra network. We verified that the tool creates ICPs with the correct 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

A check of the Audit Compliance Summary Report the LIS file 29 October 2019 and new connection process was completed. This area was also discussed with Electra staff.

Audit commentary

All ICPs have a single loss category assigned.

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

This part was non-compliant at the last audit.

A check of the Audit Compliance Summary Report the LIS file 29 October 2019 and new connection process was completed. This area was also discussed with Electra staff.

Audit commentary

The new connection process is documented and followed by Electra.

Retailers apply to Electra for new ICP connections to the network. The retailer provides all the information Electra requires so once that information is processed by Electra an ICP is created in the registry and assigned the status of ready. Electra does not use the “new” status in the registry.

There was one ICP with “new” status in the registry. This is a historical anomaly and it is suggested this ICP should be decommissioned after consultation with a customer.

Previous issues with incorrect registry status at ICP creation have been resolved

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

A check of the Audit Compliance Summary Report and the LIS file 29 October 2019 identified: Two ICP records in the registry that have remained in the “ready” status for more than 24 months.

One ICP record in the registry that has remained in the “new” status for more than 24 months.

Audit commentary

Electra monitor the “new” and “ready” statuses based on the last audit recommendation.

We checked correspondence between Electra and retailers that queried the current status of a list of ICPs. The retailers responded after some prompting with updates of which ICPs could be decommissioned.

The two ICPs in the “ready” status identified above were requested by the retailer to be remain in the ready status.

The one ICP in the “new” status identified above has no retailer populated in the registry. We suggest Electra physically visit the address to confirm the ICP stats and decommission it if appropriate.

Audit outcome

Compliant

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

We checked the LIS file 29 October 2019.

Audit commentary

Electra has an embedded generation station of 37 MW capacity on its network. ICP 0110007806EL3CF Mangahao Power Station. It has the unique loss category code assigned (MHO1).

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

The new connections process was reviewed and discussed with Electra.

Audit commentary

Once provided with the ICP by Electra, retailers arrange the physical connection of ICPs to the network using approved Electra contractors that are authorised by Electra to carry out connection work on the network. The contractors are inherently authorised by the retailer and Electra to connect to the network.

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 3 business days after the change takes effect, unless the change is to the NSP identifier of the NSP to which the ICP is usually connected (other than a change that is the result of the commissioning or decommissioning of an NSP).

In those cases, notification must be given no later than 8 business days after the change takes effect.

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

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

Audit observation

The Audit Compliance Summary Report and the EDA file for the audit period identified:

Activity	Total number of updates		No of updates later than 3BD		Date range of updates [BD]	
	2019 (Oct)	2019 (May)	2019 (Oct)	2019 (May)	2018 (Oct)	2019 (May)
Address	1,137	513	20 (1.8%)	130 (25.3%)	4 to 2496	Up to 5133
Network	400 (IECD) Existing ICP	259(IECD) Existing ICP	399(99.8%)	77(29.7%)	11 to 2103	Up to 81
	834 (others)	1,246 (others)	25 (3%)	357 (28.6%)	4 to 1263	Up to 2261
Pricing	503	1,120	40 (8%)	262 (23%)	4 to 721	Up to 2607
Status (3)	72	52	43 (59.7%)	38 (73%)	6 to 1508	Up to 1373

Audit commentary

There was significant improvement in the timeliness of the registry information updates reviewed for addresses, pricing and distributed generation. However not for IIECD registry updates and the improvement to decommissioned ICP status was also only slight. There was a focused effort by Electra to correct historical address and IECD information during the audit period. The address/NSP exception reporting is run weekly and discrepancies identified corrected. This was discussed with Electra and it was noted that correcting historical information contributed to some of the discrepancies along with requests from retailers to backdate event dates.

Information changes in the registry are made using a combination of the WindMil registry interface and the Registry web browser interface.

The new Audit Summary Report will also assist with exception reporting in this area.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of Schedule 11.1 From: 26-May-19 To: 24-Oct-19	A number of registry information updates were greater than 3 business days from the event date. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate as some exception reporting is place and appears to be having a positive effect. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Time is set aside on a weekly basis to focus on correcting the addresses		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Most of the hard to find addresses are historic of nature. There are controls in place to not repeat.		Ongoing	

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

This was found non-compliant at the last audit

A check of the Audit Compliance Summary Report for the audit period and the LIS file for 29 October 2019 identified no incorrect NSP assignments to ICPs. In addition, 25 ICPs that were created and made active during the audit period checked in the registry and found to have correct NSP assignments in the registry.

Electra has two NSPs on its network, PRM0331 and MHO0331.

Audit commentary

Following the last audit an exception report has been implemented that identifies if an ICP is assigned to the incorrect NSP. This report is run weekly and any discrepancies corrected. We have verified the exception reporting process is in place and the improved results suggest it is performing as expected.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

Queries are received typically by phone or retailer email service request. Emails are usually responded to on the same day. Phone queries about ICPs are usually dealt with immediately

Audit commentary

Retailers manage the new connection process, so customers rarely contact Electra directly. Queries from electricians or retailers seeking ICP information or clarification are handled by the call centre initially and more difficult issues are dealt with by the GIS operators who manage the ICPs within Electra.

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

A check of the Audit Compliance Summary Report for the audit period and the LIS file identified: 551 active ICPs with duplicate addresses were found.

Audit commentary

Further analysis showed that there were only 89 actual duplicate addresses due to the following reasons:

- 447 ICPs did not have the street number field populated. 93 of these ICPs had the street number populated in the unit number field.
- 6 other ICPs had farm names populated in the property name field
- 7 ICPs were part of a retirement village identified in the property name field
- 2 ICPs were part of a marae according to the property name field

Even though there were easily explained reasons why the ICP addresses were duplicated, they would still not allow the ICPs to be readily located.

Electra have been putting some effort into identifying and correcting addresses in the registry since the last audit. Exception reporting has been developed and a plan is in place to check and correct the addresses. To avoid incorrect addresses at ICP creation, the location of each proposed connection is checked in the GIS system to confirm its exact location and street number.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: 2 of Schedule 11.1 From: 26-May-19 To: 24-Oct-19	For 551 ICPs the address descriptions do not allow ICPs to be readily located Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating:2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because exception reporting has been developed along with a plan to correct the addresses. No impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
A script is written on the source database "MilSoft" to identify problem addresses. In some cases, a site visit is required to resolve the issue. Many are historic and is difficult to find and correct.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Much effort is put into the ICP request process with the retailer to ensure we have the required information prior to issuing the ICP		Ongoing	

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

Code reference

Clause 3 Schedule 11.1

Code related audit information

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

Audit observation

The new connections process was reviewed and discussed with Electra.

Audit commentary

The network connection process requires every proposed connection to the network (ICP) to be verified against the GIS to ensure it has a discrete disconnect point and connection to the network prior to an ICP being created.

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

A check of the Audit Compliance Summary Report for the audit period and the LIS file identified:

1. 89 ICPs with duplicate addresses
2. No UML load details in the distributor field in the registry for 27 active ICPs
3. 124 ICPs with distributed generation connected with incorrect installation type, with 123 having no generation capacity or fuel type
4. Initial Electrical Connection Date (IECD) the number of new connections since the last audit (May 2019) was 152 with IECD not recorded in the registry for 72 of them (47.4 %)

Audit commentary

We examined the non-compliances further and found the following.

1. Electra has a plan in place to correct ICP addresses in the registry. An exception report has been developed to identify address discrepancies. We note that Electra has made 1129 address changes in the registry during the audit period.
2. A number of anomalies appear within this group of ICPs. Including load having been removed, and the load now being metered. We suggest this group of ICPs is reviewed and the status updated in the registry.
3. During the audit period we noted Electra updated 72 ICP records in the registry with the distributed generation fuel type and generation capacity. However, the connection type was not updated for 11 of those ICPs.
4. Retailers arrange the physical connection of ICPs to the network using approved Electra contractors that are authorised by Electra to carry out connection work on the network. Electra have experienced difficulty with Retailers providing IECD information post connecting new ICPs. Electra have implemented a new monthly reporting regime where the authorised network contractors report back work completion information to Electra directly. This will include the date a new connection was made to the network and the date the ICP was energised. Electra trusts this will improve this problem.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: 7(1)(m)(o)(p) of Schedule 11.1 From: 26-May-19 To: 24-Oct-19	Incorrect or missing information in the registry for ICP addresses, UML, distributed generation and Initial Electrical Connection Date Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating:2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because during the audit evidence was produced showing process changes and exception reporting to identify errors and correct them earlier. Plans are in place to correct historical errors. Minor impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Scripts are being developed to compare fields in the data source in order to identify any fields not aligned. These scripts will be run on a weekly basis initially		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Electra have implemented a new weekly reporting regime where the authorised network contractors report back work completion information to Electra directly. This will include the date a new connection was made to the network and the date the ICP was energised.		Ongoing	

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

- the actual price category code assigned to the ICP (Clause 7(3)(a) of Schedule 11.1)

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

Audit observation

The new connections process was reviewed and discussed with Electra. The audit compliance summary pricing update sheet (new ICP) was checked and showed no discrepancies.

Audit commentary

Electra assigns the actual price category code to the ICP at the time an ICP identifier is created and uploaded to the registry. Electra's network charges are not based on chargeable capacity.

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 LIS file of 29 October 2019 was checked.

Audit commentary

Electra do not populate GPS coordinates in the registry. This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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 new connection process and LIS and EDA files were checked. The LIS file for 29 October 2019 showed that Electra had 32 ICPs at “Ready” status in the registry.

Audit commentary

ICPs are requested by retailers. When a new ICP is uploaded to the registry the proposed trader is recorded.

A single price category code is assigned to the ICP in the registry when the ICP creation is uploaded to the registry

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

The LIS file dated 29/10/2019 was checked.

Audit commentary

There were no ICPs with the status of “distributor” representing shared unmetered load during this audit period. Electra does not allow the connection of shared unmetered load on its network.

There were no ICPs with the status of “distributor” representing a connection to an embedded network during this audit period.

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 process of decommissioning ICPs was checked using the Audit Compliance Summary Report, the LIS file and data provided by Electra for the audit period.

At 29 October 2019 there were 302 ICPs with “*inactive-ready for decommissioning*” status in the registry compared with 406 at 3 May 2019. Since the last audit 164 ICPs have had their status changed to “*decommissioned*” in the registry.

Audit commentary

There has been noticeable improvement in this area since the last audit.

Electra have a documented process that is followed although they have experienced difficulty in getting retailers to provide updates and details of decommissioned ICPs. Customers and contractors request ICP decommission (permanent disconnections from the network) via their retailer. Retailers arrange the physical decommission of ICPs using approved Electra contractors that are authorised by Electra to carry out decommission work on the network. Retailers notify Electra with the completion date and other information about the decommission work completed and request the ICP status in the registry be changed to decommissioned. However, this notification has not always been timely or complete.

Electra have made several changes to the decommission process to improve this situation based on recommendations and feedback from the last audit.

1. A generic shared email inbox (rather than a personal email) has been set up for incoming retailer requests. The inbox is constantly monitored and retailer requests such as decommissions, and associated information are now processed daily in most cases.
2. Monitoring has been put in place to identify ICPs that have registry status “*inactive-ready for decommissioning*”. These are being actively followed up with retailers to identify the actual physical status and the date an ICP was disconnected from the network. An ongoing task to address historical backlogs has been implemented.
3. New monthly reporting has been put in place with Electra approved contractors that requires the contractors provide information about the work Retailers have asked them to complete on the network. This includes physical ICP decommission dates for example.

Evidence was provided by Electra of emails to retailers requesting ICP decommissioning dates and the responses from the retailers during the audit period. A number of these ICPs had their status changed to decommissioned in the registry prior to the start of the on-site audit, a check post audit shows most of that particular ICP list have had their status changed to decommissioned in the registry.

Electra have demonstrated their intention to address previous short comings in this area by implementing a number of process improvements. Despite these improvements there were still 302 ICPs with “inactive ready for decommission” status, some dates going back to 2013. Effort is required to reduce this number substantially.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.11 With: 20 of Schedule 11.1 From: 26-May-19 To: 24-Oct-19	A high number of ICPs (302) with inactive ready for decommission status in the registry. A number of these have been in this status for over 5 years. Potential impact: Low Actual impact: Low Audit history: Last Audit Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate due to the improvements made to the process. No impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Regular communication with the retailers		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Establishment of a process to be followed for decommissioning of ICP's		Ongoing	

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 2 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 Codes table in the registry was checked.

Audit commentary

The Price Category Code table in the registry was checked and no new Price Category Codes were created in the registry during this audit period.

Electra introduced 6 new Price Codes to the registry on 17/01/2019 that took effect on 01/04/2019. The new price codes have been applied to ICPs in the registry during the audit period.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

The Loss Code table held by the registry was checked during this audit.

Audit commentary

Electra did not update any or create any new Loss Category Codes to the registry during the audit period.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

Each loss category code must have a maximum of 2 loss factors per calendar month. Each loss factor must cover a range of trading periods within that month so that all trading periods have a single applicable loss factor.

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

Audit observation

The Loss Factor table held by the registry was checked during this audit.

Audit commentary

Loss factors have a single value for all trading periods for a year. There are no seasonal loss factor codes for summer or winter. Electra has not changed any loss factors since 2011.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

We checked the NSP table in the registry. During the audit period Electra did not create a new or decommission an NSP.

Audit commentary

We confirmed by checking the NSP table in the registry that no new NSP was created and no NSP was decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

The request must be made at least 10 business days before the NSP is electrically connected, in respect of an NSP that is an interconnection point between 2 local networks. In all other cases, the request must be made at least 1 month before the NSP is electrically connected or the ICP is transferred.

Audit observation

Electra has not created a new NSP as described in the previous section during the audit period, therefore the reconciliation manager was not asked to create a unique NSP identifier.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

During the audit period Electra did not create any new NSPs.

Audit commentary

As above Compliance was not assessed.

Audit outcome

Not applicable

6.4. We 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

During the audit period Electra did not create any new NSPs or transfer an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor.

Audit commentary

During the audit period Electra did not become the owner of embedded network and it is unlikely that it ever will.

Audit outcome

Compliant

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

We examined the NSP mapping table in the registry.

Audit commentary

Electra has two balancing areas, MHO0331ELECGN and PRM0331ELECGN. There were no changes to balancing areas.

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

During this audit period Electra did not transfer any ICPs that became an NSP for an embedded network.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

During this audit period Electra did not transfer any ICPs.

Audit commentary

As above

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 1 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

During this audit period Electra did not have any NSPs which they are responsible for that are not connections to the grid.

Audit commentary

This clause is not applicable to Electra. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 10.25(2)

Code related audit information

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

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

Audit observation

During this audit period Electra did not have any NSPs which they are responsible for that are not connections to the grid.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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 1 month notification is required before the acquisition (Clause 29(2) of Schedule 11.1).

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

Audit observation

During this audit period, Electra did not acquire all or part of a new network.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Electra is not responsible for any embedded network.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Electra did not establish any embedded network since the last audit.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Electra did not establish any embedded network since the last audit.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

We reviewed the LIS file dated 02/10/2019 to assess if there is any shared unmetered load connected to the network.

Audit commentary

Electra has no shared unmetered load on its network. The company policy is not to allow the installation of shared unmetered load.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

Electra does not allow shared unmetered load to be connected on its network. The LIS file dated 02/10/2019 was reviewed. There is no shared unmetered load as per section 7.1.

Audit commentary

This clause does not apply to Electra. Compliance was not assessed.

Audit outcome

Not applicable

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

There has been no change to the loss factors during this audit period and they remain at 1.071 for all general ICP, the same as they were for the previous audit.

Audit commentary

Electra uses rolling losses calculated over the last 12 months. There have been no changes to the loss factor code since 2006. Electra's network losses are 6.60% We confirmed that Electra published the loss factor and network losses on their website (in the pricing schedule).

Audit outcome

Compliant

CONCLUSION

PARTICIPANT RESPONSE