

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**

For

**ELECTRA**

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Date audit commenced: 9 May 2019

Date audit report completed: 24 May 2019

Audit report due date: 25-May-19

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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 V7.0 issued by the Electricity Authority

The audit found 10 non-compliances and has two recommendations. The process for creating ICP identifiers works well. An automated interface between WindMil and the registry was implemented, which is good news, but no material audit was conducted before implementation. The business rules within this interface act as preventative controls.

The overall level of compliance has decreased since the last audit. The company is still lacking detective controls to allow them to identify and correct errors between audits in order to mitigate non-compliances.

The main issues identified during this audit are:

- Management of the registry updates
- Embedded generation– update from contractors when solar is connected
- Population of Initial Electrical Connection Date
- ICP location addresses
- Accuracy of uploading information for new ICPs and using correct ICP 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 30 which results in an indicative audit frequency of 3 months. Our recommendation is 4 months.

We thank Electra's staff for their full and complete cooperation in this audit. Their response to any request for information or clarification was answered in a timely manner and each time in depth, supporting evidence was provided.

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Audit required if participant makes material changes	1.12	16A.11(1)	Material change audit not conducted	None	Low	5	Identified
Requirement to provide complete and accurate information	2.1	11.2(1)	Some information in the registry still must be corrected or populated	Moderate	Low	2	Identified
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	Moderate	Low	2	Identified
Timeliness of provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Initial Electrical Connection Date is not recorded for 51.8% new ICPs, some dates are incorrect	Weak	Low	3	Identified
Management of "new" status	3.13	13 of Schedule 11.1	Incorrect application of "new" status	Weak	Low	3	Identified
Changes to registry information	4.1	8 of Schedule 11.1	Some updates to network, pricing information were done later than 3BD.	Moderate	Low	2	Identified
Notice of NSP for each ICP	4.2	7(4) of Schedule 11.1	12 ICPs had incorrect NSP assigned	None	Low	4	Identified
ICP location address	4.4	2 of Schedule 11.1	For 510 ICPs the address descriptions do not allow ICPs to be readily located	Weak	Low	3	Identified
Distributor to provide ICP information to the registry manager	4.6	7(1)(m)(o)(p) of Schedule 11.1	Incorrect or missing information in the registry for UML, Initial Electrical Connection Date, NSPs	Weak	Low	3	Identified

Management of “decommissioning” status	4.11	20 of Schedule 11.1	For some ICPs the date of decommissioning is incorrect	Weak	Low	3	Identified
Future Risk Rating						30	

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
Monitoring “new” and “ready” statuses	3.14	Monitor ICPs with the status “new” and “ready” every 3 months	Electra only monitors ICPs with the status “new” and “ready” older than 24 months
Management of “decommissioned” status	4.11	Create a generic email to be used for communication between Electra and traders in relation to ICPs to be decommissioned in the registry	Clarification of status of ICPs to be decommissioned and notifications of ICPs to be decommissioned are addressed to a personal email

## ISSUES

Subject	Section	Issue	Description

## 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.*

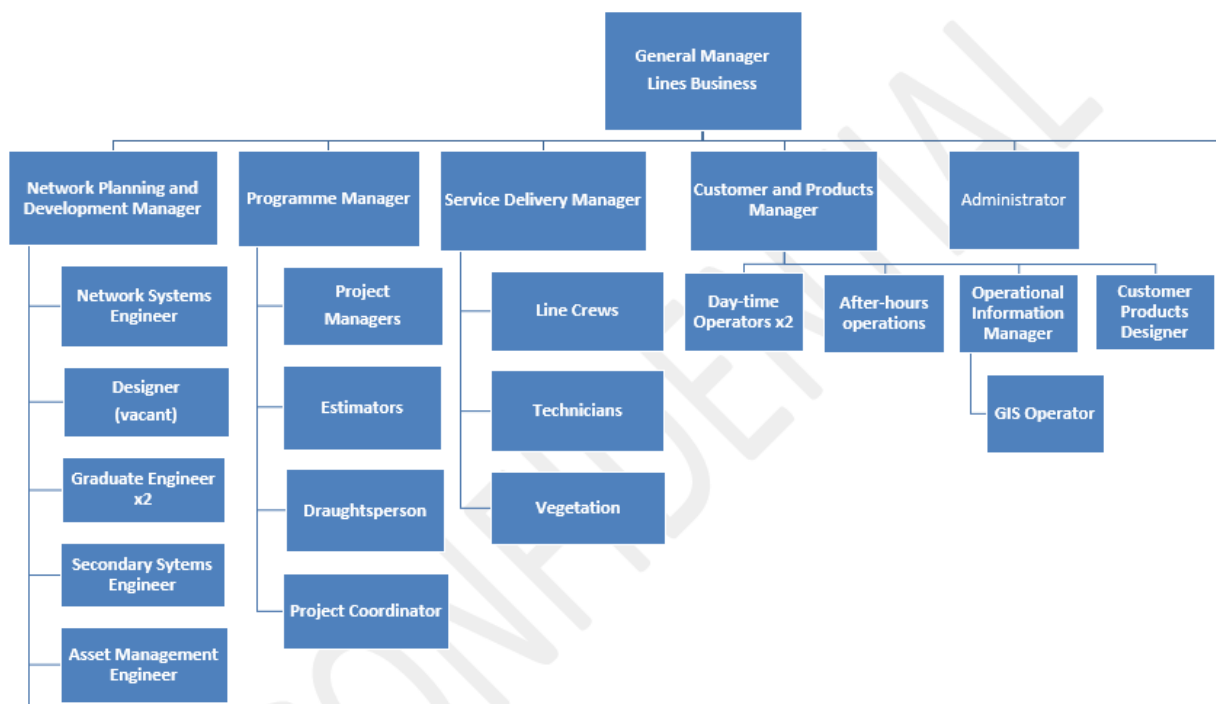
#### Audit observation

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

We checked the Electricity Authority website and confirm that there are no exemptions in place.

### 1.2. Structure of Organisation



### 1.3. Persons involved in this audit

Name	Title	Company
Mark Branagh	Network Engineer	Electra
Anahwim Arreola	GIS Operator	Electra
Leon van Greuning	Operation Information Manager	Electra
Ewa Glowacka	Electricity Authority Approved Auditor	TEG & Associates 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	17,734
ELEC	PRM0331	PARAPARAUMU			PRM0331ELECGN	GN	1/05/08	28,648

Status	Number of ICPs (03/05/19)	Number of ICPs (16/04/18)	Number of ICPs (23/08/17)	Number of ICPs (2016)
New (999,0)	17	4	12	11
Ready (0,0)	56	47	61	49
Active (2,0)	45,009	44,602	44,305	43,826
Distributor (888,0)	0	0	0	0



Inactive – new connection in progress (1,12)	25	40	22	17
Inactive – electrically disconnected vacant property (1,4)	734	768	776	771
Inactive – electrically disconnected remotely by AMI meter (1,7)	118	66	78	83
Inactive – electrically disconnected at pole fuse (1,8)	4	3	2	2
Inactive – electrically disconnected due to meter disconnected (1,9)	10	8	5	1
Inactive – electrically disconnected at meter box fuse (1,10)	3	1	0	0
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	406	386	332	283
Inactive – reconciled elsewhere (1,5)	0	0	0	0
Decommissioned (3)	2,201	2,136	2,120	2,090

### 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 the 9/10 May 2019. We have followed the Guidelines for Distributor Audits version 7.0, 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
Requirement to provide complete and accurate information	2.1	11.2(1)	Some information in the registry still must be corrected or populated	Still exits
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 exits
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 exits
Changes to registry information	4.1	8 of Schedule 11.1	Some updates to network, pricing information were done later than 3BD.	Still exits
Notice of NSP for each ICP	4.2	7(4) of Schedule 11.1	22 ICPs had incorrect NSP assigned	Still exits
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
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
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

#### 1.12. Audit required if participant makes material changes (Clause 16A.11)

##### Code reference

Clause 16A.11

##### Code related audit information

*(1) If there is a material change to any of a participant's systems or processes that are the subject of regular audits under clause 10.17A, 11.8B, 11.10, 15.37A or 15.37B, the participant must arrange for an additional audit, which must be completed in accordance with this Part no later than 5 business days before the change is implemented.*

*(2) For the purposes of subclause (1), a material change to a system or process is a change that is likely to affect the ability of the participant to comply with any relevant provision of this Code.*

##### Audit observation

Clause 16A.11(1) requires Electra to arrange and submit a material change audit to the Authority no later than 5 business days before the change is implemented. In November last year Electra implemented a new interface to the registry between WindMil and the registry. A material change audit was not conducted. Electra did not use the test registry for testing its interface. No dummy ICPs were introduced to the registry, the company used existing ICPs for testing.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 1.12 With: 2 of Schedule 11.1  From: 01-Nov-18 To: 30-Apr-19	Material change audit not conducted  Potential impact: Medium Actual impact: Low Audit history: None Controls: None Breach risk rating:5		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as none. Minor impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

## 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

Compliance with these clauses was reviewed to assess if all practicable steps had been taken to provide accurate information.

#### Audit commentary

The level of compliance in this area has decreased since the last audit. More information can be found in the following sections, such Initial Electrical Connection Date (**section 3.5**), incorrect NSPs assigned (**section 3.9**), incorrect status (**section 3.13**).

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2(1)  From: 01-May-18 To: 30-Apr-19	Some information in the registry still must be corrected or populated  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	We recorded controls as moderate. The level of compliance has decreased since the last audit. Audit risk rating is assessed as low because of the small number of ICPs effected. Minor impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
		ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
		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

We went through the EDA file provided by Electra for the period 01/05/18 to 30/04/19 to assess if the company identified that, if information provided was inaccurate, it was corrected as soon as practicable.

### Audit commentary

Electra does not have many processes to identify and correct errors between audits. The company's focus is to implement business rules within the interface between WindMil and the registry. Once ICPs are loaded not much detective controls are in place. Some areas such as addresses or management of ICPs "electrically disconnected-ready for decommissioning" are a low priority.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.2 With: 11.2(2)  From: 01-May-18 To: 30-Apr-19	Incorrect data is corrected but, in some cases, it is identified late and results in backdating transactions in the registry  Potential impact: Low  Actual impact: Low  Audit history: Multiple times  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate because some processes are not fully developed. The electronic interface to the registry improved the quality of data. 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
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	



### 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 process of creating an ICP identifier (new connection) was examined.

##### Audit commentary

A trader can ask, on behalf of its customer for two types of connections. A connection which can be connected without additional work being done by a network and a connection which requires additional cabling or line work to be done before the connection can occur.

For a basic connection, a customer contacts a chosen trader, who then requests an ICP from Electra. Traders, or their agents, request a new ICP via emails which are then archived.

Electra does not have a prescribed format for new network connection applications. The ICP identifier is issued, loaded into WindMil then to the registry. The requesting trader is notified via email.

For a connection that requires additional work, a customer first contacts an Electra approved contractor. A quote is prepared, accepted by the customer and, once a deposit is paid, then customer contacts a chosen trader who requests Electra to create a new ICP identifier.

##### 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 new connection process was examined. The EDA file for the period covered by this audit was examined.

##### Audit commentary

The registry is updated daily. We have chosen 15 ICPs using judgement based methodology and confirm that all ICP identifiers were created and uploaded before the commencement of trading.

##### 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 EDA file for the period covered by this audit was examined.

#### Audit commentary

An ICP identifier is requested by a trader chosen by a customer or its agent. Electra maintains a spreadsheet in which it records all new ICPs. The spreadsheet stores information about a customer such as address, the trader requested and a date of request. Since the last audit Electra issued about 500 new ICPs. We sampled 20 ICPs using judgement based methodology and confirm all of them were issued within 3 business days. If extra information is required Electra contacts the trader for clarification.

#### 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

We reviewed the LIS and the EDA file for the period 01/05/18 to 30/04/19 to assess compliance. The new connection process was examined.

#### Audit commentary

Since the last audit, Electra changed the process for the way in which ICPs are uploaded to the registry. The new ICP is recorded in WindMil and uploaded to the registry using the newly created interface.

#### 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 EDA file for the period covered by this audit was reviewed to assess compliance.

#### Audit commentary

468 new ICPs were uploaded to the registry. The Initial Electrical Connection Date was not recorded for 227 ICPs (51.8%).

The Initial Electrical Connection Date is recorded for 259 ICPs, of which 30% is uploaded later than 10 BD. Electrical connection is done by approved Electra contractors on request of traders. One contractor notifies Electra, by email, of an electrical connection the same day as it occurs. Another contractor sends notifications at the end of each month, in the form of a spreadsheet, which shows an address and date of electrical connection.

We randomly picked 23 new connections and compared the date of Electrical Connection recorded in the registry with the date from the contractor notification, the date of meter installation, and the date the status was made "active" by a trader. For 8 ICPs the dates were the same but for 15 of them they were different. They are shown in the table below.

It was discussed with Electra. The reason that the Initial Electrical Connection Date and the date of meter being installed is different is because the installation is "visited" by two contractors. One of them hangs a meter, then after a few days another contractor put fuses in. It would appear that traders use the date populated by MEPs, not the date of actual electrical connection. It is a result of changes made, by traders, of which contractors they use. Previously contractors were certified both to hang a meter and put fuses in.

ICP	Initial Electrical Connection Date	ICP made "active" by a trader	MEP date
0110010924ELB9A	28/05/18	23/05/18	23/05/18
0110010921EL6D5	14/12/18	17/05/18	17/05/18
0110010925EL7DF	09/05/18	14/05/18	14/05/18
0110010930EL03D	01/06/18	31/05/18	31/05/18
0110010940EL560	15/06/18	08/06/18	08/06/18
0110010946EL4EF	12/06/18	05/06/18	05/06/18
0110010947EL8AA	08/06/18	05/06/18	05/06/18
0110010951EL388	01/06/18	31/05/18	31/05/18
0110010958ELDD9	19/06/18	13/06/18	13/06/18
0110010962EL8B0	07/11/18	08/06/18	08/06/18
0110011241ELB8B	01/03/19	28/02/19	28/02/19
0110011276EL1B9	01/02/19	31/01/19	31/01/19
0110011287ELDEB	12/02/19	07/02/19	07/02/19
0110011316EL74D	01/03/19	22/02/19	22/02/19
0110011324EL030	01/03/19	28/02/19	28/02/19

We also identified that for some ICPs (0110010945EL82F, 0110010960EL835, 0110010965EL57A, and 0110011120ELB3D), the Initial Electrical Connection Date was the date of a change from BTS to permanent, which is incorrect.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1  From: 01-May-18 To: 30-Apr-19	Initial Electrical Connection Date is not recorded for 51.8% new ICPs, some dates are incorrect.  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Weak  Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	Controls are recorded as weak. There are no good controls in place to monitor if information was recorded in the registry and the correctness 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
Retailers have been emailed requesting the livening agents for connections. To date only 1 has responded. Further requests to the retailers will be made.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Monthly audits of active ICPs will be undertaken to determine all IED information has been received. On discovery of incomplete information follow-up with the retailer to determine the livening agent, then pursuit of the livening agent for information will be undertaken.		ongoing	

### 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 3.1**.

### Audit commentary

At the time of initial upload of an ICP, a proposed trader is always recorded in the registry because it is requested by a trader.

### Audit outcome

Compliant

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

### Code reference

Clause 10.31

### Code related audit information

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

### Audit observation

The new connection process was examined in **section 3.1**.

### Audit commentary

Traders request new ICPs which requests them to connect them to its network.

Shared unmetered load is not allowed on 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

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

### Audit commentary

Electra does not electrically connect ICPs. It is done by contractors nominated by traders, who are authorised to work on their 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

Electra does not have any NSP on its network that is not a point of connection to the grid.

### 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

Electra does not have any NSP on its network that is not a point of connection to the grid.

### 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:*

*xxxxxxxxxxxccc 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. We also examined the LIS file provided by Electra.

#### Audit commentary

There is a unique distributor code “EL” as part of each ICP Identifier on the Electra network.

#### 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 LIS registry file dated 03/05/19 was examined.

#### 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

The new connection process was examined and the LIS file.

### Audit commentary

All ICPs are requested by traders therefore Electra uploads all information to the registry, which assigns the status “ready”.

The analysis of the LIS file showed some anomalies. We noted 12 ICPs with the status “new”, which was unusual. 10 ICPs already had the Initial Electrical connection date recorded but the “new” status did not allow Contact to pick up the ICPs. It was discussed with Electra, who explain that WindMil reversed the ICPs status from “ready” to “new”, which was overlooked. It was corrected during the audit and Contact picked up almost all of the ICPs. Electra visited some sites and confirmed that they were electrically connected and at least one billed by a trader.

ICP	Status at 3/5/19	IECD	Electra corrected the status to "ready"	CTCT changed the status to "active"
0110011048ELFDD	New	17/12/18	13/05/19	22/05/19
0110011128EL929	New	5/10/18	13/05/19	20/05/19
<b>0110011137ELC5A*</b>	New	18/10/18	13/05/19	
0110011156ELFEF	New	20/11/18	7/05/19	20/05/19
<b>0110011175ELE7A*</b>	New	24/01/19	13/05/19	
0110011224EL934	New		13/05/19	14/05/19
0110011227EL5F4	New		13/05/19	14/05/19
0110011228ELA2A	New	20/12/18	14/05/19	14/05/19
0110011340ELECA	New	14/03/19	13/05/19	20/05/19
0110011395ELEC7	New	16/04/19	13/05/19	15/05/19
0110011267EL751	New	4/02/19	13/05/19	14/05/19
0110011233ELE53	New	20/12/18	13/05/19	13/05/19

\*Installations are electrically connected but not claimed by Contact Energy.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.13 With: 13 of Schedule 11.1 From: 01-Aug-18 To: 30-Apr-19	Incorrect application of “new” status Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as weak. There is no robust process to monitor ICPs status. Electra relies on traders to notify them when an ICP has an incorrect status. Impact on settlement outcomes is minor because of the small number of ICPs therefore audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
ICPs changed from New to ready			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Additional logic was added to the DC-010 file generation script to ensure proposed trader was not removed from future updates.		Feb 2019	

### 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 LIS file dated 01/05/18 was examined to assess compliance.

#### Audit commentary

At the time of audit, 5 ICPs held the status “new”, which were also created more than 24 months ago. The number of ICPs with the status of “Ready” is 13. The “oldest” ICP was created in 2014. Electra contacts traders to ask for confirmation but often there is no reply.

Electra monitors only ICPs with the status “new” and “ready” older than 24 months. Our recommendation is to consider a process to review ICP status say, every 3 months. It could allow the identification and correction of problems described in **section 3.13**.

#### Audit outcome

Compliant

Recommendation	Description	Audited party comment	Remedial action
Monitor ICPs with the status “new” and “ready” every 3 months	Electra only monitors ICPs with the status “new” and “ready” older than 24 months	Recommendations will be implemented and 3 monthly checks will be completed.	

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

#### Code reference

*Clause 7(6) Schedule 11.1*

#### Code related audit information

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

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

#### Audit observation

We examined the LIS file dated 03/05/2019.

#### Audit commentary

Electra has an embedded generation station that has a capacity of 37 MW on its network. It is Mangahao Power Station, its ICP is 0110007806EL3CF. It has individual loss generation category 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 connection process was examined.



**Audit commentary**

Any electrical connections on the Electra network are authorised by reconciliation participants. Electricians conducting such work are on behalf of traders.

**Audit outcome**

Not applicable

## 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 13<sup>th</sup> 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

We examined the EDA file for the period of 01/05/18 to 30/04/19 to assess compliance. The results are shown below:

Activity	Total number of updates		No of updates later than 3BD		Date range of updates [BD]	
	2018	2019	2018	2019	2018	2019
Address	513	956	130 (25.3%)	134 (14.3%)	Up to 4918	Up to 5133
Network	529 (IECD)	259(IECD)	58 (2.1%)	77(29.7%)	Up to 1522	Up to 81
	586 (others)	1,246 (others)	472 (80%)	357 (28.6%)	Up to 4909	Up to 2261
Pricing	1,438	1,120	973 (67.7%)	262 (23%)	Up to 2495	Up to 2607
Status (3)	8	52	8 (100%)	38 (73%)	Up to 1444	Up to 1373

#### Audit commentary

**Pricing** – This time the number of late updates is significantly lower than last year. The majority (85.4%) of price category code changes are done within 10 BD. The majority of updates are done using the interface between WindMil and the registry.

**Network** - The timeliness of updates to network information has improved. The exception is the Initial Electrical Connection date which is discussed on **section 3.5**.

**Addresses** –The correction of addresses done manually goes back to the date of ICP creation. It was discussed with Electra and the comment was that, in some cases, it is the correction of an error.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of Schedule 11.1  From: 01-May-18 To: 30-Apr-19	Some updates to network and pricing information were done later than 3BD  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; a more detective controls needs to be designed. 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
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to work on updating price information within 3BD from request of retailer.			

#### 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 LIS file and new connection process was examined. Electra has two NSPs on its network, PRM0331 and MHO0331.

##### Audit commentary

In **section 4.6** we identified that 12 ICPs had the incorrect NSP assigned, which is noted as no-compliance. It has been noted in the last two audits. The number of incorrectly assigned NSPs to ICPs has decreased from 22 to 12. The concern is that some ICPs with incorrectly assigned NSPs were created this year. WindMil has no built in validation to check if the correct NSP was assigned.

##### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.2 With: 7(4) of Schedule 11.1  From: 01-May-18 To: 30-Apr-19	12 ICPs had incorrect NSP assigned  Potential impact: Low  Actual impact: Low  Audit history: Multiple times  Controls: None  Breach risk rating: 4		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as weak. There is no follow up process to check this. Electra has only two NSPs which are not interconnected. Audit risk rating recorded as low because all errors were corrected. No impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
Incorrect ICP's were identified and corrected.		23/5/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
A script will be run manually every month to identify any ICP linked to the incorrect NSP. The script is written and was used to extract the information about the ICP's which were corrected		23/5/2019	

#### 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

Any request from a customer for advice on an ICP for an existing connection is answered immediately, while the customer is on the phone.

##### Audit commentary

Calls from customers do not happen often but Electra receives many phone calls from traders or electricians asking them to confirm an ICP or asking for additional information or clarification.

##### 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 LIS file dated 03/05/19 was examined.

##### **Audit commentary**

We identified 228 ICPs with identical addresses and 330 ICPs for which the address description does not allow them to be readily located. It has been recorded previously as a non-compliance. The number of ICPs identified as non-complaint has increased since the last audit.

This time in our assessment we included both “active” and “inactive” ICPs. We found 64 ICPs (32 pairs) for which the address was identical but the status for one of them was “active” and for another one was “electrically disconnected-ready for decommissioning”. There were also a few pairs of ICPs with the status “active” and “inactive disconnected”. It was discussed during the audit. Our view is that one of the reasons for having “doubled ICPs” for the same address is a mismanagement of the “decommissioning” status by Electra.

In total 510 (19 ICPs were in both categories) ICPs could not be readily located. No GPS coordinates are recorded in the registry which, in this case, would be of assistance.

##### **Audit outcome**

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: 2 of Schedule 11.1 From: 01-May-18 To: 30-Apr-19	For 510 ICPs the address descriptions do not allow ICPs to be readily located 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	The controls are recorded as weak, the addresses are corrected as an operator comes across them, but it is not a structured project. No impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Work was undertaken throughout the year to address the issue of hard to locate ICPs. The remaining ICPs will require a site visit to determine the exact location.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
More work to be completed to determine locations, and more monitoring of ready for decommissioning ICPs to be undertaken.			

#### 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

It was discussed during the audit.

##### Audit commentary

There are no known situations where an ICP could not be de-energised without the de-energisation of another ICP.

##### 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 LIS and Metering Information files (PR-255) dated 03/05/19 were examined to assess compliance.

#### **Audit commentary**

We identified the following areas where information was incomplete or missing:

1. No UML details in the "Unmetered Load Details – distributor" field in the registry for 13 ICPs but traders recorded daily units. Price category codes indicates that UML is connected.
2. 191 ICPs have Import/Export meters installed and programmed as EG. No information recorded by Electra. It is a worse result than that noted in the last audit (59). 111 ICPs were identified in the last audit.
3. Initial Electrical Connection Date – The total number of new connections since the last audit was 438. The date is not recorded for 227 ICPs (51.8%).
4. 12 ICPs assigned to an incorrect NSP like PRM0331 instead MHO0331 and vice versa. Both NSPs form separate balancing areas therefore reconciliation volumes are affected by inaccuracy. The last audit recorded 21. It was described in **section 4.2**.

#### **Audit outcome**

Non-compliant



Non-compliance	Description		
Audit Ref: 4.6 With: 7(1)(m)(o)(p) of Schedule 11.1  From: 01-May-18 To: 30-Apr-19	Incorrect or missing information in the registry for UML, Initial Electrical Connection Date, NSPs Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating:3		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as weak. The same non-compliance was identified multiple times. The number of ICPs with no IECD and EG recorded has increased since the last audit. Minor impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Import/Export meter installations are being compared to our approved installations and retailers/installers being emailed for confirmation of installation. Once this I received the correct date can be populated for installation of the DG.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
More regular monitoring of the metering file to determine if Import/Export meters have been installed.			

#### 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 examined.

#### **Audit commentary**

As a part of the new connections process, Electra assigns the actual price category code to the ICP at the time an ICP identifier is created. 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 was analysed.

#### **Audit commentary**

Electra did 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 EDS files were examined.

#### **Audit commentary**

As described in **section 3.1**, ICPs are requested by traders. At the time of uploading a new ICP to the registry a proposed trader is recorded, and a single price category code assigned.

#### **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 03/05/19 was examined.

##### Audit commentary

There are no ICPs with the status of “distributor” representing shared unmetered load or a connection to an embedded network. Electra does not allow the connection of shared unmetered load.

##### 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 examined.

##### Audit commentary

Electra decommissions an ICP upon trader instruction. A contractor representing the trader goes on site and physically disconnects the installation, removes meters and removes fuses to make the installation safe. Electra does not monitor changes to the status of an ICP to “electrically disconnected- ready for decommissioning”, the company is not always notified that their equipment was removed by a contractor.

As per **section 1.10**, currently 408 ICPs have the status “inactive-ready for decommissioning” assigned by traders, the number is steadily increasing. As described in **section 4.4**, there are a number of connections

with the same address , different status' and two ICPs. On most cases one of them has the status "inactive-ready for decommissioning".

Since the last audit, the status of 44 ICPs was changed to "decommissioned". The last audit identified non-compliance because the date of notification from trader of decommissioning is used as an event date instead of the actual date that the equipment was physically removed. We confirm that it is still happening. Electra provided correspondence with traders for 16 ICPs, for 5 ICPs the date of decommissioning recorded in the registry by Electra as the event date was different to the date provided by the trader.

Overall the process for the decommissioning of ICPs is not robust and does not provide confidence that compliance is met. The correspondence with traders confirming removal of Electra equipment from a connection is informal, often documentation from a contractor confirming disconnection is not attached to an email. The correspondence is addressed to a personal email and is therefore not actioned in a timely manner and is difficult to trace.

The decommissioning of ICPs is not a high priority for Electra.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.11 With: 20 of Schedule 11.1  From: 01-May-18 To: 30-Apr-19	For some ICPs the date of decommissioning is incorrect  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Weak  Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as weak, it needs to be re-engineered. No impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
More monitoring of ICP status to determine and action sooner 'ready to decommission' ICPs. As Electra do not make the physical disconnection this can cause some problems getting confirmation of the physical disconnection from the retailer.			

Recommendation	Description	Audited party comment	Remedial action
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Create a generic email to be used for communication between Electra and traders in relation to ICPs to be decommissioned in the registry	Clarification of status of ICPs to be decommissioned and notifications of ICPs to be decommissioned are addressed to a personal email	Further training of retailers to send all ICP related correspondence to newcons@electra.co.nz.	
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#### 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 examined.

##### Audit commentary

Electra introduced 6 new Price Codes to the registry.

Code	Description
AA	Uncontrolled - medium user
AF	Fixed price - medium user
XTF	Fixed daily price
XTN	Time of use
XTO	Time of use
XTP	Time of use

New Price Category Codes were uploaded to the registry on 17/01/2019, they took effect on 01/04/19.

##### 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 reviewed during this audit.

#### Audit commentary

Electra did not upload any new Loss Category Codes to the registry since the last audit.

#### 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 Code table held by the registry was reviewed during this audit.

#### Audit commentary

Loss factors have a single value for a whole year, which cover a range of trading periods. There are no seasonal loss factor codes for summer or winter. Electra has not changed 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 examined the NSP mapping table in the registry. Since the last audit Electra did not create a new, or decommission, an NSP.

#### Audit commentary

Based on examination of the NSP mapping table in the registry it was confirmed that no new NSP was created and no NSP was decommissioned since the last audit.

#### 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 since the last audit, as described in the previous section, 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**

Electra did not create any new NSP in the last 12 months.

#### **Audit commentary**

Electra has not created any new NSP. It is very unlikely that it ever will. 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**

Electra did not create any new NSP 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**



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**

Electra did not establish any 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

Electra did not transfer any ICPs.

### Audit commentary

Electra has not transferred any ICPs. There are no such plans to do so in the future.

### 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

Electra does not have any NSPs that are not connections to the grid for which they are responsible.

### 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**

Electra does not have any NSPs that are not connections to the grid for which they are responsible.

#### **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**

In the last 12 months, 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**

[Click here to choose outcome from the drop down list.](#)

### **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**

[Click here to choose outcome from the drop down list.](#)

### **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 03/05/2019 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

The LIS file dated 03/05/2019 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.

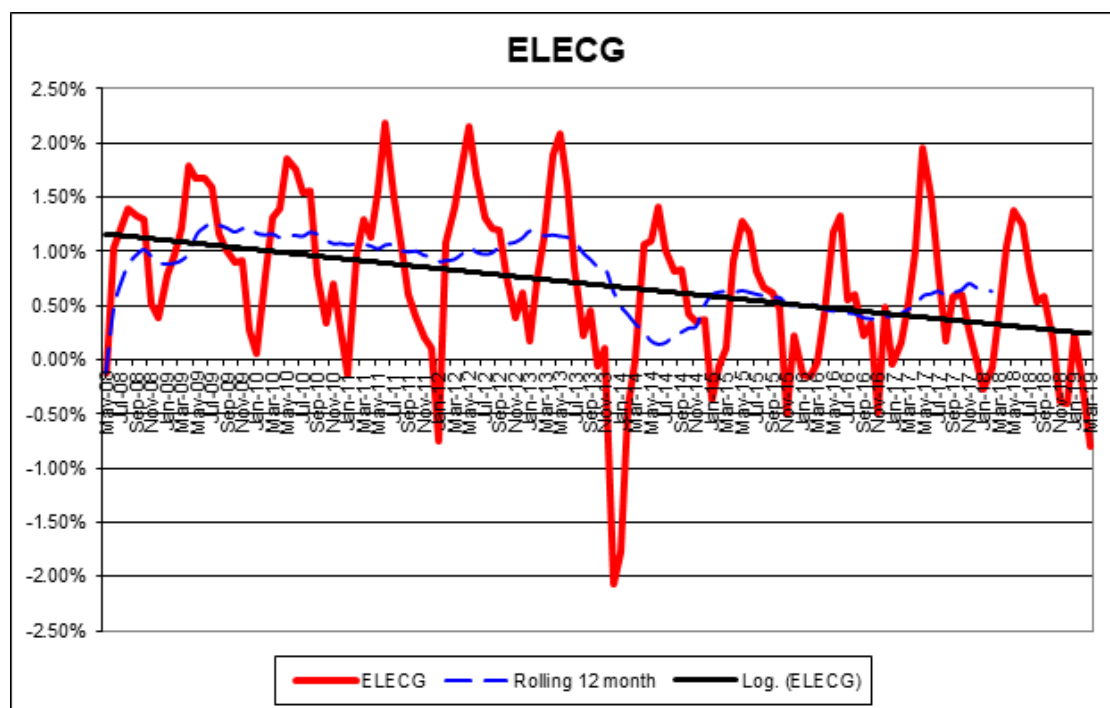
#### Audit observation

The loss factor is calculated as the difference between the delivered units, as reported by Transpower, and the units submitted by traders to the reconciliation manager. They are classed as reconciliation losses; they contain both technical and non-technical losses.

#### Audit commentary

Electra uses rolling losses calculated over the last 12 months. There have been no changes to the network configuration so there have been no changes to the loss factor code since 2006. Electra's network losses are published on their website, which are 6.60%.

Electra closely monitors reconciliation losses and UFE on its network. The below graph shows UFE:



According to the Guidelines, UFE is expected to be within  $\pm 1\%$  over the course of any 12 months period. The 14 month UFE is currently sitting at around 0.6%. It is quite consistent from mid-2015. Nearly 79% of installations on the network are metered using smart meters.

#### Audit outcome

Compliant



## CONCLUSION

## PARTICIPANT RESPONSE